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**Working Party on the Accession
of the Lebanese Republic**

ACCESSION OF THE LEBANESE REPUBLIC

Elements of a Draft Report

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I. INTRODUCTION

1. The Government of the Lebanese Republic (or Lebanon thereafter) applied for accession to the World Trade Organization in January 1999. At its meeting on 14 April 1999, the General Council established a Working Party to examine the application of the Government of the Lebanese Republic to accede to the World Trade Organization under Article XII of the Marrakesh Agreement establishing the WTO. The terms of reference and the membership of the Working Party are reproduced in document WT/ACC/LBN/2/[Rev.12].

2. The Working Party met on 14 October 2002; 4 December 2003; 8 July 2004; 3 March 2006 and [...] under the Chairmanship of H.E. Mrs. Laurence Dubois-Destrizais (France).

DOCUMENTATION PROVIDED

3. The Working Party had before it, to serve as a basis for its discussions, a Memorandum on the Foreign Trade Regime of the Lebanese Republic (WT/ACC/LBN/3), the questions submitted by Members on the foreign trade regime of the Lebanese Republic, together with the replies thereto, and other information provided by the authorities of the Lebanese Republic (WT/ACC/LBN/4; WT/ACC/LBN/5; WT/ACC/LBN/6; WT/ACC/LBN/7; WT/ACC/LBN/8; WT/ACC/LBN/9; WT/ACC/LBN/10 and Revision 1; WT/ACC/LBN/12; WT/ACC/LBN/13; WT/ACC/LBN/14; WT/ACC/LBN/16; and [...]), including the legislative texts and other documentation listed in Annex I.

INTRODUCTORY STATEMENTS

4. The representative of the Lebanese Republic said that traditionally Lebanon was an open and liberal market economy, in which trade was seen an essential engine for achieving growth and development. However, the Lebanese Republic was still heavily marked by more than 15 years of armed conflict, which had severely damaged the country's economic, social, and physical infrastructure. A quarter of the population had been displaced and the per capita income had fallen by two-thirds in real terms between 1974 and 1990.

5. In the early 1990s, the Lebanese Government had launched a major reconstruction and economic revival programme to restore the functions of the State, re-establish administrative institutions and physical and social infrastructure, and reinstate security. This massive reconstruction effort severely strained the treasury and generated a substantial and recurrent budget deficit and a sizable debt. The second phase of the programme, which aimed at reinforcing the competitive capacities of the productive sector, creating the necessary environment for sustainable growth, and

further integrating Lebanon into the global economy, was now underway. A four-front strategy was being implemented, which relied on (i) structural reforms to further liberalize the economy, modernize existing laws, minimize restrictions and simplify procedures to reduce costs, improve productivity, and increase competitiveness, (ii) public finance reforms to modernize the tax system - he noted, in this connection, that the VAT had been introduced in 2002 - improve tax collection, and reduce expenditures whenever possible, (iii) privatization, in particular of mobile and fixed line telephone operations, electricity, water, ports, and airports, and (iv) trade liberalization through the establishment of a free-trade area with the European Union, the finalization of the Greater Arab Free-Trade Area, WTO accession, and the reactivation of bilateral economic agreements.

6. Having been one of the founding members of the GATT, the Lebanese Republic endeavoured to regain the role it played once as an active contributor to the multilateral trading system. Accession to the WTO was therefore one of the key priorities of his Government. Full participation in the multilateral trading system would provide the Lebanese Republic with new market access opportunities and was seen as a catalyst for structural reform that would help transform and modernize the Lebanese economy.

7. In reforming its trade system, his Government had paid particular attention to aligning its policies and practices to WTO rules. A new investment promotion law and a new customs law had been recently adopted, along with a new law to combat money laundering. A major tariffication effort had been undertaken in 2000 for all agricultural restrictions and prohibitions and customs tariffs had been reduced. About 87 per cent of the applied rates were now at either zero or five per cent. An open skies policy had been put in place and the law on land acquisition by non-Lebanese had been amended to facilitate access to land by foreigners. A number of other laws were under preparation, including a draft law on exclusive agencies, a draft Competition Act, as well as new intellectual property laws.

