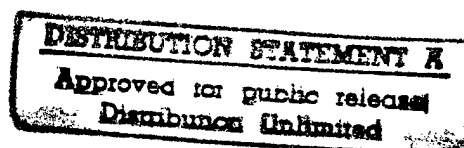


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Law on Bulgarian National Bank

91BA0880A Sofia DURZHAVEN VESTNIK
in Bulgarian No 50, 25 Jun 91 pp 1-6

["Text" of Law on the Bulgarian National Bank, adopted by the Grand National Assembly on 6 June and signed by Chairman Nikolay Todorov]

[Text]

Ukase No. 199
of President of the Republic Zhelyu Zhelev
issued in Sofia on 17 June 1991
and sealed with the state seal

On the basis of Article 84, Paragraph 1, and Article 92, Item 8 of the Constitution of the Republic of Bulgaria, I hereby decree that the Law on the Bulgarian National Bank, adopted by the Grand National Assembly on 6 June 1991, be published in DURZHAVEN VESTNIK.

LAW ON THE BULGARIAN NATIONAL BANK

Chapter 1

General Provisions

Article 1. (1) The Bulgarian National Bank is the central bank of the Bulgarian Republic. It is a juridical person.

(2) The Bulgarian National Bank reports its activities to the National Assembly.

Article 2. (1) The main task of the Bulgarian National Bank is to maintain the internal and external stability of the national monetary unit. To this effect, it formulates and implements a national monetary and credit policy and assists in the creation and support of efficient payment mechanisms.

(2) The Bulgarian National Bank has the exclusive right to issue bank notes in the country.

(3) The Bulgarian National Bank regulates and supervises the activities of the other banks in the country, with a view to maintaining the stability of the banking system.

Article 3. In determining the general trends in monetary and credit policies, the Bulgarian National Bank and the Council of Ministers exchange information on their intentions and actions.

Article 4. (1) In accordance with the performance of its functions, the Bulgarian National Bank may demand of banks and other financial institutions any documents or information and conduct pertinent investigations.

(2) The Bulgarian National Bank may not make public or provide other individuals with information it has received if it constitutes banking or commercial secrets pertaining to banks or other participants in monetary circulation and credit relations.

Article 5. The Bulgarian National Bank may participate organizationally and financially in international organizations whose purpose is the development of international cooperation in the areas of currency or monetary and credit policy, and may participate in its own behalf in steps taken by such organizations, should this be in the interest of the Bulgarian Republic.

Article 6. (1) The head office of the Bulgarian National Bank is in Sofia. The bank may have branches and agencies.

(2) The Bulgarian National Bank has a seal with its name and a depiction of the state emblem of the Bulgarian Republic.

Chapter 2

Basic Capital and Reserves

Article 7. (1) The basic capital of the Bulgarian National Bank is 200 million leva.

(2) At the time of the enactment of this law, the bank's funds in excess of the basic capital, as stipulated in Paragraph 1, must be deposited into the bank's Reserve Fund.

Article 8. (1) The Reserve Fund consists of the withheld amount of 25 percent of the annual surplus of the bank's revenue over expenditures. The assets of this fund are used to cover bank losses.

(2) After withholding the required amount for the Reserve Fund and for unrecoverable or questionable receivables from the annual surplus of revenue over expenditures, the appropriate amounts are deposited in the various special-purpose funds established by decision of the Administrative Council.

(3) The remainder of the annual surplus of the bank's revenue over expenditures is deposited annually as state budget revenue, within four months of the end of the fiscal year.

Article 9. (1) Should the assets in the financial statement of the Bulgarian National Bank drop below the amount of its obligations and paid basic capital, the minister of finance will transfer to the bank interest-bearing securities issued by the Council of Ministers in the amount needed to cover the shortage. Said securities must be repaid from the annual surplus of the bank's revenue over expenditures.

(2) The procedure as per Paragraph 1 for covering the shortage is applied exclusively when the bank's reserve-fund assets have been exhausted.

Chapter 3

Management, Leadership, and Personnel

Article 10. The management and the leadership of the Bulgarian National Bank are provided by the Administrative Council, the Plenary Council, and the governor [upravitel].

Article 11. The Administrative Council consists of the bank's governor, three deputy governors, and five department heads (directors). The members of the bank's Administrative Council must be Bulgarian citizens.

Article 12. (1) The governor and the deputy governors of the Bulgarian National Bank are elected by the National Assembly for five-year terms. The other members of the Administrative Council are appointed for five-year terms by the president of the Republic upon proposals submitted by the bank governor.

(2) The governor may not serve more than two terms.

Article 13. (1) In assuming their positions, the governor, the deputy governors, and the remaining members of the Administrative Council take oaths to obey the laws, to assist in the implementation of the functions assigned to the bank, and to refrain from divulging bank and commercial secrets.

(2) The governor and the deputy governors are sworn in at the National Assembly; the other members of the Administrative Council are sworn in in the presence of the bank's governor.

Article 14. The members of the Administrative Council may not engage in any paid activity other than working as associates in scientific institutes or teachers in educational establishments.

Article 15. (1) The mandates of the bank's governor, the deputy governors, and the other members of the Administrative Council may be withdrawn before their terms are ended only if they have been sentenced by a court for a malicious crime of a general nature or have been prevented from exercising their functions for more than one year.

(2) If a member of the Administrative Council leaves the council before the expiration of his mandate, the competent authority as per Article 12 appoints a new member for the remainder of the term.

Article 16. (1) The Administrative Council meets at least once every month. The meeting is convened by the bank's governor or at the request of no fewer than three of its members, with a written summons.

(2) The meetings of the Administrative Council are chaired by the bank's governor or, in his absence, by a deputy governor designated by him.

Article 17. The Administrative Council:

1. Discusses and makes decisions on the exercise of monetary and credit policy;

2. Adopts legal acts related to the bank's activities;

3. Determines interest rates relative to bank operations;

4. Determines the percentage of the minimal reserve banks must retain and the conditions and requirements relative to said reserves;

5. Sets standards and requirements governing banking activities;

6. Determines the structure of the bank, the tasks of its services, and the authority of its personnel;

7. Makes decisions on introducing or terminating bank activities and on issuing securities;

8. Opens and closes bank's branches and agencies;

9. Makes decisions on the issuing of new bank notes and determines the time after which bank notes are no longer legal tender, and the time within which the withdrawn bank notes are to be replaced;

10. Determines the type of securities and conditions under which said securities can be accepted as collateral;

11. Defines the procedure and authority in writing off as a loss uncollectable claims of the Bulgarian National Bank;

12. Makes decisions on the participation of the Bulgarian National Bank in international organizations and in measures and activities exercised by said organizations;

13. Makes decisions on issuing and terminating licenses for engaging in banking activities in the country;

14. Considers and resolves other matters related to bank activities.

Article 18. (1) The Administrative Council has a quorum if more than one-half of its members are present.

(2) Resolutions are passed by a simple majority of the members present. If the votes are evenly divided, the decisive vote is that of the governor or, in his absence, the deputy governor who chairs the Administrative Councils.

(3) No abstention in voting is allowed.

Article 19. (1) The Plenary Council of the Bulgarian National Bank consists of the Administrative Council of the bank and of six noted specialists in the currency, financial, economic, and scientific areas, appointed by the bank's governor to three-year terms.

(2) The bank's Plenary Council formulates the basic trends in the monetary and credit policies and ratifies the annual bank report and budget.

(3) The Plenary Council is convened by the bank's governor or by demand of one-third of its members.

(4) The Plenary Council has a quorum if two-thirds of its members are present.

(5) The provisions of Article 15, of Article 16, Paragraph 2, and of Article 18, Paragraph 2 apply to the Plenary Council, as well.

Article 20. The governor of the Bulgarian National Bank organizes, manages, and supervises the bank's activities and represents it in the country and abroad. He may assign some of his rights to other officials.

Article 21. The Administrative Council may set up permanent or temporary consultative councils that may include representatives of industry, agriculture, commerce, and banks and other economic areas.

Article 22. (1) Internal control over the bank's financial activities is exercised by a chief auditor appointed by the bank's Administrative Council with the approval of the chairman of the General Accounting Office [Smetnata Palata].

(2) The chief auditor:

1. Checks the annual financial report and the periodical reports submitted by the bank;

2. Issues conclusions on the profit and loss statements and the bank's budget;

3. Checks the books and the bank's storage areas and safes;

4. Submits to the Administrative Council reports on audits and issues recommendations on the correction of established violations.

Article 23. (1) In assuming their positions, the personnel of the Bulgarian National Bank must sign statements to the effect that all of their activities will loyally serve the interests of the bank and safeguard banking and commercial secrets.

(2) The bank personnel must maintain the secrecy of talks, deals, amounts of client deposits and operations, and information obtained by the bank, as well as matters related to the bank's work and the work of its clients that are classified as official or trade secrets.

(3) The remuneration of the bank's personnel is set by the Administrative Council but may not be lower than the average remuneration of officials performing similar functions in other banks in the country.

Chapter 4

Monetary Unit, Bank Notes, and Coins

Article 24. The monetary unit of the Bulgarian Republic is the leva, divided into 100 stotinki.

Article 25. (1) The Bulgarian National Bank has the exclusive right to put bank notes and coins into circulation.

(2) The bank notes issued by the bank are legal tender and are mandatorily accepted in payment to their full nominal value without limitations.

(3) The Bulgarian National Bank ensures the printing of bank notes and the minting of coins, and the security and protection of bank notes and coins not in circulation, as well as the protection and destruction of bank notes and coins withdrawn from circulation.

(4) The nominal value, content, form, and design of bank notes and coins put into circulation by the bank are determined by the Council of Ministers.

(5) Before putting a new bank note or a coin into circulation, the bank publishes in DURZHAVEN VESTNIK and other information media its exact description.

Article 26. After having informed the public in advance, via DURZHAVEN VESTNIK and other information media, the Bulgarian National Bank may withdraw from circulation any bank notes and coins issued by it after redeeming their nominal value. Such bank notes and coins, after the time limit stipulated by the bank has elapsed, are considered withdrawn from circulation and are no longer legal tender.

Article 27. (1) The conditions under which damaged bank notes may be exchanged for their partial or full nominal value are defined by the bank.

(2) Coins that have been perforated, cut, or deformed, or on which individual marks have been made or whose design is no longer distinguishable, are exchanged by the bank at its discretion.

Article 28. Currency put into circulation by the bank is fully covered by the international reserve as per Article 34, Paragraph 1 and by the following assets:

1. Credits guaranteed by the state;
2. Securities in the bank's commercial portfolio;
3. Bank loans granted against collateral;
4. Checks owned and kept by the bank for cashing.

Chapter 5

Bank Operations

Article 29. The Bulgarian National Bank is authorized to engage in the following:

1. Exchange brokering and the discounting of checks;
2. Credit operations against collateral;
3. Operations with securities, including the issuance and use of its own securities;

4. Transactions involving precious metals;
5. Transactions involving foreign currencies;
6. Transactions with deposits and financial investments;
7. Operations related to payment turnover;
8. Transactions on commission;
9. Banking transactions with foreign countries.

Article 30. (1) The Bulgarian National Bank has the right:

1. To discount commercial securities payable in the country within a period of three months, signed by no fewer than two officials with confirmed solvency, submitted to it by banks or other financial institutions;

2. To grant to banks and financial institutions loans not to exceed three months against collateral in gold, securities, foreign currency, and other assets as defined by the Administrative Council.

(2) The bank's Administrative Council defines the type of securities accepted as collateral, the conditions under which they are accepted, the share of the nominal value that can be covered with a loan, and the maximal amount of the possible loan secured by the same type of securities. It may define as a basis for the acceptance of securities as collateral their market value rather than their nominal value.

(3) The Bulgarian National Bank may grant to other banks unsecured short-term loans under conditions defined by the Administrative Council only if such loans are exceptionally necessary to meet the requirements of liquidity of the banks requesting the loans.

Article 31. The Bulgarian National Bank has the right to refuse to discount securities or grant loans against collateral without giving the reasons for the refusal.

Article 32. (1) If the secured loan is not repaid on time, the Bulgarian National Bank has the right, without judicial intervention, to sell said collateral. The funds earned from the sale are used to meet all of the bank claims related to the loan, interest, and expenditures; the balance is deposited into the current account of the borrower.

(2) The bank may not sell the collateral on an unpaid loan but, instead, may file a claim against the debtor, who is liable with all of his assets for the funds owed.

Article 33. In the pursuit of its monetary and credit policies, the Bulgarian National Bank has the right:

1. To purchase and sell on the open market securities legally circulated, including securities issued by the state and the municipalities and accepted by the Administrative Council as having equivalent value in terms of bank operations on the open market;

2. To circulate, for its operational requirements, its own securities on the open market.

Article 34. (1) The Bulgarian National Bank sets up an international reserve that it maintains under conditions periodically defined by its Administrative Council, consisting of all or some of the following assets:

1. Gold;

2. Foreign currency in bank notes or coins or bank balances kept abroad in foreign currency and in countries as stipulated by the bank's Administrative Council;

3. Internationally accepted reserve assets;

4. Bills of exchange and money orders in foreign exchange as well as treasury notes and other securities in foreign currency, issued or guaranteed by other countries, as defined by the bank's Administrative Council;

5. Other similar assets defined by the Administrative Council for this purpose.

(2) The reserve as per Paragraph 1 is maintained on a level consistent with the state's international transactions.

(3) If the reserve has declined or, in the opinion of the bank, is threatened with a reduction to an extent that may violate the required consistency, the bank submits to the Council of Ministers a report on the condition of the reserve and the reasons that have brought about or could bring about such a reduction, along with a recommendation on the measures the bank deems necessary in order to prevent or eliminate the reduction.

(4) Periodically, the bank submits reports and recommendations as per Paragraph 3 on maintaining the balance at its necessary level.

Article 35. (1) All bank profit arising from changes in the assessment of bank assets or obligations in gold or expressed in terms of gold or foreign exchange as a result of changes in prices or rates of exchange of the gold or foreign currency in relation to the leva are deposited in a special reserve account.

(2) Losses that appear as a result of the changes as per Paragraph 1 are compensated out of the credit balance in the special reserve account; if the balance in this account and in the reserve fund account is insufficient to cover such losses, the Council of Ministers transfers to the bank interest-bearing and transferable securities to cover the shortage. These securities must be repaid out of the annual surplus of bank revenue over expenditures.

Article 36. The Bulgarian National Bank has the right:

1. To purchase and sell gold coins, bullion, or other precious metals;

2. To purchase, sell, or conduct transactions in foreign currency, using all assets that usually pertain to such transactions;

3. To open and keep accounts in international financial institutions, central banks, and other financial institutions outside the country;

4. To open and keep accounts and act as representative or correspondent for international financial institutions, central banks, and other financial institutions outside the country.

Article 37. The Bulgarian National Bank accepts for keeping, under the conditions defined by the Administrative Council, precious metals, securities, and other valuables. It has the right to unilaterally terminate its obligations as a repository by giving a 14-working-day advance notification in writing to the depositor, after which it may transfer at his expense and risk to joint public repositories any securities not withdrawn from the bank.

Article 38. (1) The Bulgarian National Bank accepts from banks, financial institutions, the Council of Ministers, and the municipalities cash deposits on current or term accounts under the conditions formulated by the Administrative Council.

(2) The bank may refuse a request to open a current or a deposit account and to close such an account after giving written notification to the owner, with a time limit of 14 working days, without having to explain the reasons for its actions.

Article 39. (1) With a view to making cashless payments easier, the Bulgarian National Bank may organize or participate in the organization of a clearing service and adopt rules governing its operations.

(2) The bank has the right to act as a broker in collection transactions.

Chapter 6

Relations With Banks

Article 40. (1) The Bulgarian National Bank:

1. Determines the mandatory minimal reserves the banks must have, not to exceed 15 percent of all assets, as well as the method for their evaluation;

2. Sets other conditions and requirements with a view to maintaining the stability of the credit system.

(2) A bank that fails to keep the stipulated mandatory minimal reserve will be charged a punitive interest based on the insufficient amount until the set reserve has been reached, not to exceed double the interest rate at which the Bulgarian National Bank grants loans to other banks.

Article 41. The Bulgarian National Bank has the right to see and examine the accounts, reports, and books of any individual who has made or is making a loan.

Article 42. The Bulgarian National Bank has the right to determine:

1. The rules governing banking operations involving gold and foreign currency, in accordance with the country's currency legislation, with a view to protecting the national currency;

2. The maximal amounts of assets in gold and foreign currency that institutions authorized to handle foreign currency may deposit in their accounts;

3. The maximally admissible amount of the open currency positions of the banks and other financial institutions and the procedure and methods used in the computation and transfer to interest-free accounts in the bank of the minimal mandatory reserves that secure these positions;

4. The rates at which it buys, sells, or conducts transactions involving gold and foreign currencies, and to set the central rate of exchange of foreign currencies to the leva.

Article 43. The Bulgarian National Bank draws up the country's balance of payments, in connection with which it monitors international payments and the making and the state of direct investments by foreign individuals in the country and local individuals abroad.

Article 44. (1) The Bulgarian National Bank supervises the banking system and lending operations. It gathers information, supervises the work of the banks, and conducts periodical audits and specific investigations of banks and other financial institutions required in connection with the implementation of its bank-supervisory assignments. The statistical data published by the bank may not include information on individual transactions and operations.

(2) In connection with bank supervision, the Bulgarian National Bank may take any necessary action to ensure the stability of the banking system.

Chapter 7

Relations Between the Bulgarian National Bank and the State

Article 45. (1) The Bulgarian National Bank is the official repository of the monetary assets of the state.

(2) The bank organizes and implements the cash execution of the state budget through commercial and other banks. Operations related to the cash execution of the budget are carried out by the banks without charge.

(3) Under the conditions agreed upon with the minister of finance, the bank issues and controls the public emission of state or other securities guaranteed by the state.

(4) The bank may act as the representative of the Council of Ministers for purposes and under conditions defined by the bank and the Council of Ministers.

Article 46. The Bulgarian National Bank may grant to the state temporary loans (advances) to be repaid in no

more than three months but no later than the end of the calendar year. The maximal amount of temporary loans that may be due at any given moment may not exceed 5 percent of the annual state budget revenue, or the sum of the deposited basic capital and assets in the reserve fund.

Article 47. The bank is exempt from instructions issued by the Council of Ministers and other state authorities in the implementation of its activities.

Article 48. The Bulgarian National Bank may purchase and sell securities issued or guaranteed by the state that are part of a public emission.

Article 49. Other than in the cases stipulated in this law, the bank may not, directly or indirectly, acquire state securities or grant any kind of loans to the state or to the municipalities.

Chapter 8

Accountability and Financial Statement

Article 50. The fiscal year of the Bulgarian National Bank begins on 1 January and ends on 31 December.

Article 51. (1) The expenditures of the Bulgarian National Bank are based on the annual budget adopted by the bank's Plenary Council.

(2) Administrative expenditures are based on the decision of the Administrative Council.

(3) Reports on the bank's budget expenditures, along with the proper supporting documents, are checked by a commission appointed by the chairman of the Auditing Office, which drafts a special report on the results of the audit. The report on the bank's budget expenditures is submitted to the National Assembly along with its annual profit and loss statement.

Article 52. (1) The Bulgarian National Bank must publish the following information in DURZHAVEN VESTNIK:

1. The state of assets and liabilities at the end of each month;

2. The annual financial statement and the "Profit and Loss" statement of the bank, within the four months that follow the end of the fiscal year.

(2) The monthly financial statement of the bank must include the following:

1. Assets:

- a. Cash in Bulgarian coins;
- b. Cash in foreign exchange;
- c. Participation in international institutions;
- d. Cash in foreign securities;
- e. Loans to banks;

f. Loans to the state;

g. Securities;

h. Other assets.

2. Liabilities:

a. Basic capital;

b. Reserve and other funds;

c. Bank notes in circulation;

d. Current and term accounts;

e. Other liabilities.

(3) The annual financial statement of the bank is drawn up in leva by 31 December of the corresponding year. The metal cash and assets in foreign exchange are computed on the basis of their market value on 31 December and all securities at prices that do not exceed the prices at which they were purchased, as well as their market prices on 31 December.

Article 53. The Bulgarian National Bank submits to the National Assembly twice annually and publishes a report that:

1. Substantiates the monetary policy that will be pursued for the six months to follow;

2. Describes the principles the bank intends to observe in the formulation and the implementation of monetary policy for the next two years or for a longer period of time, as defined by the bank;

3. Reviews and assesses the executed monetary policy of the preceding six-month period.

Article 54. The Bulgarian National Bank must submit to the National Assembly its annual report on activities, and its financial statement and report on the execution of the budget by no later than 30 April of the following year.

Chapter 9

Property Sanctions and Penal Liability

Article 55. (1) In the case of proven violations of rules governing banking operations, mandatory minimal reserves, or other standards, as defined by the bank and established bookkeeping procedures, the Bulgarian National Bank may levy on banks and other financial institutions property penalties from 10,000 to 250,000 leva.

(2) In the case of repeated violations as per Paragraph 1 within a one-year period, or violations that have caused substantial damage, the property penalty may range from 20,000 to 500,000 leva.

Article 56. Individuals guilty of violating this law, unless a criminal action has been committed, may be punished with a fine not to exceed 10,000 leva.

Article 57. (1) Reports drawn up on noted violations as per Articles 55 and 56 of the present law are drawn up by the bank's supervisory authorities; penal resolutions are issued by the governor of the Bulgarian National Bank or by an official authorized by him.

(2) The drawing up of reports, their publication, the appeal, and the execution of penal resolutions are based on the Law on Administrative Violations and Penalties.

Chapter 10

Other Provisions

Article 58. Any attachment, impoundment, or use as collateral of cash and securities kept in the Bulgarian National Bank is permitted only if it does not violate the rights of the bank related to said property.

Article 59. The Bulgarian National Bank may withhold the amount of receivables, the payment of which is not yet due, if a bank or any other financial institution begins to liquidate its activities or fails to make its payments, or if a case arises in which the Bulgarian National Bank has the right to collect on its claims ahead of time.

Article 60. (1) The Bulgarian National Bank may not acquire real estate or material rights except in order to:

1. Meet its service requirements and the housing needs of its personnel;
2. Prevent losses related to credit transactions.

(2) The bank must relinquish ownership of real estate as per Paragraph 1, Item 2 within a period of five years.

Article 61. The Bulgarian National Bank does not pay state or local taxes and fees, or import and export customs duties.

Article 62. The Bulgarian National Bank must issue a regulation on the application of the present law as well as regulations on the application of the provisions of Chapters 4, 5, 6, and 8.

Additional Provisions

1. In the sense of this law, in addition to banks, any institution that attracts funds from other individuals by accepting monetary deposits or selling or marketing bonds, certificates, policies, or other securities and that uses such funds entirely or partially to make loans or invest on its own account and at its own risk is considered a financial institution.

Transitional and Concluding Provisions

2. All operations initiated at the time of the adoption of the present law and that conflict with its provisions must be concluded within five years of the date of its enactment.

3. The present law rescinds:

1. The bylaws of the Bulgarian National Bank (published in IZVESTIYA No. 94, 1956; amended and supplemented in No. 11, 1957; No. 104, 1958; No. 32, 1959; No. 20, 1961; DURZHAVEN VESTNIK No. 99, 1963; No. 65, 1965; and No. 48, 1989).

2. The Ukase on the Reorganization of the Banking System (DURZHAVEN VESTNIK No. 3, 1967).

3. The Ukase on the Rights of the Bulgarian National Bank in the Liquidation of Its Claims, and Penalties for the Violation of Governmental Rules Governing the Bank's Activities (published in IZVESTIYA No. 51, 1951; amended and supplemented in No. 12, 1952; No. 94, 1956; No. 5, 1957; and No. 57, 1961).

4. The execution of this law is assigned to the Administrative Council of the Bulgarian National Bank.

Constitutional Law on Referendum Published /
91CH0792A Bratislava VEREJNOST in Slovak
31 Jul 91 p 6

[“Text” of the Constitutional Law on the Referendum]

[Text] On 18 July 1991, the Federal Assembly of the Czech and Slovak Federal Republic passed the Constitutional Law No. 327/1991, CSFR legal gazette, on the referendum.

ARTICLE 1

Section 1. In the referendum, citizens of the Czech and Slovak Federal Republic can be asked fundamental questions on the constitutional arrangement of the Czech and Slovak Federal Republic.

Section 2. The issue of the Czech Republic or the Slovak Republic seceding from the Czech and Slovak Federal Republic can be decided only by a referendum.

Section 3. In the Czech Republic, the right to vote belongs to anyone who has the right to vote for the Czech National Council. In the Slovak Republic the right to vote belongs to anyone who has the right to vote for the Slovak National Council.

ARTICLE 2

Section 1. The referendum shall be called by the president of the Czech and Slovak Federal Republic by means of a notice in the legal gazette.

ARTICLE 3

Section 1. The president of the Czech and Slovak Federal Republic shall call the referendum concurrently in both republics, when it is proposed to him by the Federal Assembly following a statement by the Czech National Council and the Slovak National Council, within 15 days after the transmission of the proposal.

Section 2. The president of the Czech and Slovak Federal Republic shall call the referendum according to Article 1, Section 2 in the Czech Republic at the recommendation of the Czech National Council, and in the Slovak Republic at the recommendation of the Slovak National Council, within 15 days after the recommendation is made.

Section 3. The president of the Czech and Slovak Federal Republic can reject the proposal for calling the referendum according to Sections 1 and 2, if the proposed questions, which are to be asked in the referendum, are not unequivocal or understandable. In such a case he shall return the proposal with comments to the appropriate legislative body. If the given legislative body insists on the original questions, the president of the Czech and Slovak Federal Republic shall call the referendum within 15 days of the second transmission of the proposal.

Section 4. The referendum shall take place within 90 days of the day when the president of the Czech and Slovak Federal Republic received the proposal according to Sections 1, 2, or 3.

ARTICLE 4

A referendum according to this constitutional law may take place no later than five months before elections to the Federal Assembly and the National Councils.

ARTICLE 5

Section 1. The proposal presented in the referendum according to Article 3, Section 1, passes if an absolute majority of voters in each republic votes in favor of it.

Section 2. The proposal presented in the referendum according to Article 3, Section 2, passes if an absolute majority of voters in each republic votes in favor of it.

Section 3. The decision passed in the referendum conducted according to the provision in Article 3, Section 1, shall be announced by the Presidium of the Federal Assembly in the Law Gazette the same as the laws of the Federal Assembly; the decision passed in the referendum conducted according to the provision in Article 3, Section 2, shall be announced by the Presidiums of National Councils of the Republics in the Law Gazette same as the laws of the National Councils.

Section 4. The Constitutional Court of the Czech and Slovak Federal Republic shall examine at the request of the Presidium of the Federal Assembly or the Presidiums of the National Councils the constitutionality of the referendum procedure before it is called.

Section 5. A referendum carried out according to this law may be repeated on the same issue in five years at the earliest.

ARTICLE 6

Section 1. The result of the referendum, called according to Article 1, Section 1, has the binding character of a constitutional law.

Section 2. If the proposal according to Article 1, Section 2 is approved at least in one of the republics, the Czech and Slovak Federal Republic will cease to exist in one year after the result of the referendum is announced; its activities are then transferred to the Czech Republic and the Slovak Republic, in whose institutions the sovereignty will then be located.

Section 3. A constitutional law of the Federal Assembly shall determine the manner of transferring the property from the ownership of the Czech and Slovak Federal Republic to the Czech Republic and the Slovak Republic. Similarly, it will determine the division of state financial assets and liabilities of the Czech and Slovak Federal Republic, foreign exchange reserves, federal material reserves, and the property of the Czech and Slovak Federal Republic located outside its territory.

ARTICLE 7

The Law of the Federal Assembly determines the manner of implementation of the referendum.

ARTICLE 8

Section 1. The Constitutional Law No. 143/1968 on the Czechoslovak Federation and existing constitutional laws are amended thus:

a. In Article 41, after the words "and for changing them" are inserted the words "for accepting the proposal for calling a referendum."

b. In Article 58, Paragraph 1, after the word "federation" are inserted the words "debating a resolution on the proposal for calling a referendum."

Section 2. Constitutional Law No. 100/1960 of the legal gazette on the Constitution of the Czech and Slovak Federal Republic and existing constitutional laws are amended thus:

In Article 2, Section 2, the period after the word "vote" is substituted by a comma, and at the end the words "and by popular vote (referendum)" are added.

ARTICLE 9

This constitutional law goes into force on the day it is announced.

Law on Foreign Currency Exchange

91P20432C Prague HOSPODARSKE NOVINY
in Czech 6 Dec 90 pp 5-6

["Text" of law dated 28 November 1990 on foreign currency exchanges]

[Text] The Federal Assembly of the Czech and Slovak Federal Republic has hereby passed the following act:

PART ONE

Section 1. Definition of Terms

Article 1

(1) Foreign exchange resources shall be financial resources in foreign currency or foreign exchange.

(2) Foreign currency shall be financial resources in the form of bank notes, bills and coins in circulation.

(3) Foreign exchange shall be financial resources in foreign currency deposited on accounts opened with domestic or foreign financial institutions, or negotiable on the basis of foreign documents of payment (see Article 2 (a)).