8. Members of the WTO welcomed the application from the Lebanese Republic to join the Organisation. WTO membership was considered important for the stability of the region and Lebanon's economic development and integration into the world trading system. Members welcomed the efforts already undertaken by the Lebanese Republic to achieve compliance with WTO rules and principles, but noted that further work was needed in order to fully implement the WTO Agreements. Members pledged to work constructively with the Lebanese Republic in actively pursuing the accession negotiations and expressed support for Lebanon's early accession to WTO on mutually acceptable terms and conditions.

9. The Working Party reviewed the economic policies and foreign trade regime of the Lebanese Republic and the possible terms of a draft Protocol of Accession to the WTO. The views expressed by members of the Working Party on the various aspects of Lebanon's foreign trade regime, and on the terms and conditions of Lebanon's accession to the WTO are summarized below in paragraphs 10 to [...].

II. ECONOMIC POLICIES

- Monetary and Fiscal policy

10. The representative of the Lebanese Republic said that the Central Bank – the Banque de Liban – was responsible for formulating and implementing Lebanon's monetary policy. The Banque du Liban had been established by the Code of Money and Credit, promulgated in August 1963, and its implementing Decree No. 13513 as a financially and administratively independent legal public entity. The main functions of the Banque du Liban were to issue notes and coins, safeguard the national currency, provide settlement and banking services to the public sector, monitor the banking and financial sectors, develop the money and financial markets, develop the payment systems and maintain economic stability. The Banque du Liban oversaw the activities of banks and other financial institutions and set regulations to ensure the soundness of the banking and financial sectors. Inspections of banking and financial activities were conducted by an independent committee, the Banking Control Commission, related directly to the Governor of the Banque du Liban.

11. Since 1992, the main purposes of Lebanon's monetary policy had been to ensure exchange rate stability in order to curb inflation and foster economic growth, strengthen the banking system, modernize payment systems, and promote and develop capital markets. Policy instruments used by the Banque du Liban included open market operations, such as auctions of treasury bills, which had been progressively introduced after May 1993; foreign exchange operations; reserve requirements on Lebanese Pound deposits at commercial banks; mandatory foreign currency placements; liquidity requirements on US\$ deposits at commercial banks; discount and interest rates; standing facilities (accepting deposits and extending loans to the banking sector); treasury Bill repurchase and swap agreements with commercial banks; and issuance of LBP and foreign currency denominated certificates of deposits.

12. A number of measures had been taken to enhance the soundness of the banking system by increasing banks' capital and own resources; encouraging mergers; facilitating banks' access to medium and long-term resources through enactment of Law No. 521 of 6 June 1996 allowing banks to issue bonds up to six times their tier one capital; encouraging the banking sector to provide medium-

and long-term loans to promote growth and social development; diversifying commercial activities towards universal banking (Law on Fiduciary Operations of 1996, Law No. 160 of 27 December 1999 and Decision No. 7540/Circular No. 1 of 4 March 2000 concerning the conditions for establishing and operating leasing companies); preserving the banking sector from banks' risks through limits on lending, the establishment of a reserve fund for general banking risks and the setting of a ratio of minimum liquidity requirements in foreign currency (Decision No. 7693/Circular No. 1856 of 18 October 2000); requiring banks to achieve transparency and governance in line with international standards; and preventing money laundering (Law on Money Laundering No. 318 of 20 April 2001).

13. The fiscal system of the Lebanese Republic consisted of direct and indirect taxes set in various laws, regulations and implementation decrees. There was no unified and comprehensive Tax Code, but his Government was considering enacting one. Work was still at its early stages. The new Tax Code would set generally applicable rules and procedures regarding the basis of assessment, tax collection, the rights and obligations of the tax administration and tax payers, objections and appeals, penalties, etc. A series of fiscal reforms were under consideration to help address the question of public deficit and public debt. The proposed reforms would limit the increase in spending to necessary investments to stimulate economic activity and growth, improve tax collection, reform the tax administration, rationalize public expenditure, pursue reconstruction and economic revival, and reactivate suspended projects financed through soft loans. In his view, the current tax system was in conformity with WTO rules and obligations. He confirmed that any changes to the system would be consistent with WTO principles.

14. He further noted that the main direct taxes levied in the Lebanese Republic were the income tax, transfer rights, built property taxes (the built property tax was an income tax although it was provided for in a separate law), and municipality fees. The income tax was levied pursuant to Decree Law No. 144 of 12 July 1959, as subsequently amended. The Law provided for three income taxation systems, i.e. taxation of real profits, of estimated profits, and taxation on the basis of a lump sum. The income tax was charged on profits derived from industrial, commercial, and non-commercial activities (at a rate varying from four to 21 per cent depending on the taxable income), salaries, wages (rate from two to 20 per cent depending on the taxable income), and revenues derived from movable capital assets (ten per cent of the gross income). Corporate profits were subject to a 15 per cent proportional tax and allotments of Lebanese stock companies to a ten per cent pro-rata tax, even in cases where the company was exempted from tax. All allotments of foreign shares and bonds were taxed. The Law provided for permanent income tax exemptions on profits derived from industrial, commercial, and non-commercial professions for some specific activities; profits and allotments of holding companies; offshore companies; some movable assets; and salaries, wages and retirement

pensions. However, offshore and holding companies were subject to an annual fixed tax of LBP one million and six per cent respectively and certain holding companies' incomes remained subject to taxation. In addition, a number of temporary income tax exemptions were granted to new industries, self-financed investments (re-investment of corporate profit), and areas of priority development. Temporary exemptions were set by Council of Ministers' decrees, on recommendation of the Ministries of Industry and Finance. A list of permanent and temporary exemptions can be found in document WT/ACC/LBN/3, pp. 14-15.

15. Transfer rights were levied in accordance with Decree Law No. 146 of 12 June 1959 on all movable and immovable assets located in Lebanon or abroad and transferred by a Lebanese or a foreign person. Transfer rights were bracket-based and varied from three to 45 per cent depending on the degree of relationship and the taxable parts of the asset. An additional flat fee of 0.5 per cent was applied to gross transferred assets equal or superior to LBP 40 million.

16. Pursuant to the Law of 17 September 1962, built property taxes were charged on the rental income of owners of real property, i.e. buildings and land used to earn rental income, or persons acting as owners according to a contractual relationship with the owner. He noted that buildings of industrial and commercial entities that declared on a real profit basis were exempted from the built property tax. Built property taxes consisted of a proportional tax of four per cent of the net rental income and a bracket-based tax of two to 13 per cent applied to net rental profits or rental income equal or superior to LBP 20 million. The Law provided for temporary, permanent and partial exemptions.

17. As for municipality fees, they were levied in accordance with Law No. 60/88 of 12 August 1988, which authorized municipalities to collect local fees within their jurisdiction. Municipality fees were applied on occupancy (buildings, land vehicles or water vessels that were used as fixed buildings, non-built land used for non-agricultural purposes); meeting places and gambling clubs; advertisement; occupancy of municipal public properties; stations of distribution of liquid fuel; classified establishments; auctions; licenses for mobile work persons; butchers (slaughter fee); admission to archaeological and tourist municipal places; registration of rental leases; construction licenses (per meter); sidewalks and sewages; official documents issued by municipalities; compensation as result of a value added; fire risk and explosive material; and peddlers (people selling in kiosks, vans, cars, etc). In response to questions, he added that the peddler fee was a permit fee issued by municipalities at a rate of LBP 1,000 per peddler. As for the slaughter fee, it depended on the type of animal slaughtered; it amounted to LBP 2,000 per sheep or goat slaughtered, LBP 4,000 per cow or veal slaughtered, LBP 6,000 per buffalo, horse or camel slaughtered, and

LBP 8,000 per pig slaughtered. Slaughter fees were applied equally on domestic and imported animals and were collected by the municipality from the butchers on a monthly basis. He confirmed that this list was comprehensive.

18. Indirect taxes levied in the Lebanese Republic included (i) the value-added tax (VAT), which had been introduced in February 2002; (ii) real estate fees (tax on transfer and vacating of real estate, tax on the improvement of real estate value, and fees for renewal of property title); (iii) excise taxes on flammable products, alcoholic drinks, tobacco and tobac, cars, entertainment establishments, gambling, and playing cards; (iv) and taxes on sales in tourism establishments; administrative fees, such as notary fees, general security fees, road fees, judicial fees, market fees, lighthouses fees, registration fees in school and institutes, Lebanese University fees, examination fees, airport fees, and seaport fees; and permit fees (work permit fees; permit and subscription fees relating to medias; foreign artist and musicians work permit fee; movie, television, and video broadcasting permit fees; filming permit fee; and printing permit fee). A number of other duties and fees were levied, which included stamp duties, a fixed fee on professions, transit fees, exit fees on travellers, passport fees, fees on foreigners residency cards, weapons fees, hunting fees, forest fees, fees on import/export licenses, fees on ID cards, highway fees, banks fees, deposit insurance fees, certificates and reports fees, fees for cadastral survey operations, building licence fees, phone and utility subscription fees, naturalization fees, car registration fees, mechanic inspection fees, and driving licence fees. He noted that car registration fees were charged for getting a Lebanese licence plate and were not related to import/export activity. He confirmed that, apart from the stamp fees and import/export licence fees, there were no fees applied in connection with importation or exportation – consular fees relating to import/export activities had been eliminated.