Article 2

For the purpose of the present act, the following terms shall be defined as follows:

(a) Foreign documents of payment shall be documents granting the right of payment in foreign currency (bills of exchange, checks, letters of credit, orders, payment/credit cards, etc.);

(b) Gold shall be gold coins and gold bullion negotiable worldwide, whose purity shall be guaranteed for the present purpose by a seal or a certificate issued by a world authority;

(c) Securities shall be documents granting the right to a share in property (stock, shares, etc.), debentures and bonds (issued by the state, public institutions, banks, industrial and other enterprises), as well as dividend and interest coupons and talons;

(d) Foreign securities shall be securities related to property abroad or issued abroad/payable abroad;

(e) Foreign exchange assets shall be foreign currency, foreign exchange, foreign documents of payment, gold, foreign securities and deposit books in foreign currency;

(f) Trade in foreign exchange assets shall be sales and purchases of foreign exchange assets in all types of transactions (guarantees, arbitration actions, credits, loans);

(g) Financial claims of a foreign exchange national vis-a-vis a foreign exchange expatriate shall be a claim the payment of which is effected in Czechoslovak currency, or in foreign currency;

(h) Financial obligation/liability of a foreign exchange national vis-a-vis a foreign exchange expatriate shall be an obligation/liability to be paid in Czechoslovak or foreign currency.

Article 3

(1) For the purpose of the present act, foreign exchange financial institutions shall be banks and savings banks resident in Czechoslovakia and authorized by the State Bank of Czechoslovakia to trade in foreign exchange assets and to effect payments to and from foreign countries pursuant to special regulations.

(2) If not stated otherwise by the present act, the position of a foreign exchange financial institution is defined by provisions defining the legal status of foreign exchange nationals-legal persons.

Article 4

A foreign exchange license is a license granted by a foreign exchange body (see Article 6) upon the request and in compliance with the applicable provisions of the present act.

A foreign exchange license may also be issued for repeated transactions.

Article 5

- (1) Foreign exchange nationals are physical persons whose registered domicile is Czechoslovakia and legal persons residing in Czechoslovakia. Other physical persons and legal persons are foreign exchange expatriates.
- (2) The category of foreign exchange nationals-legal persons, also includes physical persons-entrepreneurs registered in the company register.
- (3) The category of foreign exchange expatriates also includes international organizations resident in Czechoslovakia, established or operating in the Czech and Slovak Federal Republic pursuant to special regulations.

Section 2. Foreign Exchange Bodies and the Scope of Their Activities**Article 6**

- (1) Foreign exchange bodies under the present act shall be the State Bank of Czechoslovakia, the Federal Ministry of Finance, the ministries of finance of the republics and the Federal Ministry of Foreign Trade.
- (2) Unless stipulated otherwise by the present act, the scope of activities exercised by the different foreign exchange bodies listed above is as follows:
 - (a) The Federal Ministry of Finance—in the sphere of governmental credits and in relation to budgetary, subsidized organizations, civic associations, churches, foundations and other legal persons within the scope of the federation, that are not engaged in entrepreneurial activities;
 - (b) The ministries of finance of the republics—in relation to budgetary and subsidized organizations and civic associations operating within the jurisdiction of the respective republic, churches, foundations and other legal persons within the jurisdiction of the respective republic and not engaged in entrepreneurial activities, as well as in relation to physical persons resident in the territory of the respective republic;
 - (c) The State Bank of Czechoslovakia—in relation to other legal persons.
- (3) The ministries of finance of the republics shall prepare foreign exchange registration sheets and backup materials for international/intergovernmental negotiations concerning property claims and provide for results of such negotiations to be duly implemented within their respective territorial jurisdictions.

PART TWO**TRADE WITH FOREIGN EXCHANGE ASSETS
AND SYSTEM OF PAYMENTS****Article 7**

- (1) Foreign exchange financial institutions may trade foreign exchange assets (see Article 2 (f)) within the limits set by the State Bank of Czechoslovakia.

- (2) Foreign exchange nationals that are not a foreign exchange financial institution may trade without a foreign exchange license in the following spheres:

- (a) Foreign exchange assets that a foreign exchange financial institution has refused to purchase (see Article 11, Paragraph (3) and Article 17, Paragraph (7)).

- (b) Gold coins.

- (3) In instances to which provisions of Article 2 above do not apply, foreign exchange nationals that are not a foreign exchange financial institution may trade in foreign exchange assets only if duly authorized by the State Bank of Czechoslovakia, unless one of the participants in such a trade transaction is a foreign exchange financial institution.

- (4) Foreign exchange expatriates-physical persons may mutually trade in foreign exchange assets for Czechoslovak currency, or effect such transactions with foreign exchange nationals only if duly authorized by the State Bank of Czechoslovakia.

- (5) Other persons which the State Bank of Czechoslovakia has granted a foreign exchange license to trade in foreign exchange assets, to effect payments to and from foreign countries, or to operate as moneychangers pursuant to special regulations have, within limits set by the license, rights and liabilities the present act stipulates for a foreign exchange financial institution.

Article 8

- (1) If not stipulated otherwise by the applicable implementing decree, the license issued by the State Bank of Czechoslovakia, or the license issued by another foreign exchange body in agreement with the State Bank of Czechoslovakia, a foreign exchange national may effect payments to and receive payments from foreign countries only through a foreign exchange financial institution.
- (2) The permission required by Paragraph (1) is not needed for providing financial postal services in international postal traffic.

PART THREE**RIGHTS AND OBLIGATIONS OF FOREIGN
EXCHANGE NATIONALS-LEGAL PERSONS AND
FOREIGN EXCHANGE EXPATRIATES****Section 1. Reporting Duty****Article 9**

- (1) A foreign exchange national-legal person is obligated to report for registration to the appropriate foreign exchange body when invited to do so by the latter:
 - (a) his claims and financial obligations vis-a-vis a foreign exchange expatriate,
 - (b) his immovable assets abroad, as well as a review of his revenues and expenses associated therewith,

- (c) his property participation in enterprises abroad,
- (d) his foreign securities.

(2) In the case of an invitation pursuant to Paragraph (1), the foreign exchange financial institution is to report the information required under (a) covering the specified period.

Section 2. Transfer of Claims of a Foreign Exchange National-Legal Person to Czechoslovakia

Article 10

(1) A foreign exchange national-legal person is obligated to take all steps necessary for the sum paid to settle his claim and foreign exchange resources deposited in accounts with foreign financial institutions to be transferred or brought to Czechoslovakia; such steps must be taken without undue delay.

(2) An implementing regulation may specify when a foreign exchange national-legal person is exempt from the duty stipulated in Paragraph (1). In justified instances, a foreign exchange national-legal person may be exempted from this duty by being granted a foreign exchange license.

Section 3. Offering Duty and Right of Reimbursement

Article 11

(1) A foreign exchange national-legal person is obligated to offer foreign exchange resources and gold, with the exception of gold coins, to a foreign exchange financial institution for purchase of Czechoslovak currency and to the amount corresponding to the total foreign exchange resources and gold acquired.

(2) A foreign exchange financial institution is obligated to offer foreign exchange resources and gold purchased from foreign exchange nationals and expatriates to the State Bank of Czechoslovakia for the purchase of Czechoslovak currency, the amount and manner to be stipulated by the Bank of Czechoslovakia.

(3) Exempt from offering duty are foreign exchange resources and gold whereby a foreign exchange expatriate participates in the initial capitalization of a company in Czechoslovakia pursuant to special regulations.

(4) An implementing regulation may specify when a foreign exchange national-legal person is exempt from the duty stipulated in Paragraphs (1) and (2), or extend the term of compliance of the above-mentioned duty in accordance with Article 12. In justified instances, a foreign exchange national-legal person may be exempted from his duty by being granted a foreign exchange license.

(5) A foreign exchange national-legal person is obligated to deposit foreign exchange resources and the equivalent value of gold in foreign currency which are not subject to the offering duty (Paragraphs (3) and (4)) in a foreign

exchange account opened with a foreign exchange financial institution, unless an implementing regulation or a foreign exchange license stipulates otherwise.

(6) Foreign resources deposited in a foreign exchange account are not subject to the offering duty pursuant to Paragraphs (3) and (4), their owner being able to use them without any limitations whatsoever, except for trading in foreign exchange resources (see Article 7, Paragraph (3)).

Article 12

(1) As far as foreign currency and gold are concerned, a foreign exchange national-legal person is obligated to honor the duty stipulated by Article 11 within 30 days of acquisition, or after he has learned of the acquisition, or has become a foreign exchange national. As to foreign exchange, the offering duty is considered to be fulfilled by a transfer of an equivalent value of the acquired foreign exchange to an account of a foreign exchange national-legal person in Czechoslovak currency, and kept by a foreign exchange financial institution.

(2) The purchase of foreign currency and gold is effected at an exchange rate applying to purchases of foreign currency, or at a market price of gold, valid on the day the foreign currency or gold are offered for purchase to a foreign exchange financial institution. The purchase of foreign exchange is effected at an exchange rate valid on the day the foreign exchange is cleared by a foreign financial institution to a foreign exchange financial institution in favor of the foreign exchange national-legal person involved.

(3) If a foreign exchange financial institution refuses to purchase foreign exchange resources from a foreign exchange national-legal person, it will issue a certificate to this effect. The foreign exchange national-legal person may then use such foreign exchange resources both in Czechoslovakia and abroad without any limitations whatsoever.

Article 13

(1) To meet a financial obligation of a foreign exchange national-legal person to a foreign exchange expatriate, which has arisen in compliance with the present act or on the basis of a generally applicable legal regulation, the foreign exchange financial institution is obligated, following a request by the foreign exchange national, to settle such an obligation to the foreign exchange expatriate against an equivalent payment in Czechoslovak currency.

(2) The payment of foreign exchange resources provided pursuant to Paragraph (1) is effected at an exchange rate valid on the date of maturity of the financial obligation.

(3) The State Bank of Czechoslovakia will issue an implementing regulation stipulating the procedures to be used by a foreign exchange financial institution when effecting such payments.

Section 4. Assumption of Financial Liabilities to Foreign Exchange Expatriates and Their Payment**Article 14**

(1) A foreign exchange national-legal person may contractually undertake financial payments to a foreign exchange expatriate without a foreign exchange license, providing he has foreign exchange resources deposited in a foreign exchange account opened with a foreign exchange financial institution (Article 11) to meet such obligations.

(2) A foreign exchange national-legal person may contractually undertake financial payments to a foreign exchange expatriate without a foreign exchange license, providing he can use his Czechoslovak currency resources to meet such an obligation and except for the following purposes:

- (a) Purchase of immovable assets abroad;
- (b) Purchase of foreign securities;
- (c) Receiving a foreign exchange credit from a foreign exchange expatriate.

PART FOUR**RIGHTS AND OBLIGATIONS OF FOREIGN CURRENCY NATIONALS-PHYSICAL PERSONS****Section 1. Reporting Duty****Article 15**

(1) A foreign exchange national-physical person is obligated to report for registration to the Ministry of Finance of the republic in which he has his permanent place of residence and when invited to do so by the latter:

- (a) his financial claims and financial obligations vis-a-vis a foreign exchange expatriate;
- (b) his immovable assets abroad, including a review of revenues and expenses associated therewith during the specified period;
- (c) his property participation in enterprises abroad;
- (d) his foreign securities.

(2) The invitation above is governed by the applicable provisions of Article 9, Paragraph (2).

(3) If the payment of a financial claim of a foreign exchange national-physical person is effected through an appointed legal entity, then such entity is responsible for reporting the claim to be registered.

Section 2. Transfer of Payments Resulting From Claims to Czechoslovakia**Article 16**

(1) A foreign exchange national-physical person is obligated to take all steps necessary for the sum paid to settle

his claim and foreign exchange resources deposited in accounts with foreign financial institutions to be transferred or brought to Czechoslovakia; such steps must be taken without any undue delay.

(2) An implementing regulation may specify when a foreign exchange national-physical person is exempt from the duty stipulated in Paragraph (1). In justified instances, a foreign exchange national-physical person may be exempt from the duty by being granted a foreign exchange license.

Section 3. Duty To Deposit or Offer Foreign Exchange Resources and the Right To Purchase Foreign Exchange Resources**Article 17**

(1) A foreign exchange national-physical person is obligated to offer his foreign exchange resources exceeding the equivalent value of 5,000 korunas [Kcs] to a foreign exchange financial institution for purchase of Czechoslovak currency, or to deposit them in a foreign exchange account opened with a foreign exchange financial institution, both within the period stipulated in Paragraph (3) below. The foreign exchange financial institution is obligated to inform the foreign exchange national upon his request what sum in a given foreign currency is equivalent to Kcs5,000.

(2) A foreign exchange national-physical person is obligated to offer gold (Article 2, Paragraph (b)) to a foreign exchange financial institution for purchase of Czechoslovak currency or foreign exchange resources. The offering duty stipulated above does not apply to gold coins.

(3) A foreign exchange national-physical person is obligated to honor the duty stipulated by Paragraphs (1) and (2) within 30 days of the acquisition of foreign exchange resources or gold, or after he has learned about the acquisition, or has become a foreign exchange national. Foreign exchange resources and gold acquired by a foreign exchange national-physical person during his stay abroad and brought by him to Czechoslovakia must be deposited in a foreign exchange account or offered to a foreign exchange financial institution for purchase within 30 days from the date of return from such a stay.

(4) Foreign exchange resources, the equivalent value of which does not exceed Kcs5,000, may be used by a foreign exchange national-physical person without any limitation whatsoever, except for trading purposes (Article 7, Paragraph (3)).

(5) The equivalent sum corresponding to Kcs5,000 is calculated using the exchange rate for foreign currency/exchange purchases on the day the deadline to meet the obligation stipulated in Paragraphs (1) and (2) commences.

(6) Foreign exchange resources sold or issued by a foreign exchange financial institution are not liable to the duty stipulated by Paragraph (1) for six months from

the date of purchase/issuance specified in a certificate from the foreign exchange financial institution. During the period specified above, the foreign exchange national-physical person may use such foreign exchange resources without any limitation whatsoever, except for trading purposes (Article 7, Paragraph (3)).

(7) If a foreign exchange financial institution refuses to purchase foreign exchange resources from a foreign exchange national-physical person, it is obligated to issue a certificate to this effect to the latter. The foreign exchange national-physical person may then use such foreign exchange resources both in Czechoslovakia and abroad without any limitations whatsoever.

Article 18

A foreign exchange financial institution does not examine whether compliance with the deadline stipulated by Article 17, Paragraph (3) has been met when fulfilling duties pursuant to Article 17, nor does it investigate the origin of acquisition of foreign exchange resources being offered or deposited.

Article 19

(1) An implementing regulation may stipulate concessions with respect to duties a foreign exchange national-physical person is eligible pursuant to Article 17.

(2) A foreign exchange national-physical person may be exempt from duties stipulated by Article 17, or his deadline to meet such duties may be extended by being granted a foreign exchange license.

Article 20

(1) A foreign exchange financial institution is obligated to sell foreign currency to a foreign exchange national-physical person and a foreign exchange expatriate for Czechoslovak currency in cases expressed in this act or by implementing regulation and/or by foreign exchange license for payments to expatriates abroad.

(2) The sale of foreign exchange resources pursuant to Paragraph (1) is effected at an exchange rate valid for sales of foreign exchange/currency by a foreign exchange financial institution on the day of the sale.

Article 21

(1) A foreign exchange financial institution is obligated to sell a foreign exchange national-physical person foreign exchange resources for Czechoslovak currency, such resources to be used to pay expenses associated with a trip abroad, the limit being determined by the State Bank of Czechoslovakia for a given period. The above institution is also obligated to issue a certificate to this effect.

(2) The sale of foreign exchange resources pursuant to Paragraph (1) is effected at an exchange rate valid for sales of foreign exchange/currency by the foreign exchange financial institution on the day that the foreign exchange national-physical person concerned deposits

the equivalent value of the foreign exchange resources being purchased in Czechoslovak currency at a foreign exchange financial institution.

Section 4. Foreign Exchange Accounts

Article 22

(1) A foreign exchange financial institution is obligated to open an interest-bearing foreign exchange deposit account in the agreed currency for a foreign exchange national-physical person at the request of the latter.

(2) Foreign exchange resources deposited in a foreign exchange account opened pursuant to Paragraph (1) may be used by the owner or another foreign exchange national-physical person empowered by the owner without any limitations whatsoever, except for trading purposes (Article 7, Paragraph (3)).

(3) Foreign exchange accounts opened pursuant to Paragraph (1) bear interest in the currency in which they are maintained.

Section 5. Assumption of Financial Liabilities and Their Payment

Article 23

(1) A foreign exchange national-physical person may contractually undertake financial payments to a foreign exchange expatriate in foreign currency and without having a foreign exchange license, providing he complies with the present act by using:

(a) foreign exchange resources deposited in a foreign exchange account opened with a foreign exchange financial institution;

(b) foreign exchange resources which a foreign exchange financial institution is obligated to sell pursuant to Articles 20 and 21;

(c) foreign exchange resources which a foreign exchange financial institution has refused to purchase, issuing a certificate to this effect;

(d) foreign exchange resources acquired during a stay abroad.

(2) In instances not covered by Paragraph (1), a foreign exchange national-physical person may contractually undertake foreign currency financial payment liabilities vis-a-vis a foreign exchange expatriate only if having been granted a foreign exchange license. An implementing regulation may specify other instances not requiring such a license.

Section 6. Manipulation of Some Assets

Article 24

(1) A foreign exchange national-physical person needs a foreign exchange license to be allowed to transfer without consideration to a foreign exchange expatriate, or to quit in his favor:

(a) financial claims against a foreign exchange expatriate;

(b) immovable assets in Czechoslovakia and abroad.

(2) The foreign exchange license pursuant to Paragraph (1) is not required for transactions with the assets listed above in the event of death.

(3) An implementing regulation may specify additional instances for which the foreign exchange license pursuant to (1) is not required.

Article 25

(1) A foreign exchange expatriate may acquire an ownership right to immovable assets in the Czech and Slovak Federal Republic only when stipulated so by a special act, or by descent.

PART FIVE

Section 1. Export and Import of Foreign Exchange and Other Assets

Article 26

(1) Imports of foreign exchange assets (Articles 1 and 2) to Czechoslovakia require no foreign exchange license.

(2) A foreign exchange expatriate importing gold to Czechoslovakia is obligated to have a clearing bill issued by customs authorities.

Article 27

(1) A foreign exchange national-physical person traveling abroad may export without a foreign exchange license:

(a) foreign exchange resources specified in a receipt or certificate issued by a foreign exchange financial institution, which is not older than six months and which confirms that such resources have been sold or issued by a foreign exchange financial institution;

(b) foreign exchange resources the equivalent value of which does not exceed Kcs5,000 according to an exchange rate valid for the purchases of foreign currency/exchange by a foreign exchange financial institution on the day such resources are being exported;

(c) foreign exchange resources which a foreign exchange financial institution has refused to purchase and specified in a certificate to this effect issued by the institution;

(d) payment/credit cards in the name of a foreign exchange national and issued by a foreign exchange financial institution.

(2) A foreign exchange expatriate may export or transfer abroad without a foreign exchange license foreign exchange resources, foreign payment documents, foreign securities and deposit books in a foreign currency, except in those instances when he has acquired such resources and assets in Czechoslovakia illegally.

(3) A foreign exchange expatriate may export gold (Article 2, Paragraph (b)) which he has imported to Czechoslovakia and whose import has been certified by customs authorities without a foreign exchange license. The same applies to gold coins, if he is able to prove that he has acquired them by purchase from any person authorized dealer in their sales. The export of inherited gold coins is liable to Article 31, Paragraphs (3) and (4).

Article 28

A foreign exchange national staying abroad for the purpose of performing work or an occupation, as well as his dependents, may export, without any foreign exchange license and throughout the duration of such a stay, foreign currency, foreign payment documents and foreign securities which they have imported to Czechoslovakia during the stay. The import of such assets must be certified by customs authorities.

Article 29

(1) Foreign exchange assets not covered by the provisions of Articles 27 and 28 require a foreign exchange license by the State Bank of Czechoslovakia in order to be cleared for export.

(2) An implementing regulation may specify additional instances not requiring a foreign exchange license pursuant to Paragraph (1).

Section 2. Exports and Imports of Czechoslovak Currency and Other Assets in Czechoslovak Currency

Article 30

(1) Exports and imports of valid Czechoslovak bank notes and coins, their transfer to and from abroad, payment documents in Czechoslovak currency, as well as securities in Czechoslovak currency may be effected only with a foreign exchange license issued by the State Bank of Czechoslovakia.

(2) No foreign exchange license is required for imports of assets listed in Paragraph (1), if such assets have been exported from Czechoslovakia in accordance with the present act.

(3) A foreign exchange national or expatriate may export Czechoslovak currency as stipulated by an implementing regulation without a foreign exchange license.

(4) An implementing regulation may also specify additional instances in which a foreign exchange license is not required for export and import of assets listed in the preceding paragraphs.

PART SIX

**TRANSFERS OF FOREIGN EXCHANGE
RESOURCES AND OTHER FOREIGN
EXCHANGE ASSETS**

Section 1. Transfers of Inherited Assets Abroad

Article 31

(1) A foreign exchange expatriate may export or transfer abroad without a foreign exchange license the following items, providing that he has met the terms specified in Paragraph (2):

- (a) inherited foreign exchange resources;
 - (b) the foreign exchange equivalent value of inherited financial resources in Czechoslovak currency;
 - (c) the foreign exchange equivalent value of financial resources acquired by selling inherited immovable assets;
 - (d) the foreign exchange equivalent value of financial resources acquired for movable assets sold during the estate settlement proceedings.
- (2) A transfer or export of foreign exchange resources pursuant to Paragraph (1) may be effected if:

(a) the inherited acquisition has been duly confirmed, approved or settled by a notary public, and all fees pertaining to the inherited assets have been duly settled, or

(b) the inherited acquisition has been approved by a foreign estate administration, and

(c) the transfer is to be effected to a country where similar transfers to Czechoslovakia are not subject to foreign exchange limitations, or are based on a principle of reciprocity.

(3) If having met the conditions stipulated by Paragraphs (1) and (2), a foreign exchange expatriate may also export without a foreign exchange license, or transfer without the same:

(a) interests and winnings pertaining to inherited deposits, such interests and winnings being in a foreign currency;

(b) inherited coins, providing that he has submitted a certificate signed by a legal person appointed by regulation attesting to the effect that such coins are not historical.

(4) In instances not covered by provisions of Paragraphs (1) to (3) above, a foreign exchange license issued by the Ministry of Finance of the republic in the territory of which the estate has been settled is required.

Section 2. Transfer of Alimonies Abroad

Article 32

(1) A foreign exchange national-physical person may meet his legal alimony duty to a foreign exchange expatriate abroad without a foreign exchange license, providing he has submitted a certificate issued by a body appointed by regulation to the effect that:

(a) his legal maintenance/alimony obligation still holds;

(b) the alimony is paid to a country, or to a citizen of a country, which is party to an international agreement specifying the collection and transfers of alimonies, or from which similar transfers to Czechoslovakia are not subject to any limitations, or where similar transfers are subject to the principle of reciprocity.

(2) The duty pursuant to Paragraph (1) is met in accordance with a court ruling or a consent decree. The implementing regulation will determine the upper limit to which alimony obligations based on the agreement of both parties may be met, as well as the method to be used for such payments.

(3) In instances not covered by Paragraphs (1) and (2), a foreign exchange national may pay alimony to a foreign exchange expatriate abroad only with a foreign exchange license. An implementing regulation may specify additional instances in which such a license is not required.

Section 3. Other Transfers

Article 33

(1) Without a foreign exchange license, a foreign exchange national may:

(a) return a payment effected by a foreign exchange expatriate to him without giving any legal reason to do so;

(b) pay expenses associated with court or other legal proceedings taking place abroad, which have been initiated against the foreign exchange national or by the foreign exchange national in connection with meeting obligations stipulated by the present act, including expenses for his legal representation;

(c) effect payments abroad, if he is obligated to effect such payments pursuant to an enforceable court ruling, or to an enforceable ruling of another authorized Czechoslovak body, or if such a payment is stipulated by a generally applicable Czechoslovak legal regulation.

(2) A foreign exchange national may effect transfers not covered by Paragraph (1) only if he has been granted a foreign exchange license. An implementing regulation may specify additional instances in which such a foreign exchange license is not required.

PART SEVEN**PROPERTY PARTICIPATION IN ENTERPRISES
ABROAD****Article 34**

(1) A foreign exchange national may take part in property participation in enterprises abroad only if he has been granted a foreign exchange license by the State Bank of Czechoslovakia, issued under an agreement with the Federal Ministry of Finance and the Federal Ministry of Foreign Trade.

(2) A foreign exchange national may transfer his participation in a foreign legal entity to a foreign exchange expatriate only if he has been granted a foreign exchange license by the State Bank of Czechoslovakia, issued under an agreement with the Federal Ministry of Finance and the Federal Ministry of Foreign Trade.

(3) An implementing regulation issued by the State Bank of Czechoslovakia, the Federal Ministry of Finance and the Federal Ministry of Foreign Trade may specify when a license pursuant to Paragraphs (1) and (2) is not required, and determine requirements applying to the license issued pursuant to the above paragraphs.

PART EIGHT**ACCOUNTS OF FOREIGN EXCHANGE
EXPATRIATES****Article 35**

(1) A foreign exchange financial institution is obligated to open an interest-bearing account for a foreign exchange expatriate upon his request, or a foreign currency account (hereinafter "expatriate's account").

(2) A deposit account opened with a foreign exchange financial institution is considered an expatriate's account in the event the account owner becomes a foreign exchange expatriate, or when a foreign exchange expatriate inherits it.

Article 36

(1) A foreign exchange expatriate may use foreign exchange resources deposited in his expatriate's account kept in a foreign currency without any limitations for payments abroad and in Czechoslovakia, except for trading purposes (Article 7, Paragraph (3)).

(2) A foreign exchange expatriate may use financial resources deposited in his expatriate's account kept in Czechoslovak currency without any limitations for payments in Czechoslovakia.

(3) A foreign exchange license granted by the State Bank of Czechoslovakia is required to effect payments abroad from an expatriate's account kept in Czechoslovak currency.

PART NINE**FOREIGN EXCHANGE SUPERVISION,
SUPERVISION OF IMPORTS, AND EXPORTS OF
ASSETS****Section 1****Article 37**

(1) Foreign exchange supervision is exercised by the State Bank of Czechoslovakia and other foreign exchange bodies within their respective jurisdictions.

(2) When carrying out foreign exchange supervision, foreign exchange bodies ascertain whether and how obligations resulting from the present act and implementing regulations hereto are being met.

(3) Persons having obligations pursuant to the present act are obligated to cooperate in providing the foreign exchange body carrying out foreign exchange supervision with the necessary information, especially in the submission of reports and explanations concerning the direct or indirect relevant circumstances of a case with potential foreign exchange consequences upon a request, to submit the necessary documents thereto, and to allow the foreign exchange bodies carrying out the foreign exchange supervision to inspect accounting, registration and other documents in a way not interfering with principles of banking secrecy.

Article 38

(1) In discovering a violation of the present act and implementing regulations hereto, bodies carrying out the foreign exchange supervision or check may demand that such shortcomings be rectified within a specified period of time.

(2) If such a violation perpetrated by a foreign exchange national-legal person has resulted in damage to foreign exchange management and policy, the foreign exchange body carrying out the supervision is entitled to levy a fine of up to Kcs500,000.

(3) A fine pursuant to Paragraph (2) may be levied by the foreign exchange body within two years of the violation of the present act and implementing regulations hereto is discovered, but no later than five years from the year the violation is perpetrated.

**Section 2. Supervision and Checks of Imports and
Exports of Assets Falling Under the Present Act****Article 39**

(1) Checks of compliance with provision of the present act and implementing regulations hereto with respect to imports and exports of foreign exchange assets (Articles 26 and 27), Czechoslovak currency and other assets in Czechoslovak currency (Article 30) are carried out by customs administration bodies. Such checks are performed in compliance with regulations protecting personal liberties and inviolability of the mail.

(2) Customs administration bodies are authorized to demand a declaration and demonstration of assets covered by the present act. At the same time, they may demand the necessary documentation from persons importing or exporting.

(3) If imports or exports of foreign exchange assets, Czechoslovak currency or other assets in the Czechoslovak currency are subject to a license, or require a certificate or other documentation, the importing or exporting person is obligated to submit such document to customs administration bodies when exporting or importing such assets.

Article 40

Mail being sent abroad and containing foreign exchange assets the export of which requires a foreign exchange license, Czechoslovak currency or other assets in Czechoslovak currency must be submitted by the sender to an appropriate customs administration body for a check pursuant to the present act before being mailed. The check completed, the customs administration body provides the mailed matter with a seal.

Article 41

(1) At border checkpoints, customs administration bodies may seize assets requiring a foreign exchange license (Articles 27, 29 and 30) for safekeeping, if a person traveling abroad does not possess such a license and, owing to the place or time of the crossing is unable to hand such assets over for safekeeping to a foreign currency financial institution at the border checkpoint or return them to Czechoslovakia.

(2) The safekeeping pursuant to Paragraph (1) is governed by the Civil Code. However, the right to repossess a safekept article is rendered null and void and the article forfeited to the state if the person who has given the article into safekeeping does not claim it within a year from the date that the customs administration body assumes possession.

Article 42

(1) In instances where a person is exempt from a customs inspection pursuant to special regulations or a customs inspection is not carried out, the check pursuant to the present act is not carried out.

(2) Upon request, customs administration bodies are obligated to issue a written certificate for imported foreign exchange assets the export of which without a foreign exchange license is subject to Article 26, Paragraph (2), Article 27, Paragraph (4), and Article 28, i.e., preceding import.

PART TEN

FOREIGN EXCHANGE TRANSGRESSIONS AND TRANSGRESSION PROCEDURES

Section 1. Transgressions Against the Foreign Exchange Act

Article 43

A transgression of the present act is perpetrated by a person who, in violation of the act:

- (a) trades in foreign exchange assets (Article 7);
- (b) effects payments abroad and receives payments from abroad without a foreign exchange financial institution acting as an intermediary (Article 8);
- (c) fails to comply with the reporting duty (Articles 9 and 15);
- (d) fails in his obligation to transfer to Czechoslovakia a sum paid abroad to cover his claims or resources on an account opened with a foreign financial institution (Articles 10 and 16);
- (e) fails in his duty to deposit or offer his foreign exchange resources (Articles 11 and 17);
- (f) assumes a contractual obligation vis-a-vis a foreign exchange expatriate, purchases immovable assets abroad, foreign securities, accepts credit in foreign exchange from a foreign exchange expatriate (Articles 14 and 23);
- (g) transfers without consideration to a foreign exchange expatriate or quits in his favor a financial claim against a foreign exchange expatriate or immovable assets in Czechoslovakia or abroad;
- (h) acquires immovable assets in Czechoslovakia (Article 25);
- (i) effects transfers abroad (Article 33, Paragraph (2));
- (j) takes a property participation in an enterprise abroad, or transfers his property participation abroad to a foreign exchange expatriate (Article 34);
- (k) exports foreign exchange assets (Articles 27 and 29);
- (l) imports or exports Czechoslovak currency and other assets in Czechoslovak currency (Article 30);
- (m) fails to declare or demonstrate assets when urged to do so by customs administration bodies (Article 39, Paragraph (3));

providing the acts listed above do not constitute a crime.

Section 2. Transgression Procedure**Article 44**

(1) Transgressions against the present act are handled by the appropriate local administration bodies and, where a foreign exchange transgression falling under Article 43, Paragraphs (j), (k), and (l) is involved, by customs administration bodies. These bodies make decisions in matters of foreign exchange transgressions in accordance with special regulations, unless stipulated otherwise by the present act.

(2) A transgression under Article 43, is handled and investigated by bodies of the Corps of National Security when:

(a) it belongs to a perpetrator who cannot be prosecuted for the transgression;

(b) does not belong to the perpetrator of the transgression; or

(c) the perpetrator is not known.

PART ELEVEN**GENERAL, TEMPORARY AND FINAL PROVISIONS****Article 47**

Provisions of the present act will apply unless stipulated otherwise by an international agreement the Czech and Slovak Federal Republic is bound to abide by, and which has been published in the Law Reports.

Article 48

(1) The decisionmaking procedure with respect to granting foreign exchange licenses pursuant to the present act will be governed by applicable administrative procedural regulations, except for cases listed in Paragraphs (2) and (3) below.

(2) A foreign exchange body is obligated to make a decision on an application pursuant to the present act within 60 days of its delivery.

(3) A foreign exchange body's decision is final and there is no possibility of appeal.

Article 49

Implementing regulations to the present act and its individual provisions are issued jointly by the Federal Ministry of Finance and the State Bank of Czechoslovakia, unless stipulated otherwise by the present act.

Article 50

A foreign exchange license granted to a foreign exchange national or expatriate in accordance with existing foreign currency regulations will be regarded as a foreign

exchange license granted in accordance with the present act, if the latter and its provisions still require it for a given case.

Article 51

(1) Foreign exchange accounts of foreign exchange nationals-physical persons established in accordance with existing regulations will be preserved and will be governed by provisions of the present act from the day it comes into effect.

(2) Foreign exchange accounts of foreign exchange nationals-legal persons established in accordance with existing regulations will be preserved only on the basis of a foreign exchange license granted by the State Bank of Czechoslovakia and only until they are exhausted. A foreign exchange national-legal person is obligated to apply for such a license no later than January 31, 1991.

Article 52

The following legal documents and parts of legal documents are hereby abolished:

(A) Foreign Exchange Act No. 162/1989 of Law Reports, as amended by Act No. 109/1990 of Law Reports;

(B) Decree of the Federal Ministry of Finance and the State Bank of Czechoslovakia No. 169/1989 of Law Reports, as amended by Decree No. 234/1990 of Law Reports;

(C) Article 24, Paragraph 1 of Act No. 403/1990 of Law Reports;

(D) Article 26 of Act No. 427/1990 of Law Reports.

Law on Handling, Control of Certain Goods, Technology

91P20432B Prague SBIRKA ZAKONU in Czech 23 Dec 90 pp 2045-2049

["Text" of law to regulate terms on which certain goods and technology can be imported and exported]

[Text] The Federal Assembly of the Czech and Slovak Federal Republic (CSFR) has approved the following law:

PART I**GENERAL PROVISIONS****Article 1**

The subjects regulated by this law are the terms (hereinafter "control system") on which some types of goods and technology can be imported to and exported from the CSFR or otherwise handled and controlled by customs authorities.

Article 2

(1) Subject to the control system under this law are goods and technology (hereinafter "controlled goods") listed in a generally binding legal regulation.

(2) For the purposes of this law, "technology" means information and production-technology, knowledge in a material form or stored in electronic data-transmission media, such as models, prototypes, technical drawings and sketches, diagrams, collotypes or manuals, or, in material form, training or technical kits which can be used for making technical blueprints or making, using, or transporting goods, including equipment and technical data, but not goods themselves.

(3) The list of states to which the export of controlled goods is banned or subject to fulfillment of terms of control system is decreed by the CSFR Government.

Article 3

The control system under this law applies to physical and legal persons who intend to import to the CSFR, export from the CSFR, or otherwise handle controlled goods or who import, export, or otherwise handle them (hereinafter "the participant").

Article 4

To "handle" under this law means to transfer ownership rights for pay or free of charge or to dispose of controlled goods in some other way involving a change of the possessor, place, or utilization of controlled goods or their liquidation.

Article 5

Imported controlled goods must not be used for military purposes.

Article 6

(1) The participant is obliged to make sure no person from a state to which the export of controlled goods is banned or subject to fulfillment of terms of the control system will become familiar with controlled goods.

(2) Controlled goods must not be placed or used in workplaces designated for cooperation with states to which the export of controlled goods is banned or subject to fulfillment of the control system.

PART II

PERMISSION PROCEEDINGS

Chapter 1. Permission To Import Controlled Goods

Article 7

(1) To import controlled goods, permission from the Federal Ministry of Foreign Trade (hereinafter "permission") is needed.

(2) Permission is applied for by the participant after concluding a contract with a foreign supplier.

(3) If the participant intends to import controlled goods in order to export them to the country of origin or a third country or to reprocess, adjust, repair, or work them into other goods, or temporarily use before re-export, he will indicate so in his permit application, as well as say to which states and foreign buyers the goods are intended to be supplied.

Article 8

(1) A permission is a license to import only if an export license has been granted by the state-producer or state-exporter of controlled goods (hereinafter "export license").

(2) Terms quoted in an export license are binding.

Chapter 2. Permission To Export Controlled Goods

Article 9

Permission is needed to export imported controlled goods.

Article 10

The participant who produces controlled goods requests permission in case he intends to export such goods out of the CSFR.

Chapter 3. Permission To Otherwise Handle Controlled Goods

Article 11

(1) Permission is needed to handle controlled goods otherwise.

(2) If the participant is not the end-user of controlled goods, he is obligated to notify in writing the next user of his obligation arising from the control system of this law.

(3) The participant may transfer controlled goods to a next user after presenting permission. He will also notify in writing the Federal Ministry of Foreign Trade and the customs house competent for the base, or place of residence, of the end-user of the precise designation of the type and purported use of the controlled goods, as well as, possibly, of the name, base, and place of residence of the end-user.

Article 12

(1) The participant who obtains goods he has learned are subject to the control system under this law will notify in writing the Federal Ministry of Foreign Trade of, in particular, his title, and, possibly, his name, base, and place of residence, as well as the designation, way of procurement, intended use, and, possibly, misappropriation of the controlled goods.

(2) If the participant under (1) has taken possession of controlled goods but does not meet conditions stated by

this law or his proposal to utilize or change possession of controlled goods cannot be satisfied, he will turn them over to the customs house designated by the Federal Ministry of Foreign Trade. The customs house will return to the participant the proceeds of the sale after deducting auction costs.

(3) If the participant in (1) cannot demonstrate the legal acquisition of controlled goods, he will send them within a time stipulated by a Federal Foreign Trade Ministry decision to the customs house therein designated.

(4) If the legal possessor cannot be reliably identified, controlled goods will be taken over by the customs house within whose jurisdiction they are. The customs house will appoint a curator to protect legal interests and carry out steps toward identification of the legal possessor.

Article 13

(1) If the participant wants to liquidate controlled goods, he will ask for permission. To the liquidation request he will attach the permission required by special regulations on liquidation of controlled goods.

(2) If the Federal Ministry of Foreign Trade approves a liquidation request, its permission will designate the customs house to participate in the liquidation.

(3) The participant is obliged to inform the designated customs house about a liquidation at least 48 hours in advance.

(4) A protocol witnessed by the customs house will be made out about a liquidation.

Chapter 4. Permission

Article 14

(1) The form of a request for permission to import, export, or handle controlled goods under this law is determined by a generally binding legal regulation.

(2) The participant is obliged to notify in writing the Federal Foreign Trade Ministry and the customs house where controlled goods are registered of any change of facts listed in a generally binding legal regulation without delay after learning about such a change.

Article 15

(1) The participant states in his permission request he will tolerate control wherever he and the controlled goods may be by customs authorities (hereinafter "the customs"), who while on duty can be accompanied by authorities of the country of production or export (hereinafter "supplier state").

(2) The participant also states in his permission request he is not contractually bound to pass technology or information thereabout abroad.

Article 16

(1) The Federal Ministry of Foreign Trade will rule on requests concerning controlled goods within 30 days of their delivery.

(2) If the list of controlled goods from the supplier state does not match the list of controlled goods issued by a generally binding legal regulation, the Federal Ministry of Foreign Trade will suspend permission proceedings until the matter has been cleared up, but no longer than 60 days, informing the participant within the time limit cited in (1).

Article 17

(1) The Federal Ministry of Foreign Trade issues a permission for each individual item of a request.

(2) A generally binding legal regulation determines exemptions from the duty to issue permission for each individual item.

Article 18

The Federal Ministry of Foreign Trade will reject a permission request if conditions stipulated by this law and executive statutes are not met.

PART III

EXECUTION OF CONTROL

Chapter 1. Preliminary Control

Article 19

(1) If the Federal Ministry of Foreign Trade is in doubt whether the participant really intends to acquire controlled goods for his use or for purposes he has cited in the permission request, it will ask the customs to carry out preliminary control.

(2) The customs will also carry out preliminary control on request from a supplier state's authority.

Chapter 2. Registration of Controlled Goods

Article 20

Controlled goods are registered by the customs house within whose jurisdiction they are.

Article 21

A complete record of controlled goods is kept by the Federal Ministry of Foreign Trade.

Chapter 3. Running Control

Article 22

The customs check on fulfillment of the control system in the place where controlled goods are.

Article 23

- (1) The customs carry out control also on request from a supplier state's authority.
- (2) If a supplier state's authority requests to participate in a control, the customs will comply with the request. The supplier state's competent authority can also participate in running controls.
- (3) The central customs administration will satisfy a request to carry out or participate in a control if the request from a supplier state's authority is delivered no less than 48 hours in advance.
- (4) The customs will make sure the control is impartial and the duty of silence is not violated.

Article 24

The customs immediately reports all cases of violation of the control system obligations by the participant to the Federal Ministry of Foreign Trade.

Article 25

The Federal Ministry of Foreign Trade keeps record of participants who have violated the control system duties.

PART IV

Chapter 1. Violation of Obligations

Article 26

- (1) If the participant violates a control system obligation, the Federal Ministry of Foreign Trade will withdraw his permit under this law.
- (2) If the Federal Ministry of Foreign Trade withdraws a permit under (1), the customs house will secure the controlled goods.

Chapter 2. Fining Legal Persons

Article 27. Violation of Obligations by Legal Persons

- (1) If a legal person violates the provisions of Articles 5 or 6 or imports or exports controlled goods without permission or handles them for other than legal purposes or misappropriates them without permission, he will be fined as much as Kcs 10 million or fivefold the price of the controlled goods, if the latter is higher, and have the controlled goods confiscated.
- (2) If a legal person handles controlled goods contrary to law and stated conditions, he will be fined as much as Kcs 5 million.

Article 28

- (1) Legal persons are fined and have controlled goods confiscated by the customs directorate. The fines are a federal budget revenue. Confiscated goods become a possession of the Czech and Slovak Federal Republic.

- (2) Appeals against a customs directorate decision are ruled on by the Federal Ministry of Foreign Trade.

- (3) Decisions by the Federal Ministry of Foreign Trade can be appealed to a court.

- (4) Appeals against a customs decision do not have a delaying effect. The customs directorate whose decision is being appealed can permit a delaying effect provided it does not hamper the execution of the decision or contravene general interest.

Article 29

Proceedings to impose a fine can be initiated by the customs directorate within 10 years of the day the grounds for inflicting a fine were laid.

Article 30

- (1) A fine imposed on a legal person is payable within 30 days of the day the decision to impose it took force.
- (2) If a legal person does not fulfill a duty imposed on him by a decision under (1), the customs directorate will execute it.
- (3) The customs execute a decision under (1) by ordering a claim or selling a legal person's movables or real estate. In executing a decision, provisions of the code of civil law are properly resorted to.

Article 31

- (1) A violation of a legal person's obligations is to be considered by the customs directorate of the republic on whose territory it is based.
- (2) If the legal person is not based in the CSFR, his violation of duty will be considered by the customs directorate of the republic on whose territory the violation happened or has found out.

PART V

COMMON AND FINAL PROVISIONS

Article 32. Auctions

- (1) The customs house can auction:
 - (a) Controlled goods whose owner does not fulfill conditions stated by this law;
 - (b) Controlled goods which have come into state possession.
- (2) Participants having permission from the Federal Ministry of Foreign Trade can only get possession of controlled goods sold at auction.
- (3) Auction proceeds under (1)(b) are, after deduction of auction costs, a federal budget revenue.
- (4) Auction proceeds under (1)(b) are used, after deduction of auction costs, to pay the fine.

(5) The sale of controlled goods at auction is subject to proper use of special regulations.

(6) Details of auctions under this law are determined by a generally binding legal regulation.

Article 33

Proceedings under this law are subject to general civil law rules wherever this law does not state otherwise.

Article 34

(1) Decisions on the award or withdrawal of permission and decisions under Article 12 (2) and (3) re part of decisions on the matter.

(2) Decisions on the award or withdrawal of permission, as well as decisions under Article 12 (2) and (3), are sent care of the participant to the central customs administration.

(3) Decisions under Article 12 (2) and (3) and decisions on the award of permission under Article 13 (1) are also sent to the designated customs house.

(4) Decisions of the Federal Ministry of Foreign Trade on the award or withdrawal of permission and decisions under Article 12 (2) and (3) cannot be appealed.

Article 35

Permissions requested by special regulations are not affected by this law.

Article 36

(1) In making preliminary or running customs control, the customs are authorized to enter rooms and areas where controlled goods are or should be, to inspect documents related to controlled goods, and to take notes from the documents.

(2) The customs are obliged to keep silent about the facts they learn in preliminary and running customs controls.

(3) The Federal Ministry of Foreign Trade will at a request in writing from the Federal Interior Ministry provide information from the registry of controlled goods.

Article 37

The Federal Ministry of Foreign Trade will:

(a) issue execution orders for Articles 2 (a) [as published], 14 (1) and (2), 17 (2), and 32 (6);

(b) announce by a generally binding legal regulation the form of the notification under Article 12 (1) and of the request under Article 13 (1).

Article 38

This law takes effect February 1, 1991.

Law on Extrajudicial Rehabilitation

91P20432A Prague LIDOVE NOVINY in Czech
23 Feb 91 pp 6-7

["Text" of law intended to redress results of injustices arising during 1948-89]

[Text]

LAW

PASSED THE 22ND OF FEBRUARY, 1991 ON EXTRAJUDICIAL REHABILITATION

The Federal Assembly of the Czech and Slovak Federal Republic, in an attempt to redress the results of certain property and other injustices arising in the period from 1948 to 1989, aware that these injustices, even less than various injustices from previous periods, including injustices committed against citizens of German and Hungarian national origin, cannot ever be fully compensated for, and desiring nevertheless to confirm its desire that such injustices never happen again, has resolved on the following law.

PART ONE

OBJECT OF THE REFORM

Article 1

(1) The law concerns the redressing of the results of certain property and other injustices arising from legal actions and rulings in both the civil and labor legal spheres, and arising in the period between 25 February 1948 and 1 January 1990 (hereinafter the "period concerned"), in conflict with the bases of a democratic society respecting the rights of citizens as expressed in the Charter of the United Nations, the Universal Declaration of Human Rights, and applicable international agreements on civic, political, economic, social and cultural rights.

(2) The law regulates the conditions for the exercising of rights arising from the abolishing of courts' sentences of the confiscation of real estate, and items, or the interdiction of items, as well as the means of compensation, and the extent of the above rights.

(3) This law is not to be used for the redressing of injustices which are the subject of another law.

(4) This law is not to be used for the redressing of injustices which arose in connection with agricultural land used for agricultural production, including buildings used for the same purpose, forest land and areas of water.

(5) This law cannot be applied in cases where property was acquired in the period of nonfreedom by persons other than those representing the state, or acquired as the result of racist persecution.

PART TWO

CIVIL LAW AND ADMINISTRATIVE RELATIONS

Article 2

(1) The redressing of the results of property and other injustices caused by rulings in civil law, by administrative decisions, or other illegal actions, occurring in the period concerned, is to be realized by the handing over of property, or in the provision of financial compensation, or the revoking of certain directives, and possibly by adjustments in social security payments:

(a) if such is explicitly set out in the law,

(b) if the injustices arose as a result of legal regulations revoked by this law,

(c) if the injustices were the result of political persecution or of an action violating generally accepted human rights and liberties.

(2) Political persecution is, for the purposes of this law, understood as the persecution of a person:

(a) directly connected to the person's democratically motivated political and social activities and civic position or,

(b) as a result of his or her membership of a specific social, religious, property-owning or other group or social strata.

(3) Violation of generally accepted human rights and liberties is, for the purposes of this law, understood to be actions which are in contradiction with the principles outlined in Article 1, Para 1 of this law. In cases where a person was stripped of property rights during the period concerned, under regulations on nationalization issued between 1945 and 1948, and where he or she did not receive the appropriate compensation, then there arises a right of that person which can be satisfied by another law.

Section One. Relations in Civil Law

Article 3. The Entitled Person

(1) The "entitled person" is a physical person, whose possession became the property of the state under circumstances outlined in Article 6 of this law, providing that such persons are citizens of the Czech and Slovak Federal Republic, and has their place of permanent residence in this country.

(2) In the case of the death of the person whose possession became the property of the state under circumstances outlined in Article 6 of this law, before the expiration of the period specified in Article 5, Para [number not published], or in the case of such a person being proclaimed as dead within the period specified in Article 5, Para [number not published], then the entitled persons are, in the following order, and providing always

that they be citizens of the Czech and Slovak Federal Republic with their place of permanent residence in this country:

(a) The inheritor, according to a last will and testament, of the total worldly goods of the deceased.

(b) An inheritor who, according to a last will and testament, received a part of the deceased's worldly goods. In such a case the inheritor may claim only such portion of restitution as corresponds to his or her share of the deceased's total legacy. The above does not apply where an inheritor is awarded only specific items or rights by the will. Where the inheritor is awarded by the will a certain portion of certain items, then he or she may receive restitution only concerning those items.

(c) The children and spouse of the person whose property came into the property of the state in the circumstances outlined in Article 6. All are entitled to the same share. Should a child have died within the period specified in Article 5, Para 2, then his or her right passes to his or her children. Should they also have died, then their right passes in turn to their children.

(d) The parents of the person whose property passed into the ownership of the state in the conditions outlined in Article 6.

(e) The siblings of the person whose property passed into the ownership of the state in the conditions specified in Article 6. If any of them should have died, then their right passes to their children.

(3) In cases covered in Article 6, Para 1 (f), the entitled persons are specified by the same point. This definition applies also to Para 2 (c).

Article 4. The Obligated Person

(1) The "obliged person" is the state or a legal person who, on the day this law enters into effect, holds the property in question, with the following exceptions:

(a) enterprises with foreign capital participation and commercial organizations whose members or components are exclusively physical persons. This exception, however, does not apply where the property in question was acquired from a legal person on or after 1 October 1990,

(b) foreign states.

(2) A physical person who acquired from the state property or the right to use property within the definition of Article 6 is also an obliged person, in cases where the person in question acquired the property either in contradiction with legal regulations valid at the time, or on the basis of an illegal bias toward the person in question, or of members of that person's household, should the property have been acquired with the aid of such persons.

Article 5. Surrender of Items

(1) The obliged person will surrender an item following the written request of the entitled person, demonstrating his or her right to the transfer of the item and showing the way in which the item came into the property of the state.

If the item is movable, then the written demonstration is to be made in the place where the item is. If there is more than one entitled person, but only one or some of them claim their right during the period specified in Para 2 below, then these applicants are entitled to the whole item.

(2) The entitled person must call on the obliged person to surrender the item within six months of the date this law enters into effect; otherwise the right to compensation expires.

(3) The obliged person enters into an accord with the entitled person, and surrenders the item to that person within thirty days after the expiration of the period specified in Para 2 above. This accord requires, in a case involving real estate, registration by a notary public, who should proceed in the same manner as when registering an agreement on the transfer of property.

(4) If the obliged person does not act on the request within the period specified in Para 2 above, then the entitled person can pursue the claim in a court within a period of one year from the date this law comes into effect.

(5) Should an item be surrendered, then persons who made requests within the period specified in Para 2 above, but whose requests were not satisfied, can pursue their claims against the person or persons to whom the item was surrendered, in a court, within a period of one year from the date this law comes into effect.

(6) The fees normally charged by notaries public for their registration under Para 3 above, and administrative payments charged in connection with the surrender of real estate, are not levied.

Article 6

(1) The obligation to surrender an item arises in cases where, during the period concerned, an item came into the ownership of the state on the basis of:

(a) Article 453A of the Civil Code, or Article 287A of Law Number 87/1950, in the version published as Law Number 67/1952.

(b) A pronouncement and agreement to cede all claims in cases of emigration (the so-called declaration of renunciation).

(c) Cases where a citizen remaining abroad abandoned an item on Czechoslovak territory.

(d) Shortened procedure auctions held to defray the claims of the state.

(e) An agreement to donate real estate extracted under duress.

(f) A court decision ruling that an agreement on the transfer of property was invalid, in cases where a citizen before departure from the Republic transferred ownership of the item to another person, should leaving the Republic have been the reason for the court so ruling. In such cases the entitled person is the receiver of the item under the original agreement, and this whether or not the agreement ever took effect.

(g) A sale agreement closed under duress and for strikingly unadvantageous conditions.

(h) A refusal to accept items left to the entitled person in a will, as a result of duress.

(i) Confiscation with compensation, in cases where the item still exists and never served the purpose for which it was confiscated.

(j) Confiscation without compensation.

(k) Nationalization carried out in contradiction with legal regulations in force at the time.

(2) The requirement to surrender an item exists in cases not covered in Para 1 above, which fall under Article 2, Para 1 (c), and in cases where the state took ownership of an item without legal justification.

Article 7

(1) The item is to be surrendered to the entitled person in the state it is in on the day the written request for the surrender of the item is received by the obliged person.

(2) In cases where the obliged person has, before that day, negotiated an agreement for building, reconstruction or modernization work of real estate in question, or some other agreement related to this real estate, then an agreement specifying to what extent the entitled person takes over the rights and commitments arising from such agreements must be signed.

(3) Should surrendered real estate be, in comparison to its state at the time of transfer to ownership to the state, degraded to the point where it can no longer be used for accommodation, production, trade or other services without immediate construction work, then the entitled person may demand, instead of surrender of the real estate, financial compensation under Article 13.

(4) Should the real estate have increased in value to the point where, on the day the entitled person presents his or her written request, its value substantially exceeds its original value, then the entitled person may choose either to demand financial compensation under Article 13 or to demand the surrender of the real estate. Should the entitled person elect for the surrender of the real estate, then he or she must pay the obliged person the difference between the prices mentioned in the previous

sentence. Both prices are to be calculated on the basis of legal regulations valid on the day this law becomes valid.

(5) The same procedure as in Para 4 above will be followed in cases where the item in question has become an indivisible part of another item.

Article 8

(1) Structures which, as a result of fundamental reconstruction, have lost their original structural character will not be surrendered.

(2) The obliged person is obliged to surrender land on which the no-longer existing structure stood, in cases not covered by Para 3.

(3) Land on which there is now a building constructed since the land came into the property of the state is not to be surrendered.

(4) Land over which a right of personal use has been established is not to be returned to the entitled person.

(5) In cases covered by Paras 1 to 4 above, where the item is not surrendered, the entitled person receives financial compensation under Article 13.

(6) An item classified as a national cultural artifact may not be surrendered until such time as the Czech National Council and Slovak National Council adopt a new law on the management and protection of cultural artifacts.

Article 9

(1) The obliged person is obliged to treat items to be surrendered to an entitled person with the care of a normal owner: The obliged person may not, after the day this law comes into force, transfer an item, its parts or fittings into the ownership of another person, or allow another person to make use of the item, with the exception of an accord to give up and to take up an apartment, on the basis of an agreement to exchange apartments. No such legal actions can be considered valid.

(2) The right of the entitled person to compensation for damages which the obliged person does by the non-observance of his or her duties under Para 1 above are not affected by the provisions of Article 10.

Article 10

(1) An obliged person cannot exercise any financial or other claims connected to the surrender of an item against an entitled person. At the same time, an entitled person to whom an item is surrendered, cannot exercise against an obliged person any claims connected with the surrender of the item, other than those claims permitted under this law.

(2) If, on the day of transfer to state ownership, the real estate to be surrendered was the subject of a measure of a financial institution, restricting the transfer of the real estate in order to ensure the settlement of the financial

institution's claims, then the entitled person must provide the sum which the state thus settled.

(3) If an item is somehow the subject of obligations resulting in the restriction of rights over the item, and should the item be surrendered, then the obliged person must settle such obligations or otherwise ensure their settlement.

(4) Should the state have paid, against the confiscation of an item, a purchase price or compensation, then the person to whom the item is surrendered is obliged to return that sum to the relevant state administrative organ. Should such an entitled person demand financial compensation for a non-surrendered item, then the sum mentioned above should be deducted from any final compensation.

Article 11

If an item is surrendered by a person other than the state, then that person has the right to the return of the purchase price. This right should be exercised against the relevant central state administrative organ of the Republic.

Article 12

(1) On the day of transfer of real estate, the entitled person takes on all the rights and duties of a lessor, signator of any agreement on the giving up and taking up of an apartment, or an agreement on the lease of non-residential premises after the transfer of property.

(2) The previous users of apartments and nonresidential premises in surrendered real estate, where such apartments or premises serve for:

(a) the activity of diplomatic and consular missions,

(b) the carrying out of health and social services,

(c) the purposes of education,

(d) the carrying out of cultural activity,

(e) the work rehabilitation and/or employment of physically disabled persons,

acquire the right, with regard to the entitled person to the closing of an agreement on the utilization of an apartment, or on the lease of nonresidential premises governed by the regulations of the Civic Code, Law on the Letting and Subletting of Nonresidential Premises, and related regulations. The entitled person may not withdraw from this agreement before ten years have elapsed from the day this law enters into validity. This last obligation of the entitled person applies equally to any subsequent owners within the period concerned.

(3) Should the entitled person and the user of the apartment or nonresidential premises as understood in Para 2 above be unable to agree on the amount of the rent and the conditions for its payment, then the relevant

organ of state administration will set the level of rent in accordance with the generally valid price regulations.

(4) A user of an apartment or nonresidential premises whose right to use such premises ends, and who, in accordance with building regulations, has carried out at his or her own expense such works as have increased the value of the apartment or non-residential premises, has the right to compensation for that increase in value, to be estimated in accordance with valid price regulations.

Article 13

(1) Financial compensation will be awarded to the entitled person only for real estate which it is not possible to surrender, or if the entitled person requests financial compensation under Article 7, Paras 3, 4, and 5 of this law.

(2) In cases where the entire property of a citizen, which did not include real estate, was confiscated by the state on the basis of a legal decision which has been or will be overturned under Law No. 119/1990 on judicial rehabilitation, in the version published as Law No. 47/1991, or on the basis of a decision overturned under this law, then the entitled person will receive compensation in the sum of 60,000 korunas [Kc], to be paid in the form specified in Para 5.

(3) A written request for financial compensation must be submitted to the relevant central state administration organ of the Republic no later than one year from the date this law enters into validity, or from the date when a legal authority rules that an item may not be surrendered.

(4) The central organ of state administration of the Republic will pay financial compensation to the entitled person within six months of the date of receiving a written request as specified in Para 3 above.

(5) Financial compensation may consist of a cash payment of up to Kc30,000, and in the issuing of securities which are not state bonds. The amount of financial compensation to be paid in cash may be adjusted by the governments of the Czech and Slovak Republics according to their own regulations. Financial compensation under Para 1 above is to be fixed according to the price regulations for the valuation of real estate in force on the day this law comes into validity.