19. In response to a specific question, he confirmed that foreign natural and legal persons were subject to the same fiscal treatment, and that tax exemptions were applicable to foreign natural and legal persons on the same terms as Lebanese natural and legal persons, without any discrimination. He added that the Lebanese Republic had signed some 30 conventions on the avoidance of double taxation and the prevention of fiscal evasion. A list of such agreements is reproduced in Table 1.

- **Foreign Exchange and Payments**

20. The representative of the Lebanese Republic said that the primary policy objective of the Government and Banque du Liban had been a stable foreign exchange rate. The value of the national currency – the Lebanese Pound (LBP) – was determined freely according to supply and demand of foreign currencies in the exchange market. However, in practice, the LBP nominal exchange rate had been anchored to the US\$ since 1993, which had resulted in a gradual appreciation of the LBP against

the US\$ of 1.2 to 3 per cent annually between 1992 and 1998. At the end of 2005, US\$1 bought approximately LBP 1,507.5.

21. The Lebanese Republic had been granted membership in the IMF on 14 April 1947, and had maintained current account convertibility of its currency as provided under Article VIII, sections two, three, and four of the IMF Articles of Agreement since 1 July 1993. The Lebanese Pound was freely convertible and could be exchanged freely with any other currency, with the exception of the Israeli Shekel. Banks could engage in spot transactions in any currency, but were not allowed to engage in forward transactions in LBP for speculative purposes. There were no restrictions on capital inflows or outflows and profit repatriation, and no limitations, taxes or subsidies on purchases and sales of foreign currencies. In response to a question, he confirmed that the Government did not provide foreign exchange for any designated purposes.

22. The development and organization of payment systems was the responsibility of the Banque du Liban, in accordance with Law No. 133 of 26 October 1999. Large-value payments were generally transmitted internationally by SWIFT. Banks with foreign participation could transmit payment through their proprietary networks. As for retail transactions, the main means of payment used included check payments, credit card payments, and direct debit payments.

- **Investment Regime**

23. The representative of the Lebanese Republic said that private sector development and openness to foreign and domestic investment had been at the core of Lebanon's investment policy. A new Law on Encouragement of Investments (Law No. 360) had been promulgated on 16 August 2001. The implementing decrees had been ratified on 21 December 2002 and published in the Official Gazette on 11 January 2003. The Law, which was now in force, aimed at promoting investment opportunities in the Lebanese Republic and at encouraging investment in the fields of industry, tourism, agriculture, agro-processing, technology, information, telecommunications and media through incentives. He confirmed that the Law did not restrict nor discriminate against foreign investment in any way. However, for reasons of national and social security, foreign investment in some services sectors was restricted (see the section on "Policies affecting trade in services").

24. The Law made the Investment Development Authority of Lebanon (IDAL) a "One-Stop-Shop" service superseding all public administrations, authorities and municipalities in issuing administrative permits and licenses, including licenses to demolish, excavate, build, manage and operate, and licenses and permits required for setting up any investment project, with the exception of those granted by the Council of Ministers (Article 6). Investors wishing to obtain an

investment licence were required to submit an application form to the IDAL, along with the documents listed in Table 2. The One-Stop-Shop Directorate at the IDAL assessed the application in light of the criteria set forth in the implementing decree (Decree No. 9326/03) and prepared a case report. IDAL's Chairman then reviewed the case report and set a date for presentation of the report to IDAL's Board of Directors. The Board of Directors evaluated the project in light of the incentives listed in Article 17 of Law No. 360 and issued a decision. Once that decision had been endorsed by the Prime Minister, IDAL's Chairman and the investor signed a contract, which was then issued through decision of the Council of Ministers. The average time needed to obtain an investment licence or permit depended on the project. Licenses and permits issued by the Council of Ministers included licenses for the increase in the general and built-up area of land for the building of hotels, licenses for concessions for the use of seashore and riverside public property, licenses for railway crossing, and licenses for foreign ownership of real estate exceeding 3,000m². The IDAL had been established in 1994 to promote and facilitate private sector investment in the reconstruction and development of the Lebanese economy. The IDAL was responsible for identifying and promoting public and private sector opportunities, advising the Government on investment-related issues, and providing services to investors, such as assistance in setting up corporations and provision of information on investments. He confirmed that licence requirements and permits applied equally to domestic and foreign investors, with the exception of those related to the acquisition, by a foreigner, of property exceeding 3,000m² (see paragraphs [37-38] below).