(6) If the entitled person is not an entitled person under Article 3, Para 1, but is under Article 3, Para 2, then financial compensation is to be made only in securities and these are not to be state bonds.

Section Two. Administrative Relations

Article 14

(1) Entitled persons are those persons defined in Article 3 of this law, whose property came into the ownership of the state by a means specified in Article 16 of this law.

(2) Physical persons on whom were committed other injustices by organs of state administration by decisions which are overturned by Articles 16, 17, and 18 of this law are also entitled persons.

Article 15. Obligated Persons

Obligated persons are the state or legal persons according to Article 4, Para 1 and physical persons according to Article 4, Para 2 who received an item in question from the state, or acquired the right to use the item in the manner set out in Article 16, Para 1, and the relevant central organs of state administration (Article 16 and Article 17, Para 2 of this law).

Article 16

(1) Decisions founded on Law No. 88/1950, concerning the punishment of forfeiture of assets are hereby abolished.

(2) Should a part of the assets mentioned above represent real estate, then the procedure set out in the previous part of this law applies. Should real estate not form part of these assets, then the procedure to follow is Article 13, Para 2.

(3) Compensation for imprisonment, both before and after sentencing and exceeding three months is governed by Article 23 of Law No. 119/1990, in the version published as Law No. 47/1991. Such compensation is to be paid out by the relevant central state administration organ of the Republic.

Article 17

(1) Decisions to assign a person to a forced labor camp under Law No. 247/1948 on forced labor camps, and decisions on assignment to a labor formation under Slovak National Council Measure No. 7/1948, except in cases where previous sentencing clearly shows that the individual concerned consistently committed property-related criminal activity, are also abolished.

(2) The relevant central state administration organ of the Republic is required to supply financial compensation for periods spent in forced labor camps or in labor formations in amounts such as those set out in Law No. 119/1990, in the version published as 47/1991.

Article 18

(1) Military call-up orders under which soldiers were, for the period of their compulsory basic military service, assigned to auxiliary technical battalions between the years 1950 and 1954, and call-up orders to auxiliary technical battalions for exceptional military exercises under Article 39 of Law No. 92/1949, the armed service law.

(2) Decisions whereby pupils and students were expelled from secondary and tertiary educational establishments, which were reached as a result of political persecution or of an approach violating generally recognized human

rights and liberties. Educational rehabilitation is to be carried out according to the instructions of the relevant minister for that sphere.

PART THREE

RELATIONS UNDER CRIMINAL LAW

Article 19. Entitled Persons

(1) Persons rehabilitated under Law No. 119/1990, who fulfill the conditions set out in Article 3, Para 1 of this law, or should such persons be dead or be pronounced as dead, then those persons who fill the conditions set out in Article 3, Para 2 of this law are considered to be entitled persons.

(2) The rights set out in Para 1 above accrue also to persons for whom a right to compensation arises under Article 27, Para 1 (f) of Law No. 82/1968 on legal compensation, where such compensation concerns real estate which has not been returned to them.

Article 20

(1) Obligated persons are legal persons according to Article 4, Para 1 of this law, physical persons according to Article 4, Para 2 of this law who have acquired the rights to usage of an item from the state on the basis of a court ruling, and the relevant central state administrative organ.

(2) Obligated persons are obliged to surrender items according to Article 5, and Articles 7-12 of this law. Should this not be possible, then the entitled person has the right to apply for compensation according to Article 13 of this law.

(3) In cases of the exercising of rights to the surrender of property arising from the overturning of court rulings sentencing an individual to the confiscation of assets, where the decision to overturn such a ruling takes legal effect after the day this law comes into validity, then the period within which such rights must be exercised begins on the day that decision takes legal effect.

PART FOUR

RELATIONS UNDER LABOR LAW AND SOCIAL SECURITY RELATIONS

Article 21

(1) Legal acts during the period concerned which resulted in the termination of a person's employment or official responsibility, or membership in a cooperative (hereafter "working relationship") and which were the result of political persecution or of an attitude violating generally recognized human rights and freedoms (Article 2, Paras 2 and 3), particularly:

(a) where the justification for such an act is a conviction for a punishable offense (felony, misdemeanor, infraction) and where the court's sentence is overturned according to the second or third parts of Law No.

119/1990 on legal rehabilitation, in the version published as Law No. 47/1991, and where the legal sentence is lifted, or where the accused is cleared of all guilt,

(b) if it was carried out according to Legal Measure of the Presidium of the Federal Assembly No. 99/1969 on some transitional measures necessary for the strengthening and protection of public order,

(c) if a person was dismissed according to Article 46, Para 1 of the Labor Code, No. 65/1965, in the version published as Law No. 153/1968, on the grounds that the employee, by his or her activities, disturbed the socialist social order and therefore could not command the trust necessary for the fulfilling of his or her position or job,

(d) if a person was summarily dismissed according to Article 51, Para 1 (c) of the Labor Code, No. 65/1965, in the version published as Law No. 153/1968,

(e) if a person signed an agreement to end the working relationship under the pressure of political persecution on the pressure of an approach violating generally accepted human rights and liberties,

are considered as invalid for the purposes of this law.

(2) Legal decisions rejecting propositions or accepting concessions in cases dealing with the issue of validity of the ending of a working relationship in the cases set out in Para 1 above are hereby overturned.

Article 22

(1) At the request of the individual whose working relationship finished for one of the reasons set out in Article 21, the organization with which he or she had that working relationship or the legal representative of that organization, and should there not be a legal representative then the central organ to which the organization is, or was at the time, dependent (hereafter the "organization") will issue a statement to that effect. Should the individual mentioned above be no longer living, his or her spouse or child may make the request.

(2) The request mentioned in Para 1 above may be lodged up to six months after the day this law comes into effect.

(3) Should the organization not issue the statement mentioned above within three months of the date it receives the request, then the person mentioned in Para 1 may, within two years of the day this law enters into effect, ask a court to make a statement that the reason for the ending of the working relationship in question was one of those set out in Article 21.

(4) The statement referred to in Para 1 can be represented also by a statement or other document issued before the day this law enters into effect, such as a court decision, if from that document it is clear that the working relationship in question finished for one of the reasons set out in Article 21.

(5) Confirmation that a working relationship finished for one of the reasons set out in Article 21 above can, on request (Paras 1 and 2), be issued by:

(a) The Federal Ministry of Defense for a professional soldier.

(b) The Federal Ministry of the Interior or the relevant central state administrative organ of the Republic for a member of an armed corps.

(c) The president of the Supreme Court of the Czech and Slovak Federal Republic, or the relevant central state administrative organ of the Republic for judges.

(d) The procurator general of the Czech and Slovak Federal Republic or the procurator general of the Republic for public prosecutors.

(e) The relevant lawyers' chambers for a lawyer.

The contents of Para 3 apply to cases covered by this paragraph.

(6) The invalidity of a legal act under Article 21 does not renew the terminated working relationship, and from this invalidity no right to back-payment of wages, compensation or to any other measure which could arise from the considering of that working relationship as always having been in force.

(7) Should an individual whose working relationship was finished for one of the reasons set forth in Article 21 request that the organization with which he or she had been in a working relationship takes him or her back into employment, and makes such request within six months of the day this law enters into effect, then that organization is obliged to employ him or her in a position corresponding to the legal contract in force at the time when his or her working relationship was terminated, provided that he or she holds the qualifications and requirements for the performance of such work and providing that it is possible for the organization to employ him or her.

Article 23

(1) Decisions by which organs responsible for the provision of social security to artists resolved, for reasons outlined in Article 2, Paras 2, and 3 of this law:

(a) to terminate the participation of an individual in the artists' social security system, or that

(b) an artist did not have the right to social security payments,

are hereby overturned.

(2) The decision as to whether a particular case is covered by Para 1 above is to be made, on request, by the relevant central state administrative organ of the Republic; the decision as to who in such cases should be

considered to have been an artist is within the competence of the relevant central state administrative organ of the Republic.

Article 24

(1) Should the termination of a working relationship be considered as invalid, on the basis of Article 21, or a legal act leading to the termination of a working relationship be considered as invalid under Article 22, then for the purposes of calculating entitlement to a pension the period from the termination of the working relationship to the date an individual becomes eligible for old age, partial or full disability pension or to the date this law enters into effect, whichever is the shorter, is counted in full.

(2) Should the decision of a relevant organ under Article 23 be considered as invalid, then for the purpose of pension insurance the whole period from the date the decision acquired legal validity until the date when the individual in question became eligible for an old age, partial disability or disability pension, or until 30 April 1990, whichever is the shorter, is counted as a period of employment.

(3) Should employment classified as work category I (II) for the purposes of pension insurance have been terminated for one of the reasons set out in Article 21 of this law, or terminated as the result of a legal act since declared as invalid according to Article 22 of this law, then the period of employment as defined in Para 1 is valued as employment in category I (II), but this for a period no longer than that required to qualify as eligible for a pension in category I (II). The categorization of particular employment is to be done according to Para 1.

(4) With the aim of redressing injustices committed against the persons specified in Article 18, Para 1, periods of time of military service of military exercises spent in auxiliary technical battalions is to be counted toward pension entitlement at double its length, in the work category in which the work carried out was classified.

(5) With the aim of redressing injustices caused by the expulsion of tertiary education students from their studies, the number of years at that time considered necessary to graduate, but which were not completed or studied due to an individual's exclusion, count for the purpose of pension entitlement as a period of employment double their length.

(6) The average monthly earnings, for the purposes of calculating pension entitlement of persons for whom such calculation is to be made under Paras 1 or 2 is to be calculated on the basis of total real earnings during the year previous to the termination of employment, increased to take account of the wages growth in the general economy during the period before the individual achieved the right to a pension. The mechanism for the

upward adjustment of real total earnings is to be fixed by the government of the Czech and Slovak Federal Republic.

Article 25. Adjustment

The calculation of pension entitlement or adjustment of its amount is to be carried out only if this is more advantageous for the citizen concerned than treatment under the generally valid pension system, or under Article 25 of Law No. 119/1990, in the version published as Law No. 47/1991.

Article 26

Pensions already awarded before the day this law comes into effect will be adjusted in line with Article 24 on request; in the meantime, the pension is to be calculated according to the regulations according to which it was granted.

Article 27

The amount of a pension awarded under earlier regulations is to be backdated at least as far back as the pension payment date following the day this law comes into effect.

Article 28

The procedure outlined in Articles 24 to 27 is to be followed in the calculation or adjustment of widows and orphans pensions.

Article 29

(1) Citizens who are rehabilitated according to Law No. 119/1990, in the version published as Law No. 47/1991, citizens for whom a legal conviction of the type outlined in Article [number not published] of Law 119/1990 was abolished before it came into effect and citizens who were rehabilitated under Article 22 (c) of Law 82/1968 on legal rehabilitation receive, with the exception of rights to pensions, the same advantages as participants in the resistance.

(2) Citizens who were assigned to forced labor camps or work formations under decisions overturned by Article 17 of this law are accorded the rights set out in Article 25 of Law No. 119/1990. The measures outlined in the previous paragraph also apply.

(3) The measures outlined in Paras 1 and 2 above are to be applied only in the cases of citizens:

(a) on whom a sentence of death was carried out, or

(b) who died in captivity, whilst serving a detention sentence, while suffering the illegal deprivation of civil rights under Article 33, Para 2 of Law No. 119/1990, or whilst serving in a forced labor camp or a labor formation,

(c) who served at least 12 months in detention,

(d) who served at least 12 months in a forced labor camp or a labor formation.

Article 30

In the case of an invalid termination of an official post of a professional soldier or member of an armed corps, then that person's social security rights arising from the law on official post conditions are calculated as if the person had been discharged for reasons of reorganization. The amount of such payments is to be calculated according to the period of service actually carried out, and the earnings achieved (the basic sum for the purpose of calculating social security payments). The exact details are to be set by the Federal Ministry of Defense, Federal Ministry of the Interior and the relevant central state administration organs of the Republics.

PART FIVE

COMMON AND CONCLUDING MEASURES

Article 31

A procurator may issue a protest against decisions, measures and other acts which took place during the period concerned in contradiction with the law and with other legal regulations and which led to political persecution or to preferential treatment for political reasons until 31 December 1992.

Article 32

The Slovak National Council will introduce its own law to ameliorate the results of certain property and other injustices arising from the specific existence or specific interpretation of certain legal regulations on the territory of the Slovak Republic, or as the result of any other matter wholly specific to the Slovak Republic.

Article 33

(1) Article 453A of the Civil Code, No. 49/1964, in the version published as Law 131/198 [as published] is abolished.

(2) Article 390, Para 2 of the Civil Code is amended to read:

(2) The utilization of apartments in family houses which have been left over for the use of another person is to be regulated by the measures set out in Articles 155 to 189, with the exception of the measures contained in Articles 159 and 188 and measures relating to cooperative apartments.

(3) Article 493, Para 1 of the Civil Code is adjusted to read:

(1) The utilization of an apartment in a house in private ownership left over for the accommodation of another person is to be regulated by the measures contained in Articles 155 to 189, with the exception of the measures contained in Articles 159 and 188 and measures relating to cooperative apartments.

(4) Proclamation of the Minister of Finance No. 117/1955 is abolished. The Federal Ministry of Finance will proceed on the basis of generally recognized binding legal regulations in the adjustment of the means of compensation of an individual whose rights were reduced under the above proclamation.

Article 34

If there is no entitled person, or if none of the entitled persons concerned exercises their right to the surrender of an item within the period set out in Article 5, Para 2, then the state becomes the entitled person, and must exercise its rights within 18 months of the date this law comes into effect. The procedure for the exercising of these state rights will be set out in special regulations by the relevant organs of the Republics.

Article 35

This law comes into effect April 1, 1991.

Central Bank Payment Classification Codes for 1991

91P20427B *Prague CZECHOSLOVAK NATIONAL BANK BULLETIN Mar 91 No 9 pp 1-12*

[New classification codes for foreign exchange convertibility to pay for goods and services]

[Text]

PAYMENT CLASSIFICATION CODES FOR THE YEAR 1991

An internal convertibility of the Czechoslovak koruna and foreign currencies for the purpose of current organization and enterprise payments for goods and services becomes effective on January 1, 1991. In this context, a new payment classification code for goods and services is implemented on the same date.

All organizations and businesses entitled to carry out foreign economic and commercial activities are required to use the payment classifications listed in the code for their accounts receivable and payable [invoices and payments]. At the time of the presentation of the settlement order for a foreign commercial bank, the customer is required to show an authorization to conduct foreign commercial activities and submit the method of settlement documentation, following standard procedures and usage for letters of credit and other instruments, as well as any other regulations issued by the International Chamber of Commerce in Paris.

In cases of a straight hold good (for goods and services), the customer submits the order for settlement with the foreign invoice, as well as other supporting documentation, to show that the foreign obligation is legitimate.

Foreign settlement payment orders are submitted to the appropriate monetary institution handling foreign currency not later than 10 days before the due date of the

foreign payment. The foreign currency payments take place according to the SBCS [Czechoslovak National Bank] exchange rate in effect on the date of the payables or receivables; the payments from foreign countries are converted according to the SBCS exchange rate in effect on the day of assignment from abroad.

The authorization to conduct payment transactions has been granted by the Czechoslovak National Bank to the following financial institutions:

- Czechoslovak Commercial Bank, Inc.
- Czechoslovak Trade Bank
- Commercial Bank, Prague
- Universal Credit Bank, Bratislava
- Investment Bank
- Tatrabank, Inc.
- Agrobank, Inc.

Internal convertibility, i.e. the unencumbered payments by organizations and businesses to foreign countries, does not apply to the following payment codes:

- 51 Capital stock—investments by domestic foreign currency holders in Czechoslovak capital participating abroad [initial capital for establishing participation, increase in existing initial capital, or transfer of the capital participation of a Czechoslovak partner to an exchange foreigner].
- 52 Other real estate—real estate purchases by domestic foreign currency holders in foreign countries.
- 53 Foreign commercial instruments—for the purchase of foreign commercial instruments.

For payment transactions under the above indicated classifications, the banks will require submission of an authorization by the Czechoslovak National Bank.

In cases of classifications with expressly indicated obligation to apply specific payment conditions to transfers to foreign countries (payment classifications 14, 23, and 27) it is necessary to submit a contract negotiated in advance with the bank. Commercial organizations entitled to conduct foreign trade activities are required to consult with an appropriate commercial bank prior to the closing of a contract to obtain payment conditions for the commercial goods and services imports whose value exceeds 1 million korunas at trade parity. A settlement will not be made without this consultation [with the bank].

The payment classification codes for banking operations and nontrade payments remain unchanged at this time but adjustments are expected to take place with the introduction of new payment classifications, probably effective 1 March 1991.

The Czechoslovak National Bank reserves the right to place additional documentation requirements within the framework of the SBCS control system.

A. Payment Classification for Goods, Services, and Capital Transfer

For technical reasons, it is necessary to preface by a 0 (i.e. code 11 will be indicated as code 011, etc.) all payment classification codes of the foreign currency receivables and payables processed by the Czechoslovak National Bank, Commercial Bank, Universal Credit Bank, Investment Bank, Tatrabank, and the Agrobank.

- 11 Invoices for exported goods, including returns (less transportation costs, interest, and reexports): Invoices for exported goods which crossed the CSFR (Czech and Slovak Federal Republic) borders where a transfer of ownership rights to the goods from a domestic foreign currency holder to an exchange foreigner [a foreign holder of foreign currency] has also taken place.
- 12 Payments for imported goods, including returns (less transportation costs, interest, and reexports): Payments for goods which crossed the CSFR borders where a transfer of ownership rights to the goods from an exchange foreigner to a domestic foreign currency holder has also taken place.
- 13 Invoices and payments for transportation, insurance, etc.: Costs included in the price of exported and imported goods (except interest).
- 14 Invoices and payments for interest included in the price of exported and imported goods.
- 15 Invoices and payments related to reexport and profit operations.
- 22 Invoices and payments for construction, machinery, and industrial plant (except transportation), films, sound and visual recordings, and other leases (operational leasing).
- 23 Invoices and payments related to exports and imports of services in area of research and development.
- 24 Invoices and payments for purchased or sold licenses, patents, copyrights, etc.
- 26 Invoices and payments for legal services provided or received.
- 27 Invoices and payments for exports and imports of software and other computer services.
- 28 Invoices and payments for communications services including telephone and telecommunications services.
- 31 Invoices and payments (transportation, insurance, and other services related to sea transportation).
- 32 Invoices and payments (transportation, insurance, and other services related to air transportation).
- 33 Invoices and payments related to other types of transportation (transportation, insurance, and other services related to railroad, riverine, and truck shipping and forwarding, etc.).
- 34 Invoices and potential payments expected from transits of goods across Czechoslovak territory—railroad transit.
- 35 Invoices and potential payments expected from transits of goods across Czechoslovak territory—pipeline transit.
- 41 Direct investment revenue—revenue from direct Czechoslovak foreign investments transferred to the CSFR, revenue from direct exchange foreigner investments in the CSFR transferred to foreign countries.
- 42 Revenue from other investments—revenue from other Czechoslovak investments abroad transferred to the CSFR, revenue from other exchange foreigner investments in the CSFR transferred to foreign countries.
- 43 Revenue from other investments—interest received from abroad or paid to foreign country recipients not included in other payment codes (for example, interest on government loans).
- 51 Capital stock—capital investments participation by exchange foreigners in Czechoslovak foreign investments abroad (initial capital at the establishment of capital participation, increase in the existing paid-in capital, transfer of a Czechoslovak participant capital share to an exchange foreigner—exchange foreigner investments in capital stock of foreign enterprises with capital participation in Czechoslovakia).
- 52 Other real estate—purchase of real estate abroad by a domestic foreign exchange holder, purchase of real estate by exchange foreigner on the territory of the CSFR.
- 53 Foreign negotiable instruments—purchase of foreign negotiable instruments—sale of foreign negotiable instruments.
- 54 Purchase and sale of CSFR negotiable instruments—cost and revenue realized on purchases and sales of negotiable instruments issued in CSFR currency by exchange foreigners.
- 60 Invoices from organized tourist travel.
- 62 Overhead and other revenue and costs by travel bureaus.
- 64 Payments for organized tourist travel.
- 70 Invoices and payments related to insurance and assurance—includes all types of insurance with the exception of direct insurance of goods.
- 72 Construction expenditures—only actual expenditures of an authorized nature.

- 80 Invoices and payments related to other services not included elsewhere—payments for trade brokerage or agency fees, etc.
- 90 Business and official trip costs (incl. returns).
- 92 Invoices and payments related to advertising services.
- 95 Other overhead costs not included elsewhere.

B. Classification Codes for Bank Foreign Currency Exchange Operations

- 700 Auxiliary symbol for foreign currency exchange operations, for example, deposits and withdrawals from foreign currency accounts.
- 710 Capital and reserves.
- 735 ZB [Trade Bank] exchange rates.
- 750 Passive interest from actions within the framework of economic cooperation.
- 760 SBCS and new commercial banks banking interests.
- 761 Costs and revenue in SBCS and new commercial banks' bank relations.
- 762 SBCS interest from government HTS [expansion unknown] loans.
- 770 ZB bank interest.
- 771 Costs and revenue of ZB banking relations.
- 780 CSBS bank interest.
- 781 Costs and revenue of CSBS banking relations.
- 781 Interbank transfers.
- 786 Free assistance.
- 791 Swap operations.
- 792 [ZKS] operations.
- 793 Clearing relations and switch allocations.
- 794 [YP] operations.
- 795 SZ coefficients.
- 796 Operations in metals.
- 797 Bank foreign currency position corrections.
- 799 SBCS and new commercial banks conversions and arbitration.

C. Classification Codes for Nontrade Payments

- 522 Representation (CSFR abroad and foreign in CSFR).

- 523 Art and other fees (translations, scientific works, articles, lectures, photographs, sport and art price awards, etc.).
- 531 Diplomatic, consular, and other representation in foreign countries.
- 532 Budget contributions to international organizations.
- 533 Diplomatic, consular, and other representation of foreign countries.
- 534 Other federal salaries.
- 535 Pensions.
- 536 Foreign employees.
- 543 Travel by nationals—individual tourism.
- 544 Travel to CSFR—individual tourism.
- 545 Publicity.
- 547 Foreign residence in CSFR outside of tourism (for example, stipends).
- 550 Subsistence allowances.
- 551 Private transfers and gifts.
- 552 Inheritances.
- 553 Contributions to international nongovernmental organizations registered by an appropriate domestic agency.
- 554 Remittances (wage transfers).
- 562 Payment compensation paid abroad, amounts established on the basis of legal and other decisions of the Czechoslovak officials or organizations in cases of incidents or other injuries to health and property damages, fees for obtaining official documents abroad, necessary to negotiate inheritances, subsistence, or pensions, compensation for fines and bonds assessed by appropriate foreign agencies.
- 563 Business and instrument revenue, interest, dividends, detachable coupons, profits, and company excess funds.
- 564 Rentals and leases.
- 565 Other general payments, to include fees and custom tariffs being compensated to the postal services administration of the country of designation for postal package shipments delivered without fees and duties, substantive expenses related to participation in international festivals, lectures, competitions, exhibits, and similar activities, provided this participation has been approved by the appropriate CSFR Government agencies.

- 567 Unanticipated expenditures related to transportation or towing of damaged or broken down vehicles from abroad to the CSFR borders.
- 568 Expenditures for unavoidable medical care abroad.
- 569 Expenditures related to death of persons who die during their residence abroad, as well as their funeral in foreign countries, or transfer of the dead or their remains home.
- 571 CSFR participation in MBHS [International Bank of Economic cooperation]—shares and returns.
- 572 CSFR participation in MIB [International Investment Bank]—shares and returns.
- 582 Compensations for nationalization.
- 591 Federal real estate.
- 592 Negotiable instruments and investments (maturation, sale, instrument lottery drawings) other than purchase and sale of negotiable instruments and business facility investments.
- 593 Other real properties (finished transactions).
- 594 Other trade and nontrade claims and obligations (prewar and prior to the OZO [Foreign Trade Organization] establishment).

Law on Amendments to Constitution

91EP0615B Warsaw *DZIENNIK USTAW* in Polish
No 41, 14 May 91, Item No 176 p 577

["Text" of law dated 19 April on amendments to the Constitution of the Republic of Poland]

[Text] Article 1. In the Constitution of the Republic of Poland (Dz.U. [DZIENNIK USTAW], No. 7, Item No. 36, 1976; No. 22, Item No. 81, 1980; No. 11, Item No. 83, 1982; No. 39, Item No. 175, 1983; No. 14, Item No. 82, 1987; No. 19, Item No. 129, 1988; No. 19, Item No. 101, and No. 75, Item No. 444; and No. 16, Item No. 94, No. 29, Item No. 171, and No. 67, Item No. 397, 1990), the following amendments are incorporated:

1) In Article 21:

a) The following new Paragraphs 2 and 3 are added:

"2. The term of office of the Sejm commences on the day of its first session and continues until deputies gather for the first session of the Sejm of the next term of office.

"3. In the event of dissolution of the Sejm, the provisions of Paragraph 2 apply."

b) The previous Paragraphs 2 and 3 are designated Paragraphs 4 and 5.

2) In Article 31, Paragraphs 1 and 2 are amended as follows:

"1. Elections to the Sejm and the Senate are ordered by the president not later than within four months before the expiration of the term of office of the Sejm, on designating their date.

"2. In the event of dissolution of the Sejm the president orders elections to the Sejm and the Senate, on designating the date of the elections within four months from the date of the decision to dissolve the Sejm."

3) Article 58 is deleted.

4) In Article 67, Paragraph 1 is amended as follows:

"1. The Republic of Poland strengthens and broadens the rights and liberties of its citizens."

5) In Article 68 the designation of Paragraphs 1 and 2 is deleted.

6) In Article 72, Paragraph 2, Point 6, the expression "for children of workers, laboring peasants, and the intelligentsia" is deleted.

7) In Article 83 the designation of Paragraphs 1 and 2 is deleted.

8) In Article 84:

a) In Paragraph 1 the expression "the laboring people of cities and the countryside" is deleted.

b) In Paragraph 2 the expression "the laboring people" is deleted.

9) In Article 90 the expression "socialist discipline of labor" is deleted.

10) Article 96 is amended as follows:

"Article 96. Any citizen may be elected to the Sejm or the Senate upon reaching 21 years of age if he or she has been constantly residing on the territory of the Republic of Poland for at least five years."

11) Article 99 is amended as follows:

"Article 99. Not eligible for voting rights are persons declared incapacitated by a valid court ruling owing to mental illness or mental retardation, as well as persons whom a valid court ruling has deprived of public or voting rights."

Article 2. The president shall order the next elections to the Sejm and the Senate, on designating their date on a day legally free of work, sometime in the fall of 1991 but not later than by the end of October.

Article 3. The present law takes effect on the day of its publication.

President of the Republic of Poland: L. Walesa

Presidential Order on Supreme Court

91EP0531A Warsaw *DZIENNIK USTAW* in Polish
No 34, 29 Mar 91, Item No 153 pp 476-479

[Executive Order of the president of the Polish Republic dated 29 March governing the organization and principles of internal proceedings of the Supreme Court]

[Text] Pursuant to Article 7 of the Law dated 20 September 1984 on the Supreme Court (Dz.U. [DZIENNIK USTAW], No. 26, Item No. 153, and No. 53, Item No. 306, 1990), the following is hereby ordered:

Chapter I. Organization of the Supreme Court

Paragraph 1.1. The Supreme Court is headed by the first chairman of the Supreme Court, who directs its works.

1.2. The chairmen of the Supreme Court are the deputies of the first chairman in the sphere defined by the first chairman and they direct the works of the chambers.

Paragraph 2.1. The Supreme Court is divided into:

- 1) The Administrative Chamber of Labor and Social Insurance.
- 2) The Civil Chamber.
- 3) The Penal Chamber.
- 4) The Military Chamber.

2.2. The chambers of the Supreme Court are divided into departments.

2.3. The departments are set up in accordance with territorial and subject-matter criteria.

2.4. The departments are directed by departmental chairmen.

Paragraph 3. The following are active in the Supreme Court:

- 1) The Office of Jurisdiction.
- 2) The Office of the Chairman.
- 3) The Secretariat of the First Chairman.

Paragraph 4. The Office of Jurisdiction is divided into sections, and the Office of the Chairman is divided into groups.

Paragraph 5. The works of the Office of Jurisdiction and the Office of the Chairman are directed by directors, and the works of the sections and groups are directed by managers.

Paragraph 6.1. The Office of Jurisdiction is composed of members of that Office as well as administrative workers and staff.

6.2. The members of the Office of Jurisdiction are the following: judges of the Supreme Court appointed by the first chairman; judges appointed on the bases defined in Article 36, Section 3 of the Law on the Supreme Court; and other judicially qualified persons hired on the basis of an employment agreement.

Paragraph 7.1. The Office of Jurisdiction is divided into the following sections:

- 1) Civil jurisdiction.
- 2) Penal jurisdiction.
- 3) Administrative jurisdiction of labor and social insurance.
- 4) Legislation.
- 5) Complaints and petitions.

7.2. The press secretary of the Supreme Court works in the Office of Jurisdiction, of which he is a member.

7.3. In the Military Chamber, the functions of the Office of Jurisdiction are fulfilled by the Office of Extrajudicial Supervision. The works of the Office of Extrajudicial Supervision are directed by the chief of that office. The chief of the office and the members of the office, who are judges of the military courts, are appointed by the first chairman of the Supreme Court in agreement with the minister of national defense upon nomination by the chairman of the Military Chamber.