25. Incentives aimed at encouraging investment in certain areas (rural areas, industrial parks, and free zones) and enterprises (new enterprises, banking, and tourism), and at promoting certain projects (industrial, craftsmanship, and information technology projects, etc). Incentives took the form of tax exemptions, interest rate subsidies for investment loans, favourable term investment loans, and loan guarantees to small and medium-sized enterprises to finance specific projects in the industrial and tourism sectors and craftsmanship. He confirmed that incentives were available equally to foreign and domestic investors and were not contingent upon export performance or import substitution.

26. He noted that Article 15 of the Constitution and the Law on Ownership of 29 May 1991 provided protection against expropriation, which could only take place in the case of public interest and subject to fair compensation. Expropriation was decided by Council of Ministers' Decree upon recommendation of the relevant Minister in accordance with Article 2 of the Law on Expropriation No. 58 of 29 May 1991. Specialized civil courts, designed to provide prompt decisions on expropriation, had been established under Law No. 58. Specialized courts were headed by a judge and were composed of a civil servant having an engineering background and a technical expert with specific expertise in real estate evaluation. This composition aimed at ensuring that court members

had the necessary skills to evaluate the expropriated assets and assess fair compensation. Court members could request additional technical expertise to assess fair compensation on a case-by-case basis. Specialized courts determined what constituted a fair compensation based on the market value of the expropriated assets. Expropriation cases were resolved within 12 months. Right holders were notified of the expropriation decision and of the evaluation of the expropriated assets. Decisions of specialized courts could be appealed. Compensation was paid according to the market value of the expropriated assets at the time of issuance of the final decision. Some members of the Working Party requested more information on the notion of "public interest" and compensation in case of expropriation in the "public interest", and guarantees given to foreign investors. In response, the representative of the Lebanese Republic replied that the definition of "public interest" had been set by jurisprudence and echoed the definition adopted in other jurisdictions, especially by French courts. Public interest could be invoked for the construction of infrastructure such as roads and bridges. The conditions of expropriation applied equally to local and foreign investors without discrimination. He noted that expropriations were of rare occurrence in Lebanon.

27. He added that Lebanese laws and regulations provided guarantees to foreign investors engaged in business in the Lebanese Republic. The Preamble of the Constitution guaranteed individual initiative and private ownership, and Article 15 private property. Article 165 of the Law on Contract and Obligations of 9 March 1932 guaranteed contractual security to foreign companies through acknowledgement of the principle "pacta sunt servanda" (parties to a contract shall observe all provisions agreed to by contract). Information about foreign investors' recourse to administrative appeal and arbitration is provided in the "Framework for Making and Enforcing Policies" section (paragraphs [68 and 70]).

28. In addition, the Lebanese Republic had ratified 32 bilateral agreements for the promotion and protection of investment, which contained provisions ensuring contractual security to investors of the contracting party and access to international arbitration for investment-related disputes. The Lebanese Republic was a member of the Multilateral Investment Guarantee Agency. In addition, Lebanon had ratified the New York Convention on Arbitration in 1997 and the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States (ICSID Convention) on 5 June 2002 (Law No. 404). The ICSID provided facilities for the conciliation and arbitration of investment disputes between contracting States and nationals of other contracting States.

- **State Ownership and Privatization**

29. The representative of the Lebanese Republic said that Lebanon's economic system was based on the principles of an open market economy. The Preamble of the Constitution guaranteed private

initiative and private ownership. State-owned enterprises and state participation in the economy had historically been very limited.

30. The Lebanese public sector included public utilities (e.g. power production, distribution, and transmission; water supply; and sewage networks); cellular and regular phone services; historical, archaeological, and nature tourism sites; public hospitals; public educational institutions; regular postal services; refineries, oil pipelines, and fuel storage facilities; railroads, airports, seaports, storage facilities at seaports and airports, public transport services in Beirut and its suburbs (buses), and cable cars; a tobacco company; public parks (some of which included restaurants and entertainment facilities); public fairs; certain sport complexes; and the national radio. With the exception of the tobacco company (the Régie Libanaise des Tabacs et Tombacs), all public sector entities were service providers. Public sector activities were managed by ministries' public administrations, public establishments under the supervision of ministries, or authorities established by the State. A number of public sector entities were operated by private entities through concessions, leases, management contracts, and BOT contracts, in accordance with Article 89 of the Lebanese Constitution – this Article provided that concessions to operate public sector entities could be granted by virtue of a Law and for a limited period of time through international and/or local bidding procedures depending on the size and requirements of the project. Bidding procedures and project requirements were set out in each Law on a case-by-case basis taking into account best international practices. He added that all public sector entities operated by private entities had been granted exclusive rights over the sale of their services – in the case of the Régie, over the importation, exportation and distribution of tobacco products – with the exception of cellular services. In the latter case, management contracts had been awarded in March 2004 to two mobile networks through an international tender for a period of four years. In response to questions, he said that there were no official data concerning the portion of Lebanon's GDP generated by the State owned sector, but economists estimated it at around 12 per cent. A framework to calculate the GDP was being developed. Data for 1997 were already available. More recent data were now being processed.

31. The State also owned shares in several entities including the Intra Investment Company (9.8 per cent), the national television station (100 per cent), the Charles Helou Bus Station (100 per cent), and Sodetel, an Internet and data services company (50 per cent State-owned; 40 per cent France Telecom; and ten per cent Italian Telecom). Asked about Middle East Airlines (MEA), he added that the Lebanese Government had no direct ownership in this company; 99.37 per cent of the shares were owned by the Banque du Liban, which was a financially and administratively independent institution.

32. A Law on privatization, setting the general framework for privatization, had been adopted in May 2002 (Law No. 228). The Law aimed at ensuring competitiveness, protecting consumers' interests, protecting the rights of nationals working for State entities subject to privatization, saving public funds, providing citizens with the opportunity to participate in the ownership and administration of privatized State enterprises, and attracting private investment. Although it did not include a specific privatization programme nor listed any entities subject to privatization, the Law outlined Lebanon's strategic commitment to privatize some of its major economic sectors. A privatization strategy was being developed. The strategy was expected to be finalized in early 2007. The first sector likely to be privatized was the telecommunications sector. Other sectors would include transportation and electricity.

33. Under the Law, privatizations would be dealt with on a case-by-case basis. In the case of private entities licensed to produce goods and services of a strategic or monopolistic nature, the Law called for the establishment of a clear and public pricing system which would take into account the interests of consumers. The Law also included provisions on the safeguard of the environment, the transfer of new technologies to privatized entities, and the submission of regular reports, development plans, and other required data to relevant regulatory bodies. The Law allowed the Government to keep a gold share, i.e. voting preferences, in companies of a monopolistic or strategic nature for a limited period of time. Companies of a strategic or monopolistic nature were companies entrusted with the operation of services of high importance to the general public, such as telecommunications, electricity, and water supply, and whose access to, availability and affordability had to be ensured by the Government, or whose production or distribution were best ensured through a single supplier. A member of the Working Party noted that the classification of companies as strategic or monopolistic appeared to be arbitrary. This member was of the view that strategic and monopolistic companies should be listed in the Law on privatization. In response, the representative of the Lebanese Republic noted that privatization was approached on a case-by-case basis. There was therefore no exclusive listing of strategic and monopolistic companies in the Law. In response to a question, he added that the "limited period of time" during which the Government was allowed to retain a gold share was not defined in the Law. The creation of the gold share and its operational conditions were set forth in the statutes of each privatized company in accordance with Article 10 of Law No. 228 of 31 May 2000. He noted that the Law did not discriminate against foreigners and did not include any provisions limiting foreign participation in the privatization process.

34. The authority responsible for implementing and supervising privatization was the Higher Council of Privatization established under the Law. The Higher Council of Privatization was headed by the Prime Minister and composed of the Minister of Justice, the Minister of Finance, the Minister

of Economy and Trade, the Minister of Labour, and the Minister in charge of the public entity subject to privatization.