7.4. The sphere of operation of the Office of Extrajudicial Supervision is defined by the first chairman of the

Supreme Court in agreement with the minister of national defense upon the suggestion of the chairman of the Military Chamber.

Paragraph 8. The Office of the Chairman is divided into the following groups:

- 1) General.
- 2) Employee affairs.
- 3) Finance and budgeting.
- 4) Housekeeping.

Paragraph 9.1. The following collegial organs are active in the Supreme Court:

- 1) The General Assembly of Supreme Court Judges.
- 2) The Assembly of Judges of the Supreme Court Chambers.
- 3) The College of the Supreme Court.

9.2. The College of the Supreme Court is composed of the first chairman, the chairmen, the director of the Office of Jurisdiction, the director of the Office of the Chairman, and two Supreme Court judges chosen from each chamber by the assembly of chambers.

Paragraph 10.1. Each chamber and each department within a chamber as well as the Office of Jurisdiction, the Office of the Chairman, and the Office of Extrajudicial Supervision have their own separate secretariats.

10.2. The secretariats are directed by the managers of the secretariats.

10.3. Judicial administrators, senior judicial secretaries, judicial secretaries, and other employees are employed in the secretariats.

Chapter II. The Division of Activities of the Supreme Court's Administration

Paragraph 11.1. The first chairman of the Supreme Court:

- 1) Appears before the Constitutional Tribunal with petitions for the confirmation of a legislative act's conformity with the constitution or the conformity of another normative act with the constitution or a legislative act.
- 2) Appears with petitions or directs the petitions of other authorized entities—a body of seven judges, an entire chamber, joint chambers, or the entire Supreme Court—for the adoption of resolutions that have as their goal the explication of legal regulations which have inspired doubts or the application of which has elicited divergencies in judicial decision making, and also presides at sessions of the full body of Supreme Court judges.
- 3) Presents the information referred to in Article 10 of the Law on the Supreme Court.

4) In case there are no legal regulations, defines the power of the chambers to hear cases and decides controversies between chambers regarding their scope of powers.

5) Proposes extraordinary appeals from legally valid rulings that ended proceedings in a case.

6) Sets the dates for sessions of the full body of the joint chambers, the General Assembly, and the College of the Supreme Court.

7) Administers the publication of resolutions and decisions of the Supreme Court in the official collections.

8) Receives interested parties during hours established by him.

11.2. Moreover, the first chairman of the Supreme Court:

1) Carries out the division of chambers into departments and the division of offices into sections and groups, and creates other independent positions.

2) Presents proposals to the minister of justice for the appointment and dismissal of judges to fulfill activities in the Office of Jurisdiction.

3) Fills the managerial positions of the departments in the chambers and the administrative positions in the offices of the Supreme Court; he appoints the directors of the Office of Jurisdiction and the Office of the Chairman from among the members of the Office of Jurisdiction.

4) Enters into and dissolves work relations with the members of the Office of Jurisdiction who are not judges, the administrative workers, and the staff of the Supreme Court; he may empower the director of the Office of the Chairman to enter into and dissolve work relations with the administrative workers and staff.

5) Makes other decisions related to the management of the Supreme Court.

11.3. On matters referred to in Section 2, Points 1 and 3, the first chairman makes decisions after considering the opinions of the College of the Supreme Court.

Paragraph 12.1. The chairmen of the Supreme Court:

1) Set the dates for sessions of deliberating bodies.

2) Call together assemblies and conferences of judges of the chambers and preside at sessions of the whole chamber as well as at sessions of augmented chambers, if they take part in them.

3) Appear with proposals—a body of seven judges, the entire chamber, the joint chambers, or the entire Supreme Court—for the adoption of resolutions that have as their goal the explication of legal regulations, the application of which has elicited divergencies in judicial decisionmaking; moreover, they inform the first

chairman of divergencies in the judicial decision making of the Supreme Court, the general courts, and other organs over which the Supreme Court exercises judicial supervision.

4) Appear with the proposals of the first chairman for the filing of an extraordinary appeal from legally valid decisions that ended proceedings in a case.

5) Assign administrative workers and the staff of the chambers to departments and also define the range of their duties.

12.2. The chairman of the Military Chamber exercises administrative and military supervision of the military courts and the judges of those courts.

12.3. In the Military Chamber, the minister of national defense, in agreement with the first chairman of the Supreme Court, who considers the opinions of the college on this subject, appoints judges to fulfill the functions envisioned for the judges of the Supreme Court.

Chapter III. The Particular Range of Powers of the Chambers

Paragraph 13.1. Within the jurisdiction of the Administrative Chamber of Labor and Social Insurance are cases defined in Article 5, Section 2 of the Law on the Supreme Court, including cases submitted to its jurisdiction under the statutory regulations regarding trade unions and social and occupational organizations of farmers, under the law on the legal profession, legal advisors, and associations, and under the regulations of electoral law.

13.2. The College of Social Arbitration, which hears collective employment disputes, functions within the chamber.

13.3. The College of Authority, appointed to settle disputes over powers between organs of the state administration and the courts, operates alongside the chamber.

Paragraph 14. Within the jurisdiction of the Civil Chamber are civil and agricultural cases; cases from the sphere of environmental protection and press law; and registration cases, with the exception of those involving the registration of trade unions and agricultural circles and organizations.

Paragraph 15. Within the jurisdiction of the Penal Chamber are cases transferred on the basis of the regulations of the Code of Criminal Procedure, including appeals, motions to resume proceedings, requests for pardons, motions to transfer cases to other courts of the same level, disputes over jurisdiction between appellate courts, and motions to extend a temporary arrest for a period greater than one year.

Paragraph 16. Within the jurisdiction of the Military Chamber are cases subject to the jurisdiction of the military courts, including appeals, motions to resume proceedings, requests for pardons, motions to transfer cases to other courts of the same level, disputes over

jurisdiction between military courts, and motions to extend a temporary arrest for a period greater than one year.

Paragraph 17. Within the range of their own jurisdiction, the chambers hear extraordinary appeals and issue resolutions on legal questions that give rise to doubts.

Chapter IV. The Sphere of Operation of the Office of Jurisdiction

Paragraph 18. Among the tasks of the Office of Jurisdiction are:

- 1) The elaboration of proposed resolutions drafted by the Supreme Court's first chairman or the Supreme Court's chairmen which are to be adopted by the augmented body of the Supreme Court.
- 2) The preparation of drafts of legal questions that the first chairman of the Supreme Court has for the Constitutional Tribunal regarding confirmation of a legislative act's conformity with the constitution or the conformity of another normative act with the constitution or a legislative act.
- 3) The preparation of drafts of extraordinary appeals.
- 4) The production of commissioned, analytical works.
- 5) The pronouncement of opinions on forwarded drafts of legal acts.
- 6) The maintenance of registers of legal principles.
- 7) The maintenance and preservation of card files of decisions and the preparation of selected decisions for publication in the official collection of decisions.
- 8) The preparation of drafts of informational material regarding the activities of the Supreme Court.
- 9) The consideration of complaints and motions.
- 10) Cooperation with the mass media regarding the activities of the Supreme Court—through the agency of the press secretary.
- 11) The assembly and presentation of materials concerning decisions, literature, recording at assemblies and at working conferences of a chamber's judges, upon request by a chairman, the head of a judicial body, or a judge's clerk.
- 12) The execution of other activities with which it is charged by the first chairman and the chairmen of the Supreme Court.

Chapter V. The Sphere of Operation of the Office of the Chairman

Paragraph 19.1. The general group performs activities lying within the range of matters related to the information office, the engine room, the library, and the archive.

Moreover, it performs services at the sessions of the full body of the Supreme Court and runs the Secretariat of the Tribunal of State.

19.2. The employee affairs group manages the personal and social affairs of the judges, the members of the Office of Jurisdiction, the administrative workers, and the staff, and also manages the administrative activities related to the operation of disciplinary courts.

19.3. Financial management belongs to the finance and budget group.

19.4. The housekeeping group performs activities related to supplies, the administration of the building and facilities, and the management of transportation resources.

Chapter VI. The Sphere of Operation of the Secretariat of the First Chairman

Paragraph 20. The Secretariat of the First Chairman performs auxiliary office activities for the first chairman. In particular it receives and sends correspondence, directs the recommendations of the first chairman to the proper divisions, arranges meetings with interested parties, and performs other activities with which it is charged.

Chapter VII. Principles of Internal Proceedings

Paragraph 21. During judicial proceedings, the judges use robes and caps as their official attire, and the chief judge at a proceeding uses a chain. The official attire of judges of the Military Chamber is military service dress.

Paragraph 22. In case of a foreseeable influx of the public to the courtroom, the chief judge may order admission cards to be distributed.

Paragraph 23. The chief judge of the deliberating body occupies the middle position behind the judicial bench. The public prosecutor, any prosecutor other than the public prosecutor, the plaintiff, and the movant occupy places before the judicial bench on the right side; the accused, the defendant, and any other participant in the proceedings occupy places on the left side of the court. The court reporter occupies a place next to the judicial bench on the left side.

Paragraph 24. The adoption of resolutions embodying the settlement of legal questions in a concrete case takes place in court or at an open session. A session of the full body of the Supreme Court, the joint chambers, an entire chamber, and a session of a body of seven judges having as its goal the adoption of another resolution takes place at a closed session.

Paragraph 25. A motion for the adoption by an augmented body of a resolution is sent—if it did not originate with the public prosecutor—to the Department of the Public Prosecutor in the Ministry of Justice to be put in writing.

Paragraph 26. In addition, motions to adopt a resolution in the augmented bodies, not concerning a concrete case,

may be sent by the Supreme Court to scientific institutes, appropriate departments of institutions of higher learning, certain scientific workers, or other institutions for the expression of a view.

Paragraph 27.1. A body of seven judges of the Supreme Court adopting a resolution which is a subject of interest to two or more chambers is composed of judges from every chamber, and its head is the chairman of the chamber in which the case arose.

27.2. If the making of the resolution has as its goal the explication of legal regulations that have inspired doubts or the application of which has elicited divergencies in decisions and which concern legal questions that are common to the decisionmaking practice of the general and military courts, the resolution should be adopted by judges of the Penal and Military Chambers.

Paragraph 28.1. At sessions in which resolutions of the Supreme Court are adopted, only persons duly authorized under the appropriate regulations take part.

28.2. Only judges belonging to the appointed body of the Supreme Court take part in voting. None of them can abstain from voting or refuse to sign a resolution adopted in the manner envisioned by law. The outvoted judge has the right to pronounce his own opinion separately on the resolution.

Chapter VIII. Final Regulations

Paragraph 29. The following are hereby null and void:

- 1) The Resolution of the Council of Ministers dated 27 September 1984 Concerning the Rules of the Supreme Court (MONITOR POLSKI, No. 24, Item No. 164), and
- 2) The Resolution of the Council of Ministers dated 27 September 1984 Concerning the Regulations of the Supreme Court (MONITOR POLSKI, No. 24, Item No. 165).

Paragraph 30. This Executive Order takes effect on the day of its publication.

President of the Republic of Poland: L. Walesa

Executive Order on Official Diplomatic Passports

91EP0525B Warsaw DZIENNIK USTAW in Polish
No 29, 8 Apr 91, Item No 125 pp 413-414

[Executive Order of the Council of Ministers dated 2 April designating the positions and functions of persons qualified to hold diplomatic passports as well as official passports of the Ministry of Foreign Affairs, the mode of their storage, and the scope of the related consular activities]

[Text] Pursuant to Article 4, Paragraph 6 of the Law dated 29 November 1990 on Passports (Dz.U. [DZIENNIK USTAW], No. 2, Item No. 5, 1991), the following is hereby ordered:

Paragraph 1. The persons authorized to receive a diplomatic passport are those holding positions or exercising functions:

1) In the diplomatic consular service, individuals who hold the official ranks defined in the Executive Order dated 24 March 1983 of the Council of Ministers Concerning Certain Rights and Duties of Employees of the Diplomatic Consular Service (Dz.U., No. 20, Item No. 90).

2) Associated with diplomatic privileges and immunities under international agreement to which the Republic of Poland is a party, or with international customs.

3) Ensuing from assignment to work in the secretariats of international organizations.

Paragraph 2. Also authorized to receive diplomatic passports are the persons holding the positions or exercising the functions defined in List No. 1 of the Appendix to this Executive Order.

Paragraph 3. Employees of the diplomatic consular service who are not eligible for a diplomatic passport are eligible for the official passport of the Ministry of Foreign Affairs.

Paragraph 4. Also eligible for the official passport of the Ministry of Foreign Affairs are persons holding the positions or exercising the functions defined in List No. 2 of the Appendix.

Paragraph 5.1. Persons eligible for the diplomatic passport are the spouse and the children of the employees referred to in Paragraph 1, Points 1 and 3, provided that they are members of a common household and accompany the employees on their trips abroad.

5.2. A child is construed to be a natural child, a stepchild, a foster child, or an adoptive child brought up and raised in a substitute family, provided that the child does not exceed 25 years of age.

5.3. Persons referred to in Paragraph 1 who do not accompany employees on their trips abroad are eligible for a diplomatic passport with the object of visiting them.

5.4. The spouses of the persons referred to in Paragraph 2 are eligible for a diplomatic passport if their trips are in an official nature.

Paragraph 6.1. Diplomatic passports and official passports of the Ministry of Foreign Affairs are stored in this country at the Ministry of Foreign Affairs or in the storage places of other agencies of state so authorized by the Minister of Foreign Affairs, while abroad they are stored at diplomatic missions or consular offices.

6.2. The passports of the persons referred to in Paragraph 1, Point 2, Paragraphs 2 and 4, and Subparagraph

4 of Paragraph 5, are issued from the place of storage upon the submission of an application concerning an official trip abroad.

6.3. The passports of the persons referred to in Paragraph 1, Points 1 and 3, in Paragraph 3, and in Paragraph 5, Points 1 and 3 are issued upon approval by the minister of foreign affairs or a person he authorizes.

6.4. The provision of Subparagraph 1 does not apply abroad if the passport is the sole document attesting to the identity of its bearer.

6.5. The bearer of a diplomatic passport or an official passport of the Ministry of Foreign Affairs is obligated, upon returning to the Republic of Poland, to return his or her passport to the proper place of storage referred to in Subparagraph 1.

Paragraph 7. Once the conditions warranting eligibility for a diplomatic passport or an official passport of the Ministry of Foreign Affairs cease to apply, the passport is immediately returned to the minister of foreign affairs.

Paragraph 8. Consuls are authorized to renew the validity of diplomatic passports and official passports of the Ministry of Foreign Affairs, to enter children in these passports or delete them from the passports, and to make other additional entries therein.

Paragraph 9. This Executive Order takes effect on 8 April 1991.

Chairman of the Council of Ministers: J.K. Bielecki

Appendix to the Executive Order dated 2 April 1991 of the Council of Ministers (Item No. 125)

List No. 1

1. President of the Republic of Poland
2. Speaker of the Sejm
3. Speaker of the Senate
4. Chairman of the Council of Ministers
5. Deputy speakers of the Sejm
6. Deputy speakers of the Senate
7. Deputy chairmen of the Council of Ministers
8. First chairman of the Supreme Court—chairman of the State Tribunal
9. Ministers
10. Ministers of state
11. Chairman of the Constitutional Tribunal
12. Chairman of the Superior Administrative Court
13. Chairman of the Supreme Chamber of Control
14. Chairman of the National Bank of Poland

15. Spokesperson for Citizens' Rights
16. First deputy prosecutor general of the Republic of Poland
17. Deputies and senators
18. Directors of central offices
19. Chief of the Presidential Chancellery
20. Chief of the Sejm Chancellery
21. Chief of the Senate Chancellery
22. Secretaries of state
23. Undersecretaries of state
24. Deputy directors of central offices

List No. 2

1. Director of the Office of the President of the Republic of Poland
2. Director of the Cabinet of the Council of Ministers
3. Chief of staff under the president
4. Director of the section for interparliamentary relations at the Chancellery of the Sejm or the Senate
5. Secretaries of Sejm or Senate delegations
6. Directors and deputy directors of departments at the Ministry for Foreign Economic Relations

Law on Foundations

91EP0615A Warsaw DZIENNIK USTAW in Polish No 46, 1 Jun 91, Item No 203 pp 646-648

[Proclamation of the Ministry of Justice dated 17 May on the publication of the uniform text of the Law dated 6 April 1984 on Foundations]

[Text] Paragraph 1. Pursuant to Article 5 of the Law of 23 February 1991 on Amending the Law on Foundations (Dz.U. [DZIENNIK USTAW], No. 19, Item No. 82), the Appendix to the present proclamation contains the uniform text of the Law dated 6 April 1984 on Foundations (Dz. U., No. 21, Item No. 97) with allowance for the amendments introduced by the Law dated 23 February 1991 on Amending the Law on Foundations (Dz.U., No. 19, Item No. 82) and the amendments ensuing from the regulations published prior to the publication date of the uniform text, upon applying continuous numbering of articles, paragraphs, and points.

Paragraph 2. The uniform text of the law presented in the Appendix to the present proclamation does not include:

1) Articles 23, 25, and 26 of the Law dated 6 April 1984 on Foundations (Dz.U., No. 21, Item No. 97), namely:

"Article 23.1. Foundations operating on the basis of the existing regulations are obligated to submit to the appropriate registration court, within 12 months from the effective date of the present law, applications for inclusion in the Registry of Foundations and to notify the proper minister accordingly.

"23.2. In the event that the obligation referred to in Paragraph 1 is not fulfilled, the provisions of Article 17 apply correspondingly.

"Article 25. The Decree dated 7 February 1919 on Foundations and on the Confirmation of Donations and Legacies (Dz.U., No. 15, Item No. 215, 1919; No. 38, Item No. 372, 1928; No. 66, Item No. 400, 1947; No. 25, Item No. 172, 1952; No. 1, Item No. 3, 1957; and No. 16, Item No. 94, 1964) is hereby revoked.

"Article 26. The present law takes effect on the day of its publication."

2) Articles 2-4 and 6 of the Law dated 23 February 1991 on Amending the Law on Foundations (Dz.U., No. 19, Item No. 82), to wit:

"Article 2. Proceedings to confirm foundations and their statute that are under way on the effective date of the present law are hereby discontinued.

"Article 3. The Warsaw-Praga District Court shall transfer the Registry of Foundations it maintains on the effective date of the present law to the District Court for the capital city of Warsaw.

"Article 4. The proper ministers shall transfer dossiers on the foundations active on the effective date of the present law to the voivodes of the voivodships concerned, so that the latter may implement the duties ensuing from the present law.

"Article 6. The present law takes effect on the day of its publication."

Minister of Justice: W. Chrzanowski

Appendix to the Proclamation Dated 17 May 1991 of the Minister of Justice (Item No. 203)

Law dated 6 April 1984 on Foundations

Article 1. A foundation may be established to pursue socially or economically useful objectives that are consonant with the basic interests of the Republic of Poland; in particular, such objectives as health protection, advancement of the economy and science, education, literacy, culture, art, social services, environmental protection, and protection of historical landmarks.

Article 2.1. Foundations may be established by individuals regardless of their citizenship and domicile, or by legal entities with offices in Poland or abroad.

2.2. The site of the foundation should be on the territory of the Republic of Poland.

Article 3.1. The declaration of intent to establish a foundation should be presented in the form of a notarial act. This requirement is waived if the establishment of a foundation is prescribed in a testament.

3.2. The declaration of intent to establish a foundation should indicate the purpose of the foundation and the nature of the assets earmarked for accomplishing that purpose.

3.3. The assets referred to in Paragraph 2 may be money, securities, and the movable property and real estate donated to the foundation.

Article 4. The foundation operates on the basis of the provisions of the present law and its statute.

5.1. The sponsor of the foundation determines its statute, which specifies its name, address, assets, purposes, principles, forms and scope of activity, composition and organizational structure of governing board, and the procedure for appointing members of that body, as well as the responsibilities and powers of that body and its members. The statute may also contain other provisions, in particular those concerning the foundation's conduct of economic activity, the admissibility and terms of its linkage with another foundation, changes in objectives, or amendments to the statute, and it may also provide for establishing other foundation bodies in addition to the governing board.

5.2. The sponsor may indicate the proper minister as related to the purposes of the foundation. The sponsor's declaration in this matter should be appended to the statute and transmitted to the court maintaining the Registry of Foundations.

5.3. A foundation that is to operate within just one voivodship should be sited in the area of that voivodship.

5.4. If its statute specifies the purposes on which the foundation's assets are to be allocated following its dissolution, these assets should be allocated for the objectives referred to in Article 1.

5.5. The foundation may engage in economic [profit-making] activity to the extent serving to accomplish its purposes. If it does so, the value of the foundation's assets set aside for the economic activity should be not less than 10 million zlotys.

5.6. The Council of Ministers may issue executive orders defining the [tax] discounts and exemptions for which foundations are eligible when they assign the profits from their economic activity on accomplishing their statutory purposes, other than the discounts and exemptions specified in other laws.

Article 6.1. The sponsor may refrain from personally composing the statute of a foundation and authorize another person or a legal entity to do so instead.

6.2. The composition of the statute in accordance with Paragraph 1 is governed by the provisions governing the composition of the statute by the sponsor.

6.3. If the sponsor establishes the foundation in his or her testament, without composing its statute or authorizing a third party to compose that statute, the provisions of Book IV of the Civil Code concerning testamentary instruction apply correspondingly.

Article 7.1. The foundation acquires legal entity once it is entered in the Registry of Foundations.

7.2. The Registry of Foundations is maintained by the District Court for the capital city of Warsaw, hereinafter referred to as "the court."

7.3. The registry is public and accessible to third parties.

7.4. The minister of justice issues executive orders defining the guidelines and procedure in matters concerning the Registry of Foundations, the data subject to recording in that registry, the procedure for maintaining it, and the specific guidelines for providing access to it.

Article 8.1. No notarial fees are charged for preparing a notarial act whose subject is exclusively a declaration of intent to establish a foundation.

8.2. Proceedings relating to the Registry of Foundations are exempt from court fees.

Article 9.1. The court performs inclusions in the Registry of Foundations upon finding that legal activities serving as the basis for the inclusion were carried out by the authorized person or body and are valid. The ruling to include a foundation in the Registry of Foundations is moreover issued by the court after it finds that the purpose and statute of the foundation are consonant with law.

9.2. The court notifies the proper minister about the inclusion of a foundation in the registry, that is, the minister proper in view of the scope of his or her activities and the purposes of the foundation, hereinafter referred to as "the proper minister." If the foundation is to be active on the territory of just one voivodship, the court also notifies accordingly the voivode concerned, hereinafter referred to as "the proper voivode," upon transmitting to him a copy of the foundation's statute.

9.3. If the purposes of the foundation concern the scope of activities of two or more ministers, the court sends a notice that the foundation was included in the Registry of Foundations to the proper minister whose scope of activities relates to the principal purposes of the foundation.

Article 10. The governing board of the foundation directs its activities and represents it to the world.

Article 11.1. If a foundation engages in an economic activity not envisaged in its statute, a prior amendment of the statute is required.

11.2. Amendments to the statute of a foundation have to be recorded in the Registry of Foundations. The provisions of Article 9 apply correspondingly.

Article 12.1. The consonance of the activities of a foundation with the provisions of laws and its statute and the purposes for which it was established is decided upon by the court in nonlitigious proceedings upon the application of the proper minister or voivode.

12.2. The foundation submits annual reports on its activities to the proper minister; the framework scope of these activities shall be defined by the minister of justice.

12.3. The reports referred to in Paragraph 2 should be made public by the foundation.

Article 13. The proper minister or voivode may request the court to waive a resolution of the governing board of the foundation if it is in glaring contrast with its purposes or with the provisions of its statute or with the laws. At the same time, the proper minister or voivode may request the court to order suspension of the implementation of that resolution until the matter is resolved.

Article 14.1. If the actions of a foundation's governing board substantially violate the provisions of laws or of its statute, or if they are inconsonant with its purposes, the proper minister or voivode may designate a suitable time limit for eliminating these shortcomings in the actions of the governing board, or he may demand replacement of that board within a specified time limit.

14.2. If the time limit referred to in Paragraph 1 expires without effect, or if the foundation's governing board persists in acting in a manner inconsonant with the laws or the foundation's statute or purposes, the proper minister or voivode may request the court to suspend the foundation's governing board and appoint a government administrator.

14.3. The government administrator represents the foundation in matters concerning its board of governors, including judicial proceedings; he is obligated to perform the duties needed for the proper operation of the foundation.

14.4. The court shall waive its ruling to suspend the board of governors and appoint the government administrator upon the request of the board of governors if circumstances indicate that the actions referred to in Paragraph 1 shall be relinquished.

Article 15.1. Should the purposes for which the foundation is established be accomplished, or should the funds and assets of the foundation be exhausted, the foundation is subject to dissolution by the procedure specified in its statute.

15.2. If the foundation's statute does not provide for its dissolution, or if its related provisions are not executed, in cases referred to in Paragraph 1, the proper minister or voivode requests the court to dissolve the foundation.

15.3. In cases other than those referred to in Paragraph 1, a foundation may be dissolved only by virtue of the provisions of the present law.

15.4. If the statute of a foundation does not specify the manner in which the assets remaining after its dissolution are to be distributed, the court rules that they be distributed with allowance for the objectives that the foundation had been pursuing.

Article 16. The acquisition by a foundation of money or other movable property, or of property rights, by virtue of an inheritance, a bequest, or a donation, is exempt from the tax on inheritance and donations.

Article 17. Property disputes to which the foundation is a party are resolved by the court.

Article 18. Whenever the present law refers to the proper minister, this is also construed to mean the director of the proper central office.

Article 19.1. Foreign foundations sited abroad may open branch offices on the territory of the Republic of Poland.

19.2. The opening of the branch office referred to in Paragraph 1 requires a permit, which is tantamount to approval of the commencement of the activities specified in the permit. The permit is granted by the minister proper with regard to the scope of his activities and the purposes for which said branch office is opened.

19.3. The permit may be granted if the opening of the branch office is intended to promote the accomplishment of the objectives referred to in Article 1. If the branch office is also to engage in economic activity, the provisions of Article 5, Paragraph 5, first sentence, apply accordingly.

19.4. The branch office is obligated to adhere to the laws binding on the territory of the Republic of Poland.

19.5. The minister proper with regard to the scope of his activities and the purposes for which the branch office is opened may revoke the permit if the branch office does not adhere to the terms specified in the permit or markedly violates the laws binding on the territory of the Republic of Poland or the interests of the state.

19.6. If the branch office or the foundation it represents impairs the security or other important interests of the state, the proper minister may suspend its permit. Such suspension entails—until a ruling on the revocation of the permit is issued—an immediate cessation of the activities specified in the permit without payment of any compensation therefor.

19.7. Matters concerning the economic activity of the branch office of a foundation are moreover governed by separate regulations governing the conduct of economic activity on the territory of the Republic of Poland by representations of foreign entities.

Article 20. The provisions of the present law do not infringe upon the provisions of international private law.

Law on Territorial Waters, Administration

91EP0523A Warsaw *DZIENNIK USTAW* in Polish
No 32, 18 Apr 91, Item No 131 pp 445-452

[Law dated 21 March governing the territorial waters of the Republic of Poland and its maritime administration]

[Text]

Division I. General Provisions

Article 1.1. The present law defines the legal status of the territorial waters of the Republic of Poland, the coastal zone, and the agencies of maritime administration and their powers.

1.2. The provisions of the present law do not apply if an international agreement to which the Republic of Poland is a party specifies otherwise.

Article 2.1. The territorial waters of the Republic of Poland are:

- 1) Inshore sea waters;
- 2) The offshore zone;
- 3) The exclusive economic zone [that is, the zone where only Polish ships may fish];

and they are henceforth referred to as "Polish territorial waters."

2.2. The inshore sea waters and the offshore zone are part of the territory of the Republic of Poland.

Article 3.1. When so required by national defense or national security:

- 1) Zones closed to navigation and fishing may be established in the inshore sea waters and in the offshore zone.
- 2) Outside the inshore waters and the offshore zone, zones unsafe to navigation or fishing may be proclaimed.

3.2. The zones referred to in Paragraph 1 are established or announced by the minister of national defense in cooperation with the ministers of transportation and navigation and of internal affairs.

Division II. Polish Territorial Waters

Chapter 1. Inshore Sea Waters

Article 4. Inshore sea waters are:

- 1) The part of Nowowarpieskie Lake and part of the Bay of Szczecin together with Swinia and Dziwna and Kamienski Bay, located east of the state frontier between the Republic of Poland and Germany, and the Odra River between the Bay of Szczecin and the waters of Szczecin Harbor.

2) The part of the Gulf of Gdansk demarcated by a baseline extending from latitude 54 degrees 37 minutes 36 seconds north and longitude 18 degrees 49 minutes 18 seconds east (on the Hel Peninsula to latitude 54 degrees 22 minutes and 12 seconds north and longitude 19 degrees 21 minutes and 00 seconds east (on the Vistula Spit).

3) The part of Vistula Bay located to the southwest of the state frontier between the Republic of Poland and the Union of Soviet Socialist Republics across that bay.

4) Harbor waters demarcated from the sea side by a line connecting the regular harbor facilities located farthest out in the sea and constituting an integral part of the harbor system.

Chapter 2. The Offshore Zone

Article 5.1. The offshore zone of the Republic of Poland extends 12 nautical miles (22,224 meters) out to the sea from from its base line.