35. Recent developments with regard to privatization included the adoption of a new telecommunications law, which aimed at liberalizing the sector (Law No. 431 of 23 July 2002), and the enactment of Decree No. 13944 of 4 January 2005 approving the bylaws of Liban Telecom. Two other decrees relating to the administrative and financial status of the Telecommunication Regulatory Authority (TRA) and to the determination of the monthly compensation for the Chairman and members of the Board of the Telecommunications Regulatory Authority had also been enacted (Decree No. 14264 of 4 March 2005 and Decree No. 14156 of 8 February 2005, respectively). The remaining implementation decrees on the appointment of the Board of the Regulatory Authority and of Liban Telecom were being drafted (see also paragraph [291]). He noted, however, that privatization had not gone ahead as planned between 2003 and 2005 because of political constraints. Preparation for privatization and liberalization of the telecommunications sector had been resumed after the events of July 2006. The key components of the privatization plan were: (i) the establishment of a regulatory authority and appointment of its board by the first quarter of 2007; (ii) the enactment of a law authorizing the sale of the mobile sector's assets and relevant operating licenses by the first quarter of 2007; (iii) the sale of a majority stake or 100 percent of the mobile sector companies by the second quarter of 2007; and (iv) the formation of Liban Telecom as envisaged in Law No. 431 of 2002, through the incorporation of the fixed line operator Ogero (a Government-owned entity) and two departments of the Ministry of Telecommunications, by mid-2007 and its privatization in 2008. The Higher Council of Privatization was finalizing contracts with reputable international firms to assist with the privatization of the mobile sector and had retained another international firm to help corporatize Liban Telecom.

36. He further noted that a power deregulation law had been adopted (Law No. 462 of 2 September 2002). An international investment bank had been selected to oversee and execute the privatization of the electricity sector. In addition, a bidding process for the selection of consultants to privatize the port of Beirut had been initiated. Finally, a contract had been signed with a consulting firm for the exploration of gas and a tender was planned for seismic data acquisition for Lebanese territorial waters. He noted that the Government of Lebanon was in the process of restructuring the public services it wished to privatize and was preparing draft legislation and tenders. He added that there was no specific target date foreseen for the completion of these initiatives. He stated that his Government would report periodically to the WTO Secretariat on the implementation of its privatization plans.

37. Lebanese legislation provided for some restrictions with regard to ownership of land by non-Lebanese persons. Pursuant to Law No. 296 of 3 April 2001, amending Decree No. 11614 of 4 January 1969 on the acquisition of real estate rights by non-Lebanese persons, foreign legal and natural persons and Lebanese legal persons, whose shares were not 100 per cent owned by Lebanese – i.e. non-Lebanese persons under the Law – could own individually up to 3,000m² of built land or land intended for construction without any prior authorization – under previous legislation, any acquisition of land up to 3,000m² had to be approved by the Council of Minister. Passed this limit, a licence issued by Council of Ministers' Decree was required, except for branches of foreign banks which were not subject to this licensing requirement (Article 6 of Law No. 28/67 of 9 May 1967 and its amendments, and Banque du Liban Decision No. 7462/Circular No. 1776 of 23 November 1999). Construction had to start within one year from the date of publication of the Decree and be terminated within five years, a period which could be renewed once. In addition, non-Lebanese persons could not own more than 10 per cent of the total area of Beirut, 3 per cent of the total area of each caza, and 3 per cent of the total area of the Lebanese Republic. These measures had been taken because of the small area of the country. Only 35 decrees had been issued during the war period from 1969 to 1989. However, from 1990 until 26 May 2006, the number of decrees issued had reached 735.

38. Non-Lebanese persons wishing to own land were required to request a "verification of property ownership in Lebanon" from the Directory of Land Registration and Cadastre (DLRC) at the Ministry of Finance. The verification certificate indicated the quantity of land the applicant, and his/her spouse and children under the age of 18 owned in the Lebanese Republic. Verification certificates were delivered within four days. Should the applicant and his/her spouse and children already own more than 3,000m², a licence from the Council of Ministers was required. The Minister of Finance would forward the application to the Council of Ministers for licensing. The whole procedure took about three and a half weeks. Between 1969 and 2001, the total area of land owned by non-Lebanese had not exceeded 0.2 per cent.