5.2. The base line of the offshore zone is the line of the lowest level of the water along the coast, or the external boundary of inshore sea waters.

5.3. The external boundary of the offshore zone is a line that is at every point 12 nautical miles distant from the base line, with the proviso of Paragraph 4.

5.4. The roadsteads at which the loading, unloading, and anchoring of vessels normally take place are, when located entirely or partially outside the offshore zone defined pursuant to Paragraphs 1 and 3, part of the offshore zone.

5.5. The boundaries of the roadsteads referred to in Paragraph 4 shall be defined by the Council of Ministers in an executive order.

Article 6.1. Foreign vessels avail themselves, with the proviso of Paragraph 3, of the right of innocent passage across the offshore zone of the Republic of Poland.

6.2. Innocent passage signifies navigation across the offshore zone with the object of:

1) Crossing the offshore zone without entering the inshore sea waters or without mooring at harbor facilities or at the roadstead facilities located outside the inshore sea waters.

2) Ingressing or egressing inshore sea waters.

3) Mooring at or departing from the harbor facilities or roadstead facilities referred to in Paragraph 1.

6.3. The minister of national defense issues executive orders defining the passage of foreign warships across the Polish offshore zone and the conditions for their ingress into Polish inshore sea waters.

Article 7. The passage should be uninterrupted and rapid. Stoppage or anchoring is permitted only if connected with ordinary navigation or necessitated by a force majeure or another danger or too with the object of rescuing and aiding people and sea-going vessels and airships that are in danger. During their passage, foreign fishing vessels are required to remove fishing gear from their decks or to stow it in a manner precluding use.

Article 8. Passage is viewed as innocent so long as it does not menace the peace, public order, or security of the Republic of Poland.

Article 9. The passage is viewed as menacing the peace, public order, or security of the Republic of Poland if the foreign vessel or warship engages in the following operations while inside the offshore zone:

1) Threat of using force, or using force against the sovereignty, territorial integrity, or political independence of the Republic of Poland, or some other breach of the principles of international law contained in the United Nations Charter.

2) Exercises or use of weapons of any kind.

3) Gathering of information harmful to the defense or security of the Republic of Poland.

4) Propaganda intended to weaken the defense or security of the Republic of Poland.

5) Takeoff, landing, or reception aboard of any airship whatsoever.

6) Takeoff, landing, or reception aboard of any military facility whatsoever.

7) Loading or unloading of merchandise or foreign exchange, or embarkation or disembarkation of persons in violation of the customs, Treasury, immigration, or sanitation regulations of the Republic of Poland.

8) Deliberate pollution of the sea.

9) Conduct of fishery.

10) Conduct of hydrographic research or activities.

11) Interference with the communications systems or other facilities and installations of the Republic of Poland.

12) Any other activities not directly linked to the passage itself.

Article 10.1. If so necessitated by navigational safety, the minister of transportation and navigation may, in consultation with the minister of national defense, issue an executive order specifying the routes of passage within the offshore zone, traffic demarcation lines, and systems for reporting the ships' positions, as well as the procedure for monitoring the related movement of ships.

10.2. Passage routes and traffic demarcation lines are shown on sea charts.

Article 11. Foreign ships availing themselves of the right of innocent passage across the offshore zone are obligated to adhere to Polish law and international regulations governing the prevention of collisions at sea and the protection of marine environment.

Article 12.1. Polish criminal jurisdiction does not apply to crimes committed on foreign vessels during their passage across the offshore zone, unless:

- 1) The consequences of the crime extend to Polish territory.
- 2) The crime disturbs peace or public order in the offshore zone.
- 3) The captain of the ship, or the diplomatic or consular representative of the country whose flag is carried by the ship, requests the appropriate Polish authorities for assistance.
- 4) This is necessitated to combat illegal trafficking in narcotics or psychotropic substances.

12.2. The provisions of Paragraph 1 do not restrict the exercise of Polish criminal jurisdiction while the foreign vessel crosses the offshore zone after departing the Polish inshore sea waters.

12.3. With regard to foreign vessels crossing the Polish offshore zone, no action is taken with regard to a crime committed aboard a vessel before it enters said zone, if the vessel, voyaging from an alien seaport, merely crosses that zone without entering the Polish inshore sea waters.

12.4. The provision of Paragraph 3 does not apply if the deed committed violates the law of the Republic of Poland as defined in Article 17, or in the event of pursuit of perpetrators of pollution of the marine environment.

12.5. The agencies active in enforcement of criminal law are, upon the request of the captain of the ship, obligated to notify the diplomatic mission or appropriate consular office of the country whose flag the ship carries.

Article 13.1. A foreign ship crossing the Polish offshore zone may not be stopped with the object of exercising any activity relating to civil proceedings with respect to a person present aboard the ship.

13.2. With regard to a foreign ship crossing the Polish offshore zone, no proceedings in execution may be carried out, nor may the ship be seized in connection with any civil proceeding, unless this concerns claims ensuing from the obligations contracted during or in connection with the passage of the ship across the Polish inshore sea waters or the Polish offshore zone.

13.3. The provisions of Paragraph 3 do not apply if the foreign ship stops in the Polish offshore zone or crosses that zone after departing the Polish inshore sea waters.

Chapter 3. The Exclusive Economic Zone

Article 14. The exclusive economic zone of the Republic of Poland is herewith established.

Article 15. The exclusive economic zone is located outside the offshore zone and adjoins that zone. It comprises waters, the sea bottom, and the earth's interior underneath.

Article 16.1. The boundaries of the exclusive economic zone are defined by international agreements.

16.2. In the event of absence of the international agreements referred to in Paragraph 1, the Council of Ministers may issue an executive order defining the boundaries of the exclusive economic zone.

Article 17. Within the exclusive economic zone the Republic of Poland exercises:

1) Sovereign rights with the object of identifying, managing, and developing the natural resources, both living and mineral, of the sea bottom and the earth's interior underneath, and of the waters covering them, as well as the protection of these resources and sovereign rights with respect to other economic projects within that zone.

2) Control over:

a) The construction and use of manmade islands, structures, and other facilities.

b) Marine scientific research.

c) Other rights specified in international law.

Article 18. Within the exclusive economic zone foreign countries avail themselves of freedom of navigation and air passage, freedom to lay undersea cable and pipelines, and other ways, consonant with international law, of utilizing the sea as relating to these freedoms, with the reservation of provisions of the present law.

Article 19. Within the exclusive economic zone the Polish law governing environmental protection applies.

Article 20. The right to undertake and conduct fishery within the exclusive economic zone belongs exclusively to Polish-owned vessels, with the reservation of provisions of the present law.

Article 21. Foreign fishing vessels may undertake and conduct fishery within the exclusive economic zone if the international agreement concluded between the Republic of Poland and the country of origin of the vessel provides for this possibility, or in the event that a permit is granted.

Article 22.1. The Republic of Poland has the exclusive right to construct or grant permits for the construction and utilization of, within the exclusive economic zone, manmade islands and all kinds of structures and facilities designed for hydrographic research or identification or development of natural resources.

22.2. The manmade islands, structures, and facilities referred to in Paragraph 1 are subject to Polish law.

Chapter 4. Manmade Islands, Structures and Facilities, Undersea Cable, and Undersea Pipelines

Article 23. Permits for the construction and utilization of manmade islands, structures, and facilities within the Polish offshore zone and the exclusive economic zone are granted by the minister of transportation and navigation upon consulting the minister of environmental protection, natural resources, and forestry, while within the Polish inshore sea waters such permits are granted by the director of the local maritime office.

Article 24. Around the manmade islands, structures, and facilities, the director of the local maritime office may establish security zones extending not farther than 500 meters from any point on their outside margin, unless a different extent of the zone is permitted by universally accepted norms of international law or recommended by the appropriate international organization.

Article 25. Information on the construction of manmade islands, installation of structures or facilities, establishment of circumambient security zones, or total or partial dismantling of these islands, structures, or facilities, is made public in the official publications of the Hydrographic Office of the Republic of Poland and in "Ostrzeżenia Nawigacyjne" [Navigation Warnings].

Article 26. The laying and maintenance of undersea cable and pipelines within the inshore sea waters and the offshore zone requires permission from the director of the local maritime office.

Article 27.1. The laying and maintenance of undersea cable and pipelines within the exclusive economic zone is permitted if it does not complicate the enforcement of the laws of the Republic of Poland and on condition that the site and maintenance techniques be coordinated with the minister of transportation and navigation, who issues a related ruling upon consulting the minister of environmental protection, natural resources, and forestry.

27.2. The minister of transportation and navigation may withdraw his consent in the event of failure to adhere to the agreed-upon terms for the laying and maintenance of cable and pipelines.

Chapter 5. Scientific Research

Article 28. Scientific research in Polish inshore sea waters and offshore zone may be conducted by foreign countries and foreign legal entities and individuals, and also by the appropriate international organizations, upon obtaining the approval of the minister of transportation and navigation.

Article 29.1. Scientific research within the Polish exclusive economic zone may be conducted by the countries, persons, and organizations referred to in Paragraph 1

upon obtaining the approval of the minister of transportation and navigation. An application for the permit, containing information on the intended research and its program, should be submitted not later than six months before the anticipated date of commencement of the research.

29.2. The minister of transportation and navigation, upon consulting the minister of environmental protection, natural resources, and forestry, refuses or withdraws approval if the scientific research threatens to pollute the environment. In the same way the minister of transportation and navigation may refuse to grant the permit for such research if it:

- 1) Directly concerns the natural resources of the zone.
- 2) Requires drilling the bottom, use of explosives, or the introduction of noxious substances into the marine environment.
- 3) Requires the construction or use of manmade islands, structures, or facilities.

Article 30. Foreign countries and foreign legal entities and individuals, as well as the appropriate international organizations, conducting scientific research in Polish territorial waters are obligated to:

- 1) Ensure the participation of Polish representatives in the research, inclusive of their presence on board of research vessels and at other facilities.
- 2) Notify the minister of transportation and navigation, upon his request, about the results of the research.
- 3) Provide the minister of transportation and navigation, upon his request, with access to all data and samples obtained in the course of the research.
- 4) Immediately notify the minister of transportation and navigation about any major change in the research program.
- 5) Immediately remove research facilities and equipment upon completion of research, unless a separate permit is obtained to let them stand.

Article 31. Polish legal entities and individuals may engage in scientific research in Polish territorial waters without a permit. Such entities and individuals are obligated to notify the director of the local maritime office about the area and method of conducting a research project 14 days prior to its commencement, and about the completion of the project.

Article 32. The minister of transportation and navigation issues a ruling suspending research in the Polish territorial waters referred to in Articles 28 and 29, or revokes the permit issued pursuant to Article 29, if the research is conducted in contravention of the provisions of the present law, special regulations, or the terms of the permit granted, or if it causes negative consequences to the environment.

Chapter 6. Development of Mineral Resources

Article 33.1. the right to identify, extract, and utilize mineral resources in Polish territorial waters belongs to the state.

33.2. The identification, extraction, and utilization of the mineral resources referred to in Paragraph 1 requires a permit from the minister of environmental protection, natural resources, and forestry, issued in consultation with the minister of transportation and navigation.

33.3. Foreign legal entities and individuals may participate in the identification, extraction, and utilization of the mineral resources referred to in Paragraph 1 if so envisaged in international agreements binding the Republic of Poland or on the basis of the permits referred to in Paragraph 2.

Article 34. The investigation, exploration, identification, and extraction of mineral resources are governed by, respectively, the regulations concerning geological research, the extraction and utilization of fossil resources, and the provisions concerning the protection of marine environment, navigational safety, and life on sea.

Chapter 7. Tourism and Aquatic Sports

Article 35. Tourism and aquatic sports in Polish territorial waters may be practiced on the terms of and in a manner consonant with the provisions of Polish law.

Chapter 8. The Coastal Strip

Article 36.1. The coastal belt is the land area contiguous to the sea shore.

36.2. The coastal belt consists of:

1) The interface strip, or the zone of direct reciprocal influence of sea and land; this is an area intended to maintain the sea shore in a condition consonant with the requirements of safety and environmental protection.

2) The protective strip, or the area within which human activities directly influence the condition of the interface strip.

36.3. The coastal belt runs along the sea shore.

36.4. The Council of Ministers issues an executive order defining the boundaries and width of the interface and protection strips.

Article 37.1. The interface strip may be used for purposes other than that specified in Article 36, Paragraph 2, Point 1, upon the approval of the appropriate office of maritime administration which at the same time defines the terms of such use.

37.2. The establishment of fishery areas within the interface strip is prohibited.

37.3. Water-law permits and rulings on construction, changes in forest areas, afforestation, and establishment

of fishery areas, as well as the drafting and implementation of land use plans within the protective strip, require coordination with the director of the local maritime office.

37.4. All plans and blueprints relating to the management of the interface strip, the inshore sea waters, and the offshore zone are approved by maritime administration offices in coordination with the concerned coastal gminas [townships].

Division III. Maritime Administration**Chapter 1. Organizational Structure of Maritime Administration Offices**

Article 38. Maritime administration executives and offices are:

- 1) The minister of transportation and navigation.
- 2) The directors of local maritime offices; that is, of the field offices of the maritime administration.

Article 39.1. The director of the local maritime office is under the jurisdiction of the minister of transportation and navigation.

39.2. The director of the local maritime office is appointed and recalled by the minister of transportation and navigation. Deputy directors of local maritime offices are appointed and recalled by the minister of transportation and navigation upon the recommendation of the maritime office director.

39.3. The director of the local maritime office exercises his powers with the aid of his office.

39.4. The competencies of maritime offices include in particular: maritime inspection, harbor master's powers and duties, harbor boatswain's powers and duties.

Article 40.1. Maritime offices are established and abolished by executive orders of the minister of transportation and navigation.

40.2. The minister of transportation and navigation issues, upon consulting the concerned voivodes, executive orders defining the territorial scope of action of the directors of maritime field offices and the sites of these offices.

40.3. The organizational structure of maritime field offices and the specific scope of competences of their directors is defined in statutes conferred by the minister of transportation and navigation.

Article 41.1. Employees of maritime administration offices in specified rank categories wear uniforms while performing their service duties.

41.2. The minister of transportation and navigation issues executive orders defining the categories of employees obliged to wear uniforms, the procedure for the allocation of uniforms, and sample uniforms.

Chapter 2. Responsibilities and Territorial Scope of Action

Article 42.1. Maritime administration offices are responsible for handling matters within the scope of government administration which relate to utilization of the sea to the extent regulated by the present law and other laws.

In particular, maritime administration offices are responsible for matters of:

- 1) Navigational safety at sea.
- 2) Utilization of sea lanes and seaports and marine piers.
- 3) Exercise of sea fishery and development of other living resources of the sea waters.
- 4) Safety of the research into and identification and development of the mineral resources of the sea bottom.
- 5) Protection of marine environment against pollution associated with the utilization of the sea and the dumping of garbage and other substances.
- 6) Rescue and salvage, underwater work.
- 7) Specialized technical supervision.
- 8) Technical and construction supervision.
- 9) Fire safety of seaports and piers.
- 10) Coordinating decisions that concern issuing water-law permits and construction permits in the areas of the interface strips, seaports and piers, inshore sea waters, and the offshore zone, as well as coordinating all other decisions that concern the management of that strip, unless specified otherwise in separate regulations.
- 11) Construction, maintenance, and protection of shore reinforcements, dunes, and protective afforestation within the interface strip.

42.3. Maritime administration offices also are responsible for implementing tasks relating to international cooperation as regards the matters referred to in Paragraphs 1 and 2.

42.4. Decisions on matters referred to in Paragraph 2, Points 10 and 11, are issued upon consulting the appropriate local-government body.

Article 43. In matters belonging within the competences of maritime administration offices and resolved by means of administrative proceedings, rulings in the first instance are issued by directors of maritime offices, unless, under special regulations, the office proper in the first instance is that of the minister of transportation and navigation.

Article 44.1. Maritime administration offices operate in Polish territorial waters, at seaports and piers, and in the interface strip, unless special regulations specify otherwise.

44.2. Maritime administration offices also are responsible for implementing open-sea tasks specified by international agreements and Polish law.

Article 45.1. With the proviso of Article 5, Paragraph 4, the boundaries of seaports from the seaward side, and of their roadsteads, are, with the exception of naval ports, defined by the minister of transportation and navigation in cooperation with concerned ministers. The boundaries of seaports from the landward side are defined by the minister of transportation and navigation upon consulting the appropriate gmina councils.

45.2. Maritime office directors define, upon consulting the appropriate gmina councils or state border protection offices, the boundaries of dock areas.

45.3. The minister of national defense, in consultation with the minister of transportation and navigation, defines the boundaries of naval ports.

Article 46. The minister of transportation and navigation in cooperation with the ministers of national defense and internal affairs defines the cooperation between maritime offices and the Navy and the Border Guards to the extent referred to in Article 42.

Chapter 3. Regulations Issued by Field Offices of the Maritime Administration

Article 47.1. Directors of maritime field offices issue legal regulations under the powers vested in them by law.

47.2. With the proviso of Article 48, the regulations referred to in Paragraph 1 are issued in the form of executive orders.

47.3. The executive orders of the directors of maritime field offices are subject to publication in the official record of the voivodship proper for the field office concerned.

47.4. The executive orders referred to in Paragraph 3 take effect after 14 days from the date of their publication, unless they specify a different date or a date ensuing from the law under which they were issued.

Article 48.1. To the extent not regulated by the provisions, when so needed for protection of life, health, or property, a maritime office director may issue regulations prohibiting or ordering particular modes of conduct.

48.2. The regulations referred to in Paragraph 1 are issued in the form of instructions for the maintenance of order.

48.3. Instructions for the maintenance of order specify the period of time for which they apply.

48.4. An instruction for the maintenance of order takes effect on the day it specifies, but not earlier than on the day of its publication, in the manner defined in Paragraph 5 or 6.

48.5. An instruction for the maintenance of order is subject to publication in the official record of the voivodship proper for the maritime field office.

48.6. If it is necessary for an instruction for the maintenance of order to be immediately effective, it can be publicized by posting notices in the areas in which it is to apply and announced on the radio or by other means customarily applied in maritime navigation or in a given area. The day on which such an instruction is published is also the day of its promulgation.

48.7. An instruction for the maintenance of order promulgated in the manner defined in Paragraph 6 is next made public in the official record of the voivodship concerned.

Chapter 4. Exercise of Supervision

Article 49. Supervision over adherence to the provisions of the present law is exercised by the field offices of the maritime administration.

Article 50.1. In exercising the duties referred to in Article 42, maritime inspection has the right to:

1) Verify whether ships are authorized to perform the operations they are performing, and whether they have been granted the permits prescribed by law.

2) Verify whether the cruise, fishery, or other activity is performed in consonance with the binding provisions of Polish law and international agreements.

3) Detect pollutions of marine environment due to actions at sea, and to identify their perpetrators.

50.2. The powers referred to in Paragraph 1 are exercised as part of maritime inspection in cooperation with the Border Guard and on utilizing the latter's forces and resources.

50.3. In the event of the absence of a maritime inspector on board of a floating unit of the Border Guard, that Guard may independently exercise the powers referred to in Paragraph 1 on behalf of the field office of the maritime administration.

50.4. The transfer to the Border Guard of the resources owned by the maritime offices with the object of exercising the powers referred to in Paragraph 1 takes place by way of an agreement between the minister of transportation and navigation and the minister of internal affairs.

50.5. In the cases referred to in Paragraph 3, the powers of the maritime inspector defined in Article 51 and in Article 52, Paragraph 1, are correspondingly exercised by the commanders of the floating units of the Border Guard.

Article 51. While exercising his official duties the maritime inspector, hereinafter referred to as "the inspector," is authorized to:

1) Check documents permitting marine fishery or other activities in Polish territorial waters.

2) Inspect fishing equipment and fish on the decks, in the processing premises, and in the holds of the ship.

3) Secure discarded fish and facilities serving to catch fish.

4) Demand explanations and perform functions needed to carry out inspections and, in cases of justified suspicion of violations of the present law or its implementing regulations, to:

a) Retain the documents referred to in Point 1.

b) Confiscate and secure fish and the objects used to catch them.

c) Inspect the premises of the ship used to catch fish or engage in other activities in Polish territorial waters.

Article 52.1. If there is justified suspicion of violation of the provisions of the present law, the inspector may inspect a foreign ship present in Polish territorial waters and force it to dock at a specified port, upon resorting to all necessary means.

52.2. The field office of the maritime administration immediately notifies the proper office of the country whose flag the foreign ship carries about the detention of the ship and its docking a Polish harbor.

52.3. Inspections relating to the protection of marine environment against pollution from ships are regulated by a separate law.

Article 53.1. The captain of a ship located in Polish territorial waters is obligated, in response to a signal transmitted from a floating unit of the Border Guard, to stop the ship and make possible the performance of inspection activities.

53.2. The inspector is empowered to visit any ship engaging in any activity whatsoever in Polish territorial waters.

53.3. While the inspector is on a ship, the captain of that ship should enable him to verify adherence to the mandatory regulations and observe the activities under way, and in particular, the captain should:

1) Provide needed explanations.

2) Present demanded documents for inspection, inclusive of the ship log.

3) Make possible the inspection of the fish catch and of the fishing and research equipment as well as of the samples and data collected during research.

4) Provide access to the ship log for the purpose of making entries.

5) Provide access to means of communications as well as provide assistance in the transmission and reception of dispatches.

6) Provide any other assistance needed for the proper conduct of the inspection.

7) Provide the needed quarters and meals during a longer stay on board.

Article 54. While performing service duties the inspector is obligated to wear a uniform and inspection insignia.

Division IV. Fines

Article 55.1. A fine equivalent to 1,000,000 conversion units, termed "Special Drawing Right" (SDR), as defined by the International Monetary Fund, is imposed on a shipowner whose vessel is used to perform the following activities in violation of the provisions of the present law and other laws and their implementing regulations:

- 1) Exploitation of the mineral resources or living resources of the sea.
- 2) Pollution of the marine environment.
- 3) Scientific studies of the sea and the sea bottom.
- 4) Construction of manmade islands, structures, and facilities.
- 5) Laying of undersea cable and pipelines.

55.2. Whosoever violates the regulations governing the maintenance of manmade islands, structures, facilities, and undersea cable and pipelines, is subject to a like fine.

Article 56. Whosoever:

- 1) Stops or anchors a vessel outside the location assigned to it;
- 2) Steers a vessel outside the water lanes or does not adhere to the course indicated by the proper authorities;
- 3) Steers a vessel into a zone closed to navigation and fishery and leaves fishing equipment within that zone;
- 4) Takes a vessel out of a port contrary to the prohibition imposed;
- 5) Loads or unloads freight from a vessel at a location other than that assigned thereto;
- 6) Establishes communications with the seacoast in a manner endangering navigational safety;
- 7) Leaves a vessel in a prohibited location;
- 8) Embarks or disembarks persons from a vessel in violation of customs, Treasury, immigration, or sanitation regulations;
- 9) Violates the regulations issued pursuant to Articles 47 and 48;

10) Disregards the prohibitions imposed in Article 52, Paragraph 1;

11) Damages shore structures, dunes, or protective tree belts, or otherwise violates the rules of conduct within the interface strip;

12) Damages or shifts navigation markers or uses them contrary to their purpose;

13) Activates equipment that adversely affects the efficacy of navigation markings, is liable to a fine in an amount of not more than ten times the average monthly wage paid in the socialized sector for the preceding year, as published by the chairman of the main statistical administration.

Article 57.1. The fines referred to in Articles 55 and 56 are imposed by maritime office directors in the form of administrative rulings.

57.2. The rulings referred to in Paragraph 1 may be appealed to the minister of transportation and navigation.

57.3. The rulings referred to in Paragraph 1 are endowed with the rigor of immediate executability.

Article 58.1. A fine may not be imposed if five years have elapsed since the violation was perpetrated.

58.2. The fine imposed is not collected after the elapse of five years from the date the final ruling imposing the fine is issued.

Article 59.1. To secure enforceability of fines, a maritime office director may demand bail of the violator, and in the event of a refusal, apply to an executive officer with the request to seize the ship or other objects by means whereof the regulations were violated.

59.2. Until the ship-seizure ruling is issued, the director of the maritime office orders detention of the ship, but for not more than 48 hours.

59.3. Securing the enforceability of a fine consists in the payment of a monetary deposit specified by the office conducting the proceedings, or in the provision of a bank guarantee by a bank or insurance institution maintaining an office in Poland.

59.4. The fines determined according to Articles 55 and 56, if not paid by the specified deadline, are subject, together with interest on arrears, to enforcement by the procedure defined in the regulations governing executive proceedings in administration.

Article 60. The monetary fines collected remain at the disposal of the minister of transportation and navigation and are earmarked for the protection of the marine environment and the living resources of the sea.

Division V. Amendments to Binding Regulations

Article 61. In the Law dated 21 May 1963 on Sea Fishery (Dz.U. [DZIENNIK USTAW], No. 22, Item No. 115, 1963; No. 3, Item No. 14, 1970; and No. 37, Item No. 163, 1977), Chapter 7 is deleted.

Article 62. The Code of Procedure in Cases of Petty Offenses is amended as follows:

- 1) "Marine and" in the title of Section 13 is deleted.
- 2) In Article 143:
 - a) "Maritime offices and" in Paragraph 1 is deleted.
 - b) Paragraph 2 is reworded as follows:

"Paragraph 2. Verdicts in the first instance are pronounced by community courts under district and equivalent mining offices and in the second, by the community court under the Higher Mining Office."
- 3) In Article 144 Paragraph 2 is deleted.
- 4) In Article 145 "of the maritime office" is deleted.
- 5) Article 146 is deleted.
- 6) In Article 147 Paragraph 1 and the designation of Paragraph 2 are deleted.
- 7) Article 148 is deleted.
- 8) In Article 149 "of the maritime administration" is deleted.
- 9) In Article 150:
 - a) In Paragraph 1 "under the minister of navigation" is deleted.
 - b) In Paragraph 2 "correspondingly the minister of navigation and" is deleted.
- 10) In Article 151:
 - a) Paragraph 1 is reworded as follows:

"Paragraph 1. Overall supervision over the activities of community courts is exercised by the chairperson of the Higher Mining Office."

b) In Paragraph 2, "minister of navigation" is deleted and "they may" is deleted and "it may" is inserted in lieu thereof.

Article 63. In the Law dated 20 May 1971 on the Structure of Community Courts for Petty Offenses (Dz.U., No. 12, Item No. 118, 1971; No. 49, Item No. 312, 1972; No. 24, Item No. 142, 1974; No. 16, Item No. 91, 1975; No. 45, Item No. 291, 1982; No. 35, Item No. 192, 1989; and No. 43, Item No. 251, 1990), Points 2 and 5 in Article 2, Paragraph 1, are deleted.

Article 64. In the Law dated 24 October 1974 on Water Law (Dz.U., No. 38, Item No. 230, 1974; No. 3, Item No. 6, 1980; No. 44, Item No. 201, 1983; No. 26, Item

No. 139, and No. 35, Item No. 192, 1989; No. 34, Item No. 198, and No. 39, Item No. 222, 1990), Point 7 of Paragraph 2, Article 55, is reworded as follows:

"7) The accumulation of liquid and solid wastes within the interface strip and in the seaports—in cooperation with the director of the local maritime office."

Article 65. In the Law dated 17 December 1977 on the Polish Marine Fishery Zone (Dz.U., No. 37, Item No. 163), Article 1, Paragraphs 1 and 2 of Article 2, and Articles 3-9 are deleted.

Division VI. Interim and Final Provisions

Article 66. Proceedings concerning petty offenses commenced before community courts under maritime offices and not completed prior to the effective date of the present law are continued by these courts until their lawful completion pursuant to the existing regulations in force.

Article 67.1. The agreements referred to in Article 16, Paragraph 1, are:

- 1) The Agreement between the Polish People's Republic and the Union of Soviet Socialist Republics on Demarcation of the Territorial Waters, the Economic Zone, the Marine Fishery Zone, and the Continental Shelf in the Baltic Sea, signed in Moscow on 17 July 1985 (Dz.U., No. 16, Item No. 85, 1986).
- 2) The Agreement on Demarcation of the Continental Shelf and Fishery Zones Between the Polish People's Republic and the Kingdom of Sweden, drawn up in Warsaw on 10 February 1989 (Dz.U., No. 54, Item 323).
- 3) The Agreement between the Polish People's Republic and the German Democratic Republic on the Demarcation of Territorial Waters in the Bay of Pomerania, signed in Berlin on 22 May 1989 (Dz.U., No. 43, Item No. 233).

67.2. Until an agreement on the demarcation of territorial waters between the Polish Republic and the Kingdom of Denmark is concluded, Article 2, Paragraphs 3 and 4, of the Law dated 17 December 1977 on the Polish Marine Fishery Zone (Dz.U., No. 37, Item No. 163), remains binding, with the proviso that the concept of the Polish marine fishery zone is interpreted as the Polish exclusive economic zone.

Article 68. Directors of maritime offices determine and publish in the form of proclamations, in the proper voivodship official records, within six months from the effective date of the present law, lists of the binding legal regulations issued prior to said effective date. Regulations not named in the list cease to be binding.

Article 69. Until the implementing regulations [executive orders] envisaged in the present law are issued, the existing regulations remain binding, unless they conflict with the present law.

Article 70. The following become null and void:

- 1) The Decree dated 2 February 1955 on the Local Offices of the Maritime Administration (Dz.U., No. 6, Item No. 35, 1955; No. 6, Item No. 42, 1961; No. 12, Item No. 117, 1971; and No. 35, Item No. 192, 1989);
- 2) The Law dated 17 December 1977 on the Territorial Waters of the Polish People's Republic (Dz.U., No. 37, Item No. 162).
- 3) The Law dated 17 December 1977 on the Continental Shelf of the Polish People's Republic (Dz.U., No. 37, Item No. 164, 1977; and No. 35, Item No. 192, 1989).

Article 71. The present law takes effect on 1 July 1991.

President of the Polish Republic: L. Walesa

Law on Amendments to Budget Law

91EP0530C Warsaw *DZIENNIK USTAW* in Polish
No 34, 23 Apr 91, Item No 150 p 475

[Law dated 22 March on Amendments to the Law on the Budget]

[Text] Article 1. In the Budget Law dated 5 January 1991 (Dz.U. [DZIENNIK USTAW], No. 4, Item No. 18), Article 76 is amended as follows:

"Article 76. Until a separate law on regional accountancy chambers is passed, the purposes of these chambers, as defined in the Law dated 8 March 1990 on Local Governments (Dz.U., No. 16, Item No. 95; No. 32, Item No. 191; No. 34, Item No. 199; No. 43, Item No. 253; No. 89, Item No. 518, 1990; and No. 4, Item No. 18, 1991), are accomplished by the voivodes, but not longer than until 31 December 1991."

Article 2. The present Law takes effect on the day of its publication and is retroactive to 1 April 1991.

President of the Polish Republic: L. Walesa

Resolution on Budget Reserves

91EP0530B Warsaw *MONITOR POLSKI* in Polish
No 14, 19 Apr 91, Item No 88 p 117

["Text" of Resolution No. 45 of the Council of Ministers dated 26 March governing the administration of the general reserves of the State Budget]

[Text] Pursuant to Article 46, Paragraph 2 of the Budget Law dated 5 January 1991 (Dz.U. [DZIENNIK USTAW], No. 4, Item No. 18), the Council of Ministers resolves as follows:

Paragraph 1.1. The chairman of the Council of Ministers may, on the recommendation of the concerned minister, augment by up to 2 billion zlotys in individual cases the expenditures from corresponding parts of the general reserve of the State Budget.

1.2. The minister of finance may, on the recommendation of the concerned minister, augment by up to 1.5 billion zlotys in individual cases the expenditures from the corresponding parts of the general reserve of the State Budget.

Paragraph 2. The provisions concerning ministers also apply to the directors of the general and central agencies of state administration and other persons with decision-making powers concerning specified parts of the State Budget.

Paragraph 3. The present resolution takes effect on the day of its publication.

Chairman of the Council of Ministers: J. K. Bielecki

Executive Order on Telecommunications Equipment

91EP0527B Warsaw *DZIENNIK USTAW* in Polish
No 34, 23 Apr 91, Item No 154 p 480

[Executive Order of the minister of communications dated 15 April governing telecommunications equipment, lines, and networks, the installation and use of which do not require a permit]

[Text] Pursuant to Article 13 of the Law, dated 23 November 1990, on Communications (Dz.U. [DZIENNIK USTAW], No. 86, Item No. 504), the following is decreed:

Paragraph 1. Permits are not required for the installation and operation of the following:

1) Cable lines and telecommunications networks which are not connected directly or indirectly to the public telecommunications network, which are installed and used within the confines of built-up structures that amount to a technical and organizational entity, and which are located in the compounds of a single or many adjacent real estate properties, with the exception of collective-reception radio and TV networks.

2) In-house wire telecommunications network, installed and used in the facilities referred to in Paragraph 1, which cooperate with the public telecommunications network, with the exception of the internal telecommunications networks that make it possible to switch connections from the public telecommunications network to internal equipment without intermediate notification.

3) Peripheral telecommunications equipment, in particular telephones, telefaxes, teletypewriters, and radio telephones, if they are not used to provide paid telecommunications services to third parties.

4) Transmitting and transmitting-receiving radio communications equipment operating with an output power of no more than 20 mW at a frequency of 26,940 MHz plus or minus 5 kHz.

5) Radio and TV sets for general reception, and satellite receivers for individual reception.

Paragraph 2. The present executive order takes effect after 14 days have elapsed from the day of publication.

Minister of Communications: J. Slezak

Executive Order on Telecommunications Operations

91EP0527A Warsaw DZIENNIK USTAW in Polish No 31, 12 Apr 91, Item No 130 pp 434-444

[Executive Order of the minister of communications dated 18 March governing technical and operational requirements for telecommunications installations, lines, networks, and conditions for their cooperation with the public telecommunications network]

[Text] Pursuant to Article 9, Points 2 and 3 of the Law, dated 23 November 1990, on Communications (Dz.U. [DZIENNIK USTAW], No. 86, Item No. 504), the following is decreed:

Paragraph 1. The network of mobile inland radio communications established and operated in the territory of the Republic of Poland, which operates in the frequency band of 450 MHz, should meet the technical and operational requirements and conditions for cooperation with the public telecommunications network outlined in an annex to the present executive order.

Paragraph 2. The present executive order takes effect when seven days have elapsed since the day of publication.

[Signed] Minister of Communications: J. Slezak

Basic Technical and Operational Requirements for a Mobile Inland Radio Communications Network With a Cellular Structure Established and Operating in the Territory of the Republic of Poland in the 450 MHz Frequency Band, and Conditions for Its Cooperation With the Public Telecommunications Network

I. Subject of Requirements

Paragraph 1. The requirements apply to an inland, mobile, analog radio communications network with a cellular structure established and operated in Poland in the frequency band of 450 MHz, henceforth referred to as "a cellular network."

Paragraph 2. A cellular network consists of:

1) Automatic radio telephone exchanges, henceforth referred to as "ACR's," which are program-driven, which control radio networks in specific regions or the entire network in the country, and which ensure the linkage between the cellular network and the public telephone network through an automatic long-distance exchange, henceforth referred to as an "ACMM," or a local center; the ACR's also meter communications coming into the network or originating in it.

2) Base stations, henceforth referred to as "SB's," which are designed to serve individual cells and consist of an adequate number of radio transmitters and receivers, which are equipped with devices controlling and governing the use of channels within a cell, and which cooperate with the ACR's in the process of locating and identifying mobile stations.

3) Circuits between the SB's and the ACR's, and between the ACR's and the ACMM's (or local exchanges), which are built using copper cables, fiber optics, or microwave radio lines.

4) Subscriber radiotelephone stations, henceforth referred to as the "SR's," which move within the service area of a cellular network, or are stationary, located along roads in the country, and available to the general public.

II. Determination of the System and Equipment of a Cellular Network

Paragraph 3. The version of the NMT 450 [Nordic Mobile Telephone] system with intervals between channels equal to 25 kHz is used in the cellular network, which provides for using:

1) Half-channels with intervals between channels equal to 12.5 kHz.

2) Compandors in the acoustic circuit.

3) An improved automatic system corresponding to the NMT 900 system, including a system for confirming the identification of the subscriber station.

Paragraph 4. The following frequency bands are assigned for the cellular network: 452,500-457,000 MHz, and 462,500-467,000 MHz.

Paragraph 5. On each channel, the transmitter of the base station operates on the higher frequency, and that of the mobile station on the lower frequency.

Paragraph 6. All mobile stations should be capable of operating on all channels.

Paragraph 7. The total busy time of all radio channels for speech or signals provided for a cellular network cannot exceed three minutes per one hour with the highest amount of traffic within an area served by one base station, with the intensity of traffic being at least 2 Erl per square kilometer.

Paragraph 8. If radio lines are used as circuits in a cellular network, it is permissible to use the following frequency bands in them:

1) For a wide range of applications: 8, 11, 13, 18 GHz.

2) In individual cases: 4, 6 GHz.

Frequency channels for transmission (analog or digital) are positioned pursuant to the recommendations of the

International Advisory Committee for Radio Communications, which is henceforth referred to as the "CCIR."

Paragraph 9. At the very least, the equipment of a cellular network should ensure:

1) A call with a view to starting a conversation initiated by a mobile station and directed to a public telephone network user who is located:

a) Within the area of a local network (including connections with services rescuing the life and assets of the people).

b) In any area of the country.

c) In the territory of any other country.

2) A call with a view to starting a conversation initiated by a user of the public telephone network of Poland or another country (stationary or mobile) with a mobile station within the area of its parent ACR.

3) A call with a view to starting a conversation, initiated by a user of the public telephone network or a mobile station, with a mobile station located in the area of an ACR other than its parent ACR.

4) A call with a view to starting a conversation, initiated by a user of the public telephone system, and directed to another user of that system, but effected on the order of the mobile station called (forwarded calls).

5) Calls intended to transmit service signals necessary for the operation of a cellular network.

Paragraph 10. If a mobile subscriber moves between zones served by different ACR's, including along national roads, the cellular network should ensure the opportunity to establish all the connections referred to in Paragraph 9 without interrupting the call (roaming).

III. Conditions for Cooperation Between a Cellular Network and the Public Telephone Network

Paragraph 11. Cooperation between a cellular network and the public telephone network is effected through the ACR-ACMM contact or through ACR-local exchange. Separate circuits between different ACR's and between each ACR and the SB's belonging to it may be used in the cellular network.

Paragraph 12. ACR radio exchanges are connected to automatic long-distance exchanges ACMM (or to local exchanges)—digital or analog, electromagnetic with SPC program control with a four-wire connection—by means of single-marker outgoing and incoming quads which operate under the PCM 30 system, using R2 linear signals or the No. 7 Signal System.

Paragraph 13. An opportunity for full or partial serialization of connections by cooperating ACMM exchanges should be provided for outgoing traffic of the ACR's. Under partial serialization, an ACMM exchange should accept only the segment of the digits in the number of the

subscriber called which is necessary in the process of establishing a connection, in order to determine the direction (and possibly the rate). The subsequent digits, when the R2 logging signal also follows, should be exchanged (upon the switching of fields by the ACMM exchange) between the ACR exchange and the subsequent exchange in the chain.

Paragraph 14. Cooperating exchanges should operate under partial serialization in the case of traffic coming into the ACR.

Paragraph 15. An ACR exchange should provide for an opportunity to connect to it the PCM 30 numerical path through a standard contact point meeting the recommendations of the Blue Book G 703.6 of the International Advisory for Telegraph and Telephones, which will henceforth be referred to as the "CCITT" (for a binary quantity of flow of 2,048 kbit/s).

Paragraph 16. An ACR exchange cooperating with an ACCM (or intermediate) exchange through numerical circuits should ensure the application of a signal system:

1) Linear R2.

2) Logging A2.

3) CCITT No. 7 if the ACMM exchange cooperating with the ACR is equipped with this system of signals.

Paragraph 17. ACR exchanges should generate the following tone signals at a frequency of 425 plus or minus 25Hz, which are transmitted toward ACMM's or local exchanges:

a) A response signal to calling which is transmitted with the following rhythm: emission 1,000 ms plus or minus 10 percent, silence 4,000 ms plus or minus 10 percent.

b) A routing signal (for the duration of waiting for the completion of a connection) which is transmitted with the following rhythm: emission 50 ms plus or minus 10 percent, silence [number omitted in the original] plus or minus 10 percent.

The power output of the signals referred to above measured at the exit from the exchange should amount to - 10 dBmO plus or minus 5 dB at 800 ohms resistance.

IV. Numbering of Mobile Subscribers in the Telephone Network

Paragraph 18. An ACR exchange should be equipped to transmit the following lengths of phone numbers:

1) National, consisting of four to eight digits ending in the sign "end of selection" (I-15).

2) International, consisting of "0" plus between six and 12 digits ending in the sign "end of selection" (I-15).

3) Access to special subscriber services—through three or four digits in the form “9XY” or “96XY” which end in the sign “end of selection” (I-15).

Paragraph 19. The form of the number of a domestic mobile station of the cellular network should be 90X₁X₂X₃X₄X₅X₆, where 90 indicates the index of a cellular network, and X₁X₂X₃X₄X₅X₆ indicates the number of a domestic mobile station in a given ACR exchange.

Paragraph 20. While effecting any connection, a mobile station of the cellular network selects a complete domestic number. The “end of selection” sign is added to this information, and the latter is transmitted to an ACMM.

Executive Order on Hard Coal Subsidies

91EP0259A Warsaw DZIENNIK USTAW in Polish
No 15, 25 Feb 91 Item No 68 pp 173-175

[Executive Order of the minister of finance dated 8 February governing the rates of product-specific subsidies on hard coal and derivative hard-coal briquettes]

[Text] Proceeding from Article 19, Paragraph 3, and Article 33, Paragraph 5 of the Law dated 5 January 1991 on Budget Regulations (Dz.U. [DZIENNIK USTAW], No. 4, Item No. 18), the following is decreed:

Paragraph 1. Rates of product-specific subsidies for hard coal and briquettes from hard coal are hereby established for individual hard-coal mines. The size of the rates which have been referred to above, and a list of mines for which such rates have been established are set forth in the annex to the present executive order.

Paragraph 2. The rates of product-specific subsidies referred to in Paragraph 1 do not apply to the sales of coal recovered from mine dumps and briquettes produced from this coal.

Paragraph 3. The executive order takes effect on the day of publication and applies to sales effected between 1 January and 31 March 1991.

[Signed] For the Minister of Finance: A. Podsiadlo

Annex to the Order of the Minister of Finance dated 8 February 1991 (Item No. 68)

Rates of Product-Specific Subsidies for Hard Coal and Hard-Coal Briquettes

Item No.	Name of Mine	Rate of Subsidy (in zlotys per ton)
1	Hard Coal Mine Jastrzebie	13,451
2	Hard Coal Mine Peace	20,218
3	Hard Coal Mine Miechowice	13,602
4	Hard Coal Mine Bobrek	19,482
5	Hard Coal Mine Borynia	27,925

Rates of Product-Specific Subsidies for Hard Coal and Hard-Coal Briquettes (Continued)

Item No.	Name of Mine	Rate of Subsidy (in zlotys per ton)
6	Hard Coal Mine Kleofas	5,788
7	Hard Coal Mine 1 May	86,048
8	Hard Coal Mine Zofiowka	28,488
9	Hard Coal Mine Rydułtowy	35,582
10	Hard Coal Mine Pniówek	35,439
11	Hard Coal Mine Jankowice	21,921
12	Hard Coal Mine Marcel	39,447
13	Hard Coal Mine Piast	18,661
14	Hard Coal Mine Moszczenica	51,631
15	Hard Coal Mine Wawel	50,282
16	Hard Coal Mine Poland	47,327
17	Hard Coal Mine Centrum	37,961
18	Hard Coal Mine Anna	76,800
19	Hard Coal Mine Wesola	35,709
20	Hard Coal Mine Halemba	47,340
21	Hard Coal Mine Myslowice	37,229
22	Hard Coal Mine of the Silesian Insurgents	36,660
23	Hard Coal Mine Myslowice	25,690
24	Hard Coal Mine Andalusia	34,549
25	Hard Coal Mine Szczoglowice	39,841
26	Hard Coal Mine Wieczorek	51,345
27	Hard Coal Mine Nowy Wirek	47,851
28	Hard Coal Mine Rozbark	42,001
29	Hard Coal Mine Knurów	45,383
30	Hard Coal Mine Julian	43,061
31	Hard Coal Mine Staszic	40,485
32	Hard Coal Mine Boleslaw the Brave	40,333
33	Hard Coal Mine Chwalowice	42,829
34	Hard Coal Mine Slask	55,346
35	Hard Coal Mine Zabrze-Bielszowice	45,692
36	Hard Coal Mine Katowice	66,150
37	Hard Coal Mine Makoszowy	50,133
38	Hard Coal Mine Rymer	53,269
39	Hard Coal Mine Siemianowice	51,403
40	Hard Coal Mine Brzeszcze	57,192
41	Hard Coal Mine Wujek	61,993
42	Hard Coal Mine Sosnica	50,533
43	Hard Coal Mine Debiensko	67,658
44	Hard Coal Mine Janina	52,046
45	Hard Coal Mine Murcki	76,021
46	Hard Coal Mine Barbara-Chorzow	80,243
47	Hard Coal Mine Szombierki	89,970

Rates of Product-Specific Subsidies for Hard Coal and Hard-Coal Briquettes (Continued)

Item No.	Name of Mine	Rate of Subsidy (in zlotys per ton)
48	Hard Coal Mine Porabka-Klimontow	89,665
49	Hard Coal Mine Paris	69,656
50	Hard Coal Mine Silesia	70,671
51	Hard Coal Mine Jupiter	59,730
52	Hard Coal Mine Jaworzno	58,582
53	Hard Coal Mine Kazimierz-Juliusz	147,563
54	Hard Coal Mine ZMP	164,774
55	Hard Coal Mine Saturn	98,321
56	Hard Coal Mine Czechott	67,846
57	Hard Coal Mine Grodziec	68,965
58	Hard Coal Mine Morcinek	307,195
59	Hard Coal Mine of the Paris Commune	66,129
60	Hard Coal Mine Niwka-Modrzejow	123,410
61	Hard Coal Mine Sosnowiec	79,547
62	Hard Coal Mine Siersza	62,078
63	Hard Coal Mine Gliwice	177,540
64	Hard Coal Mine Krupinski	164,479
65	Hard Coal Mine Pstrowski	122,308
66	Hard Coal Mine Nowa Ruda	253,622
67	Hard Coal Mine Bogdanka	102,752

Executive Order on Turnover Tax on Imports

91EP0529B Warsaw *DZIENNIK USTAW* in Polish
No 15, 25 Feb 91 Item No 69 pp 175-176

[Executive Order of the minister of finance dated 15 February governing rates of turnover tax on goods imported and mailed from abroad, as well as exemptions from this tax]

[Text] Pursuant to Article 10, Paragraph 2a and Article 12, Paragraph 1, Point 1 of the Law dated 16 December 1972 on the Turnover Tax (Dz.U. [DZIENNIK USTAW], 1983, No. 43, Item No. 191; 1985, No. 12, Item No. 50; 1989, No. 3, Item No. 12, and No. 74, Item No. 443; 1991, No. 9, Item No. 30) and Article 15, Paragraph 7a and Article 54, Paragraph 2 of the Law dated 26 February 1982 on Taxes on the Units of the Socialized Sector (Dz.U., 1987, No. 12, Item No. 77; 1989, No. 3, Item No. 12, No. 35, Item No. 192, and No. 74, Item No. 443; 1990, No. 21, Item No. 126; 1991, No. 9, Item No. 30) the following is decreed:

Paragraph 1.1. A table of the rates of the turnover tax on merchandise imported from abroad by corporate persons, organizational units which are corporate persons, and individuals, who are henceforth referred to as "taxpayers," which appears as Annex No. 1 to the present executive order, is established.

1.2. Whenever the executive order refers to importing goods from abroad, this should also be understood to mean mailing these goods, or bringing these goods in from duty-free areas and customs warehouses.

Paragraph 2.1. Supply goods (including those for production sharing) and producer goods imported by the individuals and units referred to in Paragraph 1, Section 1, which have a seat or are domiciled in the territory of the Republic of Poland, are exempt from the turnover tax.

2.2. The provision of Paragraph 1 also applies to persons and units who are domiciled, or have a seat abroad, if they engage in economic operations in the territory of the Republic of Poland on the basis of permits envisaged by separate regulations, or carry out contracts for construction, assembly and repair work signed with Polish economic entities.

2.3. Raw and other materials, semifinished goods, and finished products imported by taxpayers who engage in economic operations for production and investment purposes, as well as those of occupational safety, environmental protection, repairs, and services are considered to be supply and producer goods.

2.4. Finished products imported by trade units for internal use are also considered supply and producer goods.

2.5. The exemption referred to in Paragraphs 1 through 4 does not apply to the goods enumerated in Annex No. 2.

2.6. The goods referred to in Paragraph 1 are exempt from the turnover tax on the condition that a taxpayer, or his authorized representative, submitted to the customs a written statement in the document on customs inspection. The statement should include:

1) First and last names of the person making the statement, and the type and number of his identity documents.

2) The name and address of the treasury office with jurisdiction over the taxpayer.

3) The intended use of the merchandise imported.

2.7. Customs offices forward copies of documents on customs inspections to the local treasury chambers which have jurisdictions over the offices referred to in Paragraph 6.2, before the 20th day of every month for the previous month.

Paragraph 3. The provisions of Paragraph 2 apply accordingly to goods imported from abroad by the taxpayers set forth in Paragraphs 1 and 2 of this Paragraph with the intention to sell them for supply or investment purposes to other economic units, or to budget-financed units and enterprises or the auxiliary operations of the budget-financed units.

Paragraph 4. If the goods referred to in Paragraph 2, Section 3 and 4 are sold (resold) for other purposes, the guidelines and rates of the turnover tax set forth in separate provisions for the sale of goods manufactured in the country apply.

Paragraph 5.1. The following goods are exempt from the turnover tax set forth in Paragraph 1:

1) Goods imported from aboard by budget-financed units and enterprises and auxiliary operations of budget-financed units for internal consumption, with the exception of the goods referred to in Annex No. 2; the provisions of Paragraph 2, Sections 6 and 7, apply accordingly.

2) Goods exempt from customs dues pursuant to Article 12, Paragraph 1 and Article 14, Paragraph 1, Points 1 through 36 and 38, and Article 20, Paragraph 1 of the Law dated 28 December 1989 on Customs Regulations (Dz.U., No. 75, Item No. 445), with the exception of general-purpose passenger cars imported by individuals returning after a temporary stay abroad, which are referred to in Article 14, Paragraph 1, Point 6 of the Law on Customs Regulations.

3) Goods which are duty free on the basis of Article 56 of the Law dated 17 May 1989 on the Relationship of the State and the Catholic Church in the Republic of Poland (Dz.U., No. 29, Item No. 154; 1990, No. 51, Item No. 297, No. 55, Item No. 321 and No. 86, Item No. 504) and Article 13, Paragraph 7 of the Law dated 17 May 1990 on the Guarantees for the Freedom of Conscience and Religion (Dz.U., No. 29, Item No. 155; 1990, No. 51, Item No. 297, No. 55, Item No. 321, and No. 86, Item No. 504).

4) Imported for a definite period of time.

5) General-purpose passenger cars imported from abroad by Category 1 or 2 disabled individuals regardless of the type of disability, and Category 4 disabled individuals with diseases of the organs of movement.

5.2. The exemption set forth in Paragraph 1, Point 4 does not apply if the duty to pay customs dues arises.

5.3. The exemption referred to in Paragraph 1, Point 5 is applied upon the submission of a written statement on not having imported another car from abroad within the previous 36 months, counting the day of the customs inspection, as well as a finding by the commission for the issues of the handicapped and employment acknowledging disability, and in the case of Category 3 disabled individuals—a similar document with a notation that the disability is caused by diseases of the organs of movement.

Paragraph 6. The following are invalidated:

1) Executive order of the minister of finance dated 29 March 1990 on levying the turnover tax on certain goods imported by individuals or mailed to these individuals from abroad (Dz.U., No. 20, Item No. 122, and No. 60, Item No. 349; 1991, No. 5, Item No. 21).

2) Executive order of the minister of finance dated 17 April 1990 on the rates of the turnover tax on individuals and corporate persons other than units of the socialized sector and relief, exemptions, and procedures for the payment of this tax (Dz.U., No. 27, Item No. 156, No. 31, Item No. 185, and No. 60, Item No. 347, as well as 1991, No. 5, Item No. 20) with regard to the segment affecting the turnover tax on imported goods.

3) Order No. 9 by the minister of finance dated 31 January 1990 on the rate of the turnover tax on units of the socialized sector, and relief and exemption from this tax (DZIENNIK URZEDOWY MINISTERSTWA FINANSOW, No. 2, Item No. 4, No. 8, Item No. 23, and No. 14, Item No. 36) with regard to the segment affecting the turnover tax on imported goods.

Paragraph 7. The executive order takes effect on 2 March 1991, provided that the previous guidelines for levying the turnover tax apply to the sale of the goods which were imported from abroad prior to the day the executive order took effect.

[Signed] For the Minister of Finance: A. Podsiadło

Annexes to the Executive Order of the Minister of Finance Dated 15 February 1991 (Item No. 69)

Annex No. 1

Table of the Rates of the Turnover Tax on Goods Imported From Abroad by Corporate Persons, Organizational Units That Are Not Corporate Persons, and Individuals

Item	Section, Chapter, Heading, Subheading, and Harmonized System Code	Name of the Group of Products (Product)	Rate of the Turnover Tax as a Percentage of the Customs Value Plus Customs Dues
1	Section I	Live Animals, Animal Products	Tax-exempt
2	Section II	Vegetable Products	Tax-exempt
		Out of which:	
	08.01	1) Coconuts, brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled	25
	08.02	2) Other nuts, fresh or dried, whether or not shelled or peeled	25
	08.03	3) Bananas, including plantains, fresh or dried	25

Table of the Rates of the Turnover Tax on Goods Imported From Abroad by Corporate Persons, Organizational Units That Are Not Corporate Persons, and Individuals (Continued)

Item	Section, Chapter, Heading, Subheading, and Harmonized System Code	Name of the Group of Products (Product)	Rate of the Turnover Tax as a Percentage of the Customs Value Plus Customs Dues
	08.04	4) Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried	25
	08.05	5) Citrus fruit, fresh or dried	25
	08.06	6) Grapes, fresh or dried	25
	08.07	7) Melons (including watermelons) and papayas, fresh	25
	09.01	8) Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion	25
	09.02	9) Tea	25
	09.03	10) Paraguayan tea (mate)	25
	09.04	11) Pepper of the genus Piper; dried or crushed or ground fruits of the genus Capsicum or of the genus Pimenta	25
	09.05	12) Vanilla	25
	09.06	13) Cinnamon and cinnamon-tree flowers	25
	09.07	14) Cloves (whole fruit, cloves, and stems)	25
	09.08	15) Nutmeg, mace, and cardamon	25
	09.09	16) Seeds of anise, badian, fennel, coriander, cumin, or caraway	25
	09.10	17) Ginger, saffron, turmeric (curcuma), thyme, bay leaves, curry, and other spices	25
3	Section III	Animal or Vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes	Tax-exempt
4	Section IV	Prepared Foodstuffs; Beverages, Spirits and Vinegar; Tobacco and Manufactured Tobacco Substitutes	Tax-exempt
		out of which:	
	1704.10	1) Chewing gum, whether or not sugar coated	40
	Chapter 18	2) Cocoa and Cocoa Preparations	25
	20.09	3) Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	25
	21.01	4) Extracts, essences and concentrates, of coffee, tea or Paraguayan tea and preparations with a basis of these, products or with a basis of coffee, tea or Paraguayan tea; roasted chicory and other roasted coffee substitutes and extracts, essences and concentrates thereof	25
	22.03	5) Beer made from grist	110
	22.04	6) Wine of fresh grapes, including fortified wines; grape must other than that of heading No. 2009	110
	22.05	7) Vermouths and other wine of fresh grapes flavored with plants or aromatic substances	110
	22.06	8) Other fermented beverages (for example, cider, perry, mead)	110
	22.07	9) Undenatured ethyl alcohol of an alcoholic strength by volume of 80 percent volume or higher; ethyl alcohol and other spirits, denatured, of any strength	1,000
	22.08	10) Undenatured ethyl alcohol of an alcoholic strength under 80 percent volume; vodkas, liquors, and other alcoholic beverages; compound alcoholic preparations of a kind used for the manufacture of beverages	1,000
		out of which:	
	2208.10	a) Compound alcoholic preparations of a kind used for the manufacture of beverages	10
	2208.20	b) Vodkas manufactured by distilling grape wine or grape pomace	300

Table of the Rates of the Turnover Tax on Goods Imported From Abroad by Corporate Persons, Organizational Units That Are Not Corporate Persons, and Individuals (Continued)

Item	Section, Chapter, Heading, Subheading, and Harmonized System Code	Name of the Group of Products (Product)	Rate of the Turnover Tax as a Percentage of the Customs Value Plus Customs Dues
	2208.30	c) Whiskies	300
	2208.40	d) Rums	300
	ex 2208.50	e) Gins	300
	ex 2208.90	f) Aperitifs, creams, and liquors	300
	Chapter 24	11) Tobacco and Manufactured Tobacco Substitutes	30
		out of which:	
	24.02	a) Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	110
	2403.10	b) Tobacco for smoking, whether or not containing tobacco substitutes in any proportion	110
5	Section V	Mineral Products	Tax-exempt
		out of which:	
	ex 25.01	1) Table salt	40
	ex 27.10	2) Motor gasolines and base gasolines, except aircraft engine fuel	40
6	Section VI	Products of the Chemical or Allied Industries	Tax-exempt
		out of which:	
	32.08 through 32.12	Paints, boiled oils (including enamels and varnishes); solutions specified in Note 4 to Chapter 32 of the Customs Tariff; pigments, desiccants; stamping foils; dyes and other coloring matter	25
	33.03	1) Perfumes and toilet water	40
	33.04	2) Beauty aids and makeup, and preparations for skin care (other than medicines) including sunscreens or tanning preparations; preparation for manicure and pedicure	40
	33.05	3) Hair care preparations	25
	33.06	4) Hygienic preparations for teeth and oral cavity, including pastes and powders for denture care	25
	33.07	5) Preparations used before, during, and after shaving, personal deodorants, bath preparations, depilatories, and other perfumery, cosmetic or toilet preparations not elsewhere mentioned or included; prepared indoor deodorants whether or not perfumed or with disinfecting properties	25
	34.05	6) Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring passes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated or covered with such preparations), excluding waxes of heading No. 3404	25
	34.06	7) Candles, candlewicks, and similar	25
	35.06	8) Prepared glues and other prepared adhesives, not elsewhere specified or included; products suitable for use as glues or adhesives, put up for retail sale as glues or adhesives, not exceeding a net weight of one kilogram	25
	36.04	9) Fireworks, signaling flares, rain rockets, fog signals and other pyrotechnic articles	25
	36.05	10) Matches other than pyrotechnic articles of heading No. 36.04	25
	ex Chapter 37	11) Photographic and Cinematographic Goods (Other Than for X-Rays)	25
	38.14	12) Compound organic solvents and thinners not elsewhere mentioned or included; prepared paint and varnish removers	25
7	Section VII	Plastics and Articles Thereof; Rubber and Articles Thereof	25
		out of which:	