- **Pricing Policies**

39. The representative of the Lebanese Republic said that, pursuant to Decree No. 73 of 9 September 1983, all goods and services destined for domestic consumption could, in principle, be subject to price control. Under Article 6 of the Decree, the Minister of Economy and Trade had the authority to set maximum prices and profit margins for the sale of goods and services destined for domestic consumption. In addition, Article 7 of the Decree prohibited the sale of imported and domestic goods on the Lebanese market at a price superior to the double of their cost, should no maximum price or profit margin have been set. The authority responsible for administering and

enforcing price controls on goods was the Consumer Protection Division at the Ministry of Economy and Trade. He added that Lebanese legislation did not provide for minimum prices – Article 7 of the Internal Regulation of the Order of Pharmacists of 4 November 1958, which authorized the setting of minimum prices, had been repealed by Article 80 of Decree No. 394 of 1 August 1994. In addition, Ministry of Economy and Trade Decisions No. 277/1 of 15 June 1972 and No. 75 of 27 April 1983 on profitability control had been repealed by Ministry of Economy and Trade Decision No. 263/1/A.T. of 16 October 2006. He confirmed that the Lebanese Republic did not impose any price controls on exports. He added that although Lebanese legislation was largely silent on the treatment of foreign and domestic goods and services with regard to price controls, in practice, such measures were applied equally to domestic and imported goods and services.

40. Goods and services subject to price controls included chicken (including fresh chicken, and parts and barbecued chicken), Arabic bread parcel; beet sugar; water; gas; fuel, kerosene, diesel, gasoline, and other fuel derivatives; electricity; drugs; Persian tobacco; mail services; telecommunications services; international telephone services; mobile phone services; and public and private taxis and buses. Price controls on potato seeds and school books had been eliminated. A list of products subject to maximum price controls, including for each product the Ministry or authority responsible for setting the price and the legal basis, is reproduced in Table 3.

41. Prices for chicken and Arabic bread parcel were set by the Minister of Economy and Trade upon recommendation of an ad hoc committee composed of experts of the Ministry and private sector representatives. The Committee calculated the detailed costs of the goods and recommended a fair and acceptable mark-up, taking into account incurred costs calculated by the Technical Centre for Pricing Policies at the Ministry. The Technical Centre was responsible for collecting all information on the unit cost of each brand name and industry average marketing margins. This process applied to both domestic and imported goods.

42. Prices for water, gasoline (98 octane, 92 octane, unleaded 95 octane and unleaded 90 octane), kerosene, liquid gas, and diesel were set by the Ministry of Energy and Water. Prices for gasoline, kerosene, liquid gas, and diesel were calculated by adding to the cost of the good (or the international price), internal fees (except for diesel, which was not subject to internal fees as it was imported exclusively by the Government), the share for the distribution company (LBP 15,000/Kilo Litre equivalent to LBP 300/Gallon for petroleum products and LBP 100,000/Ton for gas), transport costs, the commission for the owner of the gas station (LBP 80,000/Kilo Litre equivalent to LBP 1,600/Gallon for petroleum products and LBP 30,000/Ton for gas), and the costs for testing and

control of the product, if any. As for fuel and fuel derivatives, prices were set weekly by the Ministry of Energy and Water on the basis of international prices (PLATTS).

43. The company *Electricité Du Liban* fixed electricity prices after approval by the Ministry of Finance and the Ministry of Water and Energy (Articles 22, 29 and 30 of Decree No. 4517 of 13 December 1972). Prices of pharmaceuticals registered at the Ministry of Health were set by the Ministry of Health. Prices of imported pharmaceuticals were determined on the basis of the cost of the product (invoice or retail price in the country of origin after deductions, whichever was lower), transport costs (if f.o.b.), duties and fees if any, transport costs to the warehouse, and a mark-up distributed between importers and pharmacists, which had been set by Ministry of Health Decision No. 306/1 of 2 June 2005 between 8 and 10 per cent for importers and between 24 and 30 per cent for pharmacists depending on the approved basic price (see Table 4). Mark-ups had been determined on the basis of a market analysis of most common sales and an analysis of medication funded by the Ministry of Public Health. Mark-ups aimed at minimizing the effect on small retailers and at lowering the registration price of pharmaceutical products by requiring re-registration every few years – as pharmaceutical product prices decrease as the patent life expires and as new innovative products enter the market. However, if a neighbouring country with a similar economic system imported