Table of the Rates of the Turnover Tax on Goods Imported From Abroad by Corporate Persons, Organizational Units That Are Not Corporate Persons, and Individuals (Continued)

Item	Section, Chapter, Heading, Subheading, and Harmonized System Code	Name of the Group of Products (Product)	Rate of the Turnover Tax as a Percentage of the Customs Value Plus Customs Dues
	39.17	1) Tubes, pipes and hoses, and fittings therefor (for example, joints, elbows, flanges), of plastics	Tax-exempt
	ex 3924.10	2) Plastic bottles for babies	Tax-exempt
	39.25	3) Construction items from plastics not elsewhere mentioned or included	Tax-exempt
	40.14	4) Hygienic or pharmaceutical items (including milk expressor pumps) made of vulcanized rubber other than ebonite, with or without ebonite accessories	Tax-exempt
	4016.92	5) Erasers	Tax-exempt
8	Section VIII	Raw Hides and Skins, Leather, Furskins and Articles Thereof; Saddlery and Harness; Travel Goods, Handbags and Similar Containers; Articles of Gut (Other Than Silk-Worm Gut)	25
		out of which:	
	41.04	1) Leather of bovine or equine animals, without hair on, other than leather of heading No. 41.08 or 41.09	40
	41.05	2) Sheep or lamb skin leather without wool on, other than leather of heading No. 41.08 or 41.09	40
	41.06	3) Goat or kid skin leather, without hair on, other than leather or heading No. 41.08 or 41.09	40
	41.07	4) Leather of other animals, without hair on, other than leather of heading No. 41.08 or 41.09	40
	41.08	5) Chamois leather, including combination chamois leather	40
	41.09	6) Varnished leather and plastic-coated leather; metallized leather	40
	42.03	7) Articles of apparel and clothing accessories, of leather or of composition leather	40
	ex 43.02	8) Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than whole rabbit or hare pelts	40
	43.03	9) Articles of apparel, clothing accessories and other articles of fur skin	40
9	Section IX	Wood and Articles of Wood; Wood Charcoal; Cork and Articles of Cork; Manufactures of Straw; of Esparto and of Other Plaiting Materials; Basketware and Wickerwork	25
		out of which:	
	44.18	1) Builders' joinery and carpentry of wood, including cellular wood panels, assembled parquet panels, shingles and shales	Tax-exempt
	ex 4421.90	2) Caskets and wooden school accessories	Tax-exempt
10	Section X	Pulp of Wood or of Other Fibrous Cellulosic Material; Waste and Scrap of Paper or Paperboard; Paper and Paperboard and Articles Thereof	25
		out of which:	
	48.03	1) Toilet or facial tissue stock, towel or napkin stock and similar paper of a kind used for household or sanitary purposes, cellulose wadding and webs of cellulose fibers, whether or not creped, crinkled, embossed, perforated, surface-colored, surface-decorated or printed, in rolls of width exceeding 36 cm or in rectangular (including square) sheets with at least one side exceeding 36 cm in unfolded state	Tax-exempt
	4818.10	2) Toilet paper	Tax-exempt
	4818.20	3) Facial tissue stock, hygienic or cosmetic napkins and towels	Tax-exempt
	4818.40	4) Sanitary towels and tampons, baby diapers, and similar sanitary products	Tax-exempt

Table of the Rates of the Turnover Tax on Goods Imported From Abroad by Corporate Persons, Organizational Units That Are Not Corporate Persons, and Individuals (Continued)

Item	Section, Chapter, Heading, Subheading, and Harmonized System Code	Name of the Group of Products (Product)	Rate of the Turnover Tax as a Percentage of the Customs Value Plus Customs Dues
	4820.20	5) Exercise books, notebooks	Tax-exempt
	Chapter 49	6) Printed Books, Newspapers, Pictures and Other Products of the Printing Industry; Manuscripts, Typescripts and Plans	Tax-exempt
11	Section XI	Textiles and Textile Articles	25
		out of which:	
	5601.10	1) Sanitary towels and tampons, baby napkins and diapers, and similar sanitary articles of wadding	Tax-exempt
	56.07	2) Cords, ropes, lines, and cables, whether woven or not, braided, unbraided, impregnated, plated, coated, or cleaded with rubber or plastic	Tax-exempt
	56.08	3) Nets woven of cords, ropes, or lines, manufactured fishing nets and other manufactured nets of textile materials	Tax-exempt
	58.04	4) Tullies and other net fabrics, not including woven, knitted or crocheted fabrics; lace in the piece, in strips or in motifs	40
	61.11	5) Babies' garments and clothing accessories knitted or crocheted	Tax-exempt
	62.09	6) Babies' garments and clothing accessories	Tax-exempt
	63.03	7) Curtains (including draperies) and shades, curtain, screen, or bed pelmets	40
12	Section XIII	Articles of Stone, Plaster, Cement, Asbestos, Mica, or Similar Materials; Ceramic Products; Glass and Glassware	Tax-exempt
		out of which:	
	ex 68.02	1) Worked monumental or building stone (except slate) and articles thereof, other than goods of heading No. 6801; mosaic cubes and the like, of natural stone (including slate), whether or not on a backing:	
	6802.21	a) Marble, travertine, and alabaster	40
	6802.91		
	6802.23	b) Granite	40
	6802.93		
	ex 69.07	2) Unglazed ceramic hearth or wall tiles; unglazed ceramic mosaic cubes and the like, whether or not on a backing	25
	ex 69.08	3) Glazed ceramic hearth or wall tiles, glazed ceramic mosaic cubes and the like, whether or not on a backing	25
	69.10	4) Ceramic sinks, wash basins, bases of wash basins, bathtubs, bidets, toilet bowls, urinals, and similar sanitary products	25
	69.11	5) Tableware, kitchenware, other household articles and toilet articles of porcelain	25
	69.12	6) Ceramic tableware, kitchenware, other household articles and toilet articles, other than porcelain	25
	69.13	7) Statuettes and other ornamental ceramic articles	25
	69.14	8) Other ceramic articles	25
	70.07	9) Shatterproof glass consisting of hardened (tempered) or layered glass	25
	70.09	10) Mirrors, whether or not framed, including rear view mirrors	25
	70.10	11) Balloon flasks, carboys, bottles, jars, vials, ampoules, and other glass containers used to ship or package goods; glass jars for processed foods; plugs, lids, and other glass covers	25
	70.12	12) Glass inners for vacuum flasks or for other vacuum vessels	25

Table of the Rates of the Turnover Tax on Goods Imported From Abroad by Corporate Persons, Organizational Units That Are Not Corporate Persons, and Individuals (Continued)

Item	Section, Chapter, Heading, Subheading, and Harmonized System Code	Name of the Group of Products (Product)	Rate of the Turnover Tax as a Percentage of the Customs Value Plus Customs Dues
	ex 70.13	13) Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of heading No. 70.10 or 70.18)—with the exception of baby bottles of subheading No. 7013.29	25
	7016.10	14) Glass cubes and other glass smallwares whether or not on a backing, for mosaics and similar ornamental purposes	25
	70.18	15) Glass beads, imitation pearls, imitation precious or semiprecious stones and similar glass smallwares, and articles thereof other than imitation jewelry; glass eyes other than prosthetic articles; statuettes and other ornaments of lamp-worked glass, other than imitation jewelry; glass microspheres not exceeding 1 mm in diameter	25
	70.20	16) Other glass items	25
13	Section XIV	Natural or Cultured Pearls, Precious or Semiprecious Stones, Precious Metals, Metals Clad with Precious Metal, and Articles Thereof; Imitation Jewelry; Coin	25
		out of which:	
	71.06	1) Silver (including silver-plated with gold and platinum) unwrought or in semimanufactured forms, or in powder form	40
	71.08	2) Gold (including gold plated with platinum) unwrought or in semimanufactured forms, or in powder form	40
	71.10	3) Platinum, unwrought or in semimanufactured form, or in powder form	40
	71.12	4) Waste and scrap of precious metal or of metal clad with precious metal	40
	71.13	5) Articles of jewelry and parts thereof, of precious metal or of metal clad with precious metal	30
	71.14	6) Articles of goldsmith's or silversmiths' wares and parts thereof, of precious metal or of metal clad with precious metal	30
	7115.90	7) Other articles of precious metal or of metal clad with precious metal (except catalysts in the form of wire fabrics or platinum mesh	30
14	Section XVI	Machinery and Mechanical Appliances; Electrical Equipment, Parts Thereof; Sound Recorders, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles	Tax-exempt
		out of which:	
	84.18	1) Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of heading No. 8415	25
	8422.11	2) Dishwasher for household utensils	25
		3) Washing machines and equipment each with a dry-linen capacity not exceeding 10 kilograms;	
	8450.11	a) Automatic washing machines	25
	8450.12	b) Other washing machines with built-in centrifuge dryers	25
	8450.19	c) Others	25
	8452.10	4) Household sewing machines	25
	84.69	5) Typewriters and word-processing machines	25
	84.72	6) Other office machines (for example, hectograph or stencil duplicating machines, addressing machines, automatic banknote dispensers, coin-sorting machines, coin-counting or wrapping machines, pencil-sharpening machines, perforating or stapling machines)	25
	85.06	7) Galvanic elements and galvanic batteries	25

Table of the Rates of the Turnover Tax on Goods Imported From Abroad by Corporate Persons, Organizational Units That Are Not Corporate Persons, and Individuals (Continued)

Item	Section, Chapter, Heading, Subheading, and Harmonized System Code	Name of the Group of Products (Product)	Rate of the Turnover Tax as a Percentage of the Customs Value Plus Customs Dues
	85.07	8) Electric accumulators, including separators, whether or not rectangular (including square)	25
	85.08	9) Electromechanical hand tools with self-contained electric motors	25
	85.09	10) Electromechanical domestic appliances, with self-contained electric motor	25
	85.10	11) Shavers and hair clippers, with self-contained electric motors	25
	85.11	12) Electric ignition of starting equipment of a kind used for spark-ignition or compression-ignition internal combustion engines (for example, ignition magnetos, magnetodynamos, ignition coils, sparking plugs and glow plugs, starter motors); generators (for example, dynamos, alternators) and cutouts of a kind used in conjunction with such engines	25
	85.12	13) Electrical lighting or signaling equipment (excluding articles of heading No. 85.39), windscreen wipers, defrosters and demisters, of a kind used for cycles or motor vehicles	25
	85.13	14) Portable electric lamps designed for using self-contained power sources (for example, dry batteries, secondary batteries, dynamos), other than lighting equipment of heading No. 85.12	25
	85.16	15) Electric instantaneous or storage water heaters and immersion heaters; electric space heating apparatus and soil heating apparatus; electrothermal hairdresser appliances (for example, hair dryers, hair curlers, curling tong heaters) and hand dryers; electric smoothing irons; other electrothermic appliances of a kind used for domestic purposes; electric heating resistors, other than those of heading No. 85.45	25
	8517.10	16) Telephone sets	25
	8517.81		
	85.18	17) Microphones and microphone stands; loudspeakers, whether in housing or not; headphones, earphones and sets consisting of phones and microphones, electric amplifiers of acoustic frequencies, electric equipment amplifying audio signals	25
	85.19	18) Record players with or without amplifiers, cassette players and other equipment for reproducing sounds without devices for sound recording	30
	85.20	19) Tape recorders and other sound recording equipment whether with or without equipment to reproduce sound	30
	85.21	20) Video cassette recorders and other general-purposes equipment for recording and reproducing picture and sound	30
	85.22	21) Parts and accessories to equipment of headings Nos. 85.19 through 85.21	25
	85.23	22) Unrecorded media for sound recording or similar recording of other registered phenomena, other than products of Chapter 37	25
	85.24	23) Records, tapes and other already recorded media for recording sound or other similarly registered phenomena, including matrixes and negatives of recordings used in phonography, except for products of Chapter 37	25
	85.27	24) Reception apparatus for radiotelephony, radiotelegraphy or radio broadcasting, whether or not combines, in the same housing, with sound recording or reproducing apparatus or a clock	25
	85.28	25) Television receivers (including video monitors and video projectors), whether or not combined, in the same housing, with radio-broadcast receivers or sound or video-recording or reproducing apparatus	30
	85.29	26) Parts suitable for use solely or principally with the apparatus of headings Nos. 85.25 to 85.28	25

Table of the Rates of the Turnover Tax on Goods Imported From Abroad by Corporate Persons, Organizational Units That Are Not Corporate Persons, and Individuals (Continued)

Item	Section, Chapter, Heading, Subheading, and Harmonized System Code	Name of the Group of Products (Product)	Rate of the Turnover Tax as a Percentage of the Customs Value Plus Customs Dues
	85.31	27) Electric sound or visual signaling apparatus (for example, bells, sirens, indicator panels, burglar or fire alarms), other than those of heading No. 85.12 or 85.30	25
	85.32	28) Fixed, adjustable, or regulated electric capacitors	25
	85.33	29) Electric resistors (including regulated resistors and potentiometers), other than electric heating resistors	25
	85.34	30) Printed circuits	25
	85.39	31) Electric filament or discharge lamps, including sealed beam lamp units and ultraviolet or infrared lamps, arc lamps	25
	85.40	32) Thermionic, cold cathode or photocathode bulbs and tubes (for example, vacuum or vapor or gas-filled bulbs and tubes, mercury arc rectifying bulbs and tubes, cathode-ray tubes, television camera tubes)	25
	85.41	33) Diodes, transistors and similar semiconductor devices, photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light-emitting diodes; mounted piezo-electric crystals	25
	85.42	34) Electronic integrated circuits and microassemblies	25
	85.44	35) Insulated wires (including enameled and anodized), cables (including coaxial cables) and other insulated electric conductors, whether with or without terminal blocks; fiber optic lines consisting of individually coated fibers, including those connected to electric current conductors or fitted with terminal blocks	25
	85.45	36) Carbon electrodes, carbon brushes, lamp carbons, battery carbons and other articles of graphite or other carbon, with or without metal, of a kind used for electrical purposes	25
	85.46	37) Electric insulators made of any material	25
	85.47	38) Insulating fittings for electrical machines, appliances or equipment, being fittings wholly of insulating material apart from any minor components of metal (for example, threaded sockets) incorporated during molding solely for purposes of assembly, other than insulators of heading No. 85.46; electrical conduit tubing and joints therefor, of base metal lined with insulating material	25
15	Section XVII	Vehicles, Aircraft, Vessels and Associated Transport Equipment	25
		out of which:	
	87.01	1) Tractors (other than tractors of heading No. 87.09)	Tax-exempt
	87.03	2) Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading No. 87.02), including station wagons and racing cars	20
	ex 87.08	3) Parts and accessories of motor vehicles of heading No. 87.01	Tax-exempt
	87.13	4) Wheelchairs, whether or not motorized or with other mechanical drive	Tax-exempt
	87.15	5) Baby strollers and their parts	Tax-exempt
	8716.20	6) Self-loading or self-unloading trailers or semitrailers for agricultural purposes	Tax-exempt
	ex 8716.80	7) Sleighs	Tax-exempt
16	Section XVIII	Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Apparatus; Clocks and Watches; Musical Instruments; Parts and Accessories Thereof	25
		out of which:	
	90.18	1) Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electromedical apparatus and sight-testing instruments	Tax-exempt

Table of the Rates of the Turnover Tax on Goods Imported From Abroad by Corporate Persons, Organizational Units That Are Not Corporate Persons, and Individuals (Continued)

Item	Section, Chapter, Heading, Subheading, and Harmonized System Code	Name of the Group of Products (Product)	Rate of the Turnover Tax as a Percentage of the Customs Value Plus Customs Dues
	90.19	2) Physical therapy equipment; massage equipment; equipment for psychological aptitude testing; apparatus and equipment for ozone, oxygen, and aerosol treatment, breathing equipment for intensive care and other respiratory treatment	Tax-exempt
	90.20	3) Other respiratory equipment and gas masks, except protective masks without mechanical parts or replaceable filters	Tax-exempt
	90.21	4) Orthopedic appliances, including crutches, surgical belts and trusses; splints and other fracture appliances, artificial parts of the body; hearing aids and other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability	Tax-exempt
	90.22	5) Apparatus based on the use of X-rays or of alfa, beta or gamma radiations, whether or not for medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus, X-ray tubes and other X-ray generators, high tension generators, control panels and desks, screens, examination or treatment tables, chairs and the like	Tax-exempt
	90.27	6) Instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus); or checking viscosity, porosity, expansion, surface tension or the like; instruments and apparatus for measuring or checking quantities of heat, sound or light (including exposure meters); microtomes	Tax-exempt
17	Section XX	Miscellaneous Manufactured Articles	25
		out of which:	
	95.01	1) Wheeled toys to be ridden by children (for example, tricycles, scooters, and pedal cars), carts for dolls	Tax-exempt
	95.02	2) Dolls representing only human beings	Tax-exempt
	95.03	3) Other toys, reduced-size ("scale") models and similar recreational models, working or not; puzzles of all kinds	Tax-exempt
	96.08	4) Ball point pens; felt tipped and other porous-tipped pens and markers; fountain pens, stylograph pens and other pens; duplicating stylos; propelling or sliding pencils; penholders, pencil holders and similar holders; parts (including caps and clips) of the foregoing articles, other than those of heading No. 96.09	Tax-exempt
	96.09	5) Pencils (other than pencils of heading No. 96.08), crayons, pencil leads, pastels, drawing charcoals, writing or drawing chalks and tailors' chalks	Tax-exempt
18	Section XXI	Works of Art, Collectibles, and Antiques	Tax-exempt
19		Goods not mentioned in line items 1 through 18	25

Note: ex next to the Harmonized System code of a chapter, heading, or subheading signifies that the rate of the turnover tax applies only to certain goods (mentioned in the name of the group in rubric 3) in the corresponding chapter, heading, or subheading.

Annex No. 2

List of Products Subject to the Collection of the Turnover Tax Regardless of Their Intended Use		
Item	Section, Chapter, Heading, Subheading, and Harmonized System Code	Name of the Group of Products (product)
1	ex Chapter 8	Edible fruits (applies only to the groups of goods on which the turnover tax is levied in keeping with Annex No. 1 to the present executive order)
2	Chapter 9	Coffee, tea, Paraguayan tea (Mate) and Spices
3	1704.10	Chewing gum, whether or not sugar coated

List of Products Subject to the Collection of the Turnover Tax Regardless of Their Intended Use (Continued)

Item	Section, Chapter, Heading, Subheading, and Harmonized System Code	Name of the Group of Products (product)
4	18.06	Chocolate and other food preparations containing cocoa
5	20.09	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter
6	22.03	Beer made from grist
7	22.04	Wine of fresh grapes, including fortified wines; grape must other than that of heading No. 2009
8	22.05	Vermouths and other wine of fresh grapes flavored with plants or aromatic substances
9	22.06	Other fermented beverages (for example, cider, perry, mead)
10	22.07	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 percent volume or higher; ethyl alcohol and other spirits, denatured, of any strength
11	22.08	Undenatured ethyl alcohol of an alcoholic strength under 80 percent volume; vodkas, liquors, and other alcoholic beverages; compound alcoholic preparations of a kind used for the manufacture of beverages
12	24.02	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes
13	ex 27.10	Motor gasolines and base gasolines, except aircraft engine fuel
14	ex Chapter 33	Perfumery, cosmetic, or toilet preparations (applies to goods of headings 33.03 to 33.07)
15	34.05	Polishes and creams, for footwear, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated or covered with such preparations), excluding waxes of heading No. 34.04
16	34.06	Candles, candlewicks, and similar
17	36.05	Matches other than pyrotechnical articles of heading No. 36.04
18	ex 39.20	Artificial leather with plastic backing
	ex 59.03	
19	ex 39.24	Tableware, kitchenware, and other household and toilet plastic articles, with the exception of plastic bottles for babies
20	39.26	Other plastic articles and articles from other materials of headings No. 39.01 to No. 39.14
21	41.04 to 41.09	Leather, including restored
	41.11	
	43.02	
22	Chapter 42	Articles of leather; saddlery and harness; travel goods, handbags, and similar containers; articles of animal gut (other than silk-worm gut)
23	43.03	Articles of apparel, clothing accessories and other articles of furskins
24	43.04	Artificial furs and products thereof
25	44.19	Wooden kitchenware and tableware
26	44.20	Wood marquetry and inlaid wood; caskets and cases for jewelry or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in Chapter 94
27	ex 44.21	Other articles of wood (except caskets and wooden school accessories)
28	48.14	Wall paper and similar wall coverings; window transparencies of paper
29	48.15	Floor coverings on a paper or paperboard backing, whether or not cut to measurements
30	48.17	Envelopes, letter paper, folding cards and postcards of paper or paperboard; sets in boxes, books, and wrappers of paper or paperboard which contain exclusively pieces of stationery
31	48.18	Tablecloths, table napkins, linens, and other similar products for household, sanitary, or hospital use; clothing and clothing accessories made of paper pulp, cellulose cotton, or bands of cellulose fibers
32	ex 50.06	Sewing threads
	52.04	
	ex 53.06	
	54.01	
	55.08	

List of Products Subject to the Collection of the Turnover Tax Regardless of Their Intended Use (Continued)

Item	Section, Chapter, Heading, Subheading, and Harmonized System Code	Name of the Group of Products (product)
33	50.07	Manufactured fabrics not to be subjected to further technological upgrading processes
	51.11	
	51.12	
	51.13	
	52.08 to 52.12	
	53.09 to 53.11	
	54.07	
	54.08	
	55.12 to 55.16	
	58.01	
	58.02	
	58.04	
	58.06	
	58.09	
34	51.09	Yarn of wool or pure animal hair intended for retail sale
35	56.03	Unwoven fabrics, whether or not impregnated, coated, covered, or laminated, and bonded cloth
	ex 58.11	
36	Chapter 57	Carpets and other textile floor coverings
37	58.05	Handwoven decorative fabrics of a kind of tapestries: Flanders, Aubusson, Beauvais and similar, and woven ornamental materials (for example, with "petit point" or cross splice) whether or not made up
38	58.07	Tailoring accessories and other elements for the manufacturing of garment industry products, as well as leather and fur clothing (for example, buttons, zippers, press-fasteners, hook-and-eyes, loops, labels, emblems, and so on)
	ex 83.08	
	96.06	
	96.07 and others	
39	Chapter 60	Knitted or crocheted fabrics
40	ex Chapter 61	Articles of apparel and clothing accessories, knitted or crocheted, except those of heading No. 61.11
41	ex Chapter 62	Articles of apparel and clothing accessories, not knitted or crocheted, except those of heading No. 62.09
42	Chapter 63	Other made up textile articles; sets; worn clothing and worn textile articles; rags
43	Section XII	Footwear, headgear, umbrellas, sun umbrellas, walking sticks, seat sticks, whips, riding crops and parts thereof; prepared feathers and articles made therewith; artificial flowers; articles of human hair
44	ex 68.02	1) Worked monumental or building stone (except slate) and articles thereof, other than goods of heading No. 6801; mosaic cubes and the like, of natural stone (including slate), whether or not on a backing:
	6802.21	a) Marble, travertine, and alabaster
	6802.91	
	6802.23	b) Granite
	6802.93	
45	69.11	Tableware, kitchenware, other household articles and toilet articles made of porcelain
46	69.12	Ceramic tableware, kitchenware, other household articles and toilet articles, other than porcelain
47	69.13	Statuettes and other ornamental ceramic articles
48	70.13	Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of heading 70.10 or 70.18 and baby bottles)

List of Products Subject to the Collection of the Turnover Tax Regardless of Their Intended Use (Continued)

Item	Section, Chapter, Heading, Subheading, and Harmonized System Code	Name of the Group of Products (product)
49	71.13 to 71.17	Jewelry and parts thereof, jewelry articles and parts thereof, and other articles of precious metal or of metal clad with precious metal; articles of natural or cultured pearls, precious or semiprecious stones; imitation jewelry
50	73.23	Tableware, kitchenware, and other household articles or parts therefor, of iron or steel; iron or steel wool; washcloths for cleaning, scouring, or polishing utensils, mittens, and similar articles, of iron or steel
51	74.17	Nonelectric boiling or heating equipment for household use, and copper parts therefor
52	ex 74.18	Tableware, kitchenware, and other household articles or parts therefor, of copper; washcloths for cleaning, scouring, or polishing utensils, mittens, and similar articles, of copper
53	ex 76.15	Tableware, kitchenware, and other household articles or parts therefor, of aluminum; washcloths for cleaning, scouring, or polishing utensils, of aluminum
54	82.11	Knives with cutting blades, whether or not serrated (including garden knives), other than those of heading No. 82.08, and blades therefor
55	ex 82.12	Razors and razor blades
56	82.14	Other cutting articles (for example, hair cutters, kitchen or butcher axes, cleavers, blades for meat grinders, paper cutters), manicure and pedicure sets and accessories (including nail files)
57	82.15	Spoons, forks, ladles, skimmers, cake servers, fish knives, butter knives, sugar tongs and similar kitchen or tableware
58	83.01	Padlocks and locks (key, code, or electric) of nonprecious metal; closures and hardware which include locks of nonprecious metal; keys to all foregoing products of nonprecious metal
59	83.06	Bells, gongs, and similar nonelectric articles of nonprecious metal; statuettes and other items of interior decoration of nonprecious metal, frames for photographs, pictures, and other similar frames, of nonprecious metal; mirrors of nonprecious metal
60	8422.11	Dishwashers for household utensils
61		Washing machines and equipment each with a dry-linen capacity not exceeding 10 kilograms:
	8450.11	a) Automatic washing machines
	8450.12	b) Other washing machines with built-in centrifuge dryers
	8450.19	c) Others
62	8452.10	Household sewing machines
63	85.09	Electromechanical domestic appliances, with self-contained electric motors
64	85.10	Shavers and hair clippers, with self-contained electric motors
65	8516.31	Hair dryers
66	8516.33	Hand dryers
67	8516.40	Electric smoothing irons
68	8516.60	Other ovens and cookers; cooking ranges, broiler grills and skewers
69	8516.71	Coffee and tea makers
70	8516.72	Toasters
71	85.18	Microphones and microphone mountings; loudspeakers, whether or not in housing; headphones, earphones and sets consisting of phones and microphones, electric amplifiers of acoustic frequencies, electric equipment amplifying audio signals
72	85.19	Record players with or without amplifiers, cassette players and other equipment for reproducing sounds without devices for sound recording
73	85.20	Tape recorders and other sound recording equipment whether with or without equipment to reproduce sound
74	85.21	Video cassette recorders and other equipment for recording and reproducing picture or sound
75	85.23	Prepared unrecorded media for sound recording or similar recording of other registered phenomena, other than products falling into Chapter 37
76	85.24	Records, tapes and other already recorded media for recording sound or other similar registered phenomena, other than products falling into Chapter 37
77	85.27	Reception apparatus for radiotelephony, radiotelegraphy or radio broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock

List of Products Subject to the Collection of the Turnover Tax Regardless of Their Intended Use (Continued)

Item	Section, Chapter, Heading, Subheading, and Harmonized System Code	Name of the Group of Products (product)
78	85.28	Television receivers (including video monitors and video projectors), whether or not combined, in the same housing, with radio-broadcast receivers or sound or video-recording or reproducing apparatus
79	87.03	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading No. 87.02), including station wagons and racing cars
80	87.11	Motorcycles (including mopeds) and bicycles fitted with auxiliary engines, with or without sidecars; sidecars
81	ex 87.12	Two-wheel bicycles and other bicycles without engines
82	8716.10	Housing or tourist (camping) trailers and semitrailers
83	Yachts and other recreational or sports vessels; row boats and canoes	
84	9004.10	Sunglasses
85	90.05	Binoculars, monoculars, other optical telescopes, and mountings therefor; other astronomical instruments and mountings therefor, but not including instruments for radioastronomy
86	90.06	Photographic (other than cinematographic) cameras; photographic flashlight apparatus and flashbulbs other than discharge lamps of heading No. 8539
87	90.08	Projectors of still pictures other than cinematographic; photographic enlargers and reducers
88	91.01	Wristwatches, pocket watches, and other watches, including stopwatches in bodies made of precious metal or metal clad with precious metal
89	91.02	Wrist watches, pocket watches, and other watches, including stop watches, other than those of heading 91.01
90	ex 91.13	Bands, strips, and bracelets for watches
91	ex Chapter 95	Toys, games, and sport requisites; parts and accessories thereof, except those of headings Nos. 95.01, 95.02, and 95.03
92	ex Chapter 96	Miscellaneous manufactured articles, except for those of headings Nos. 96.08 and 96.09

Note: ex next to a chapter, heading, or subheading signifies that not all goods of a given chapter or item of the customs tariff are included on the list but only those mentioned in the name of the group of goods in rubric 3.

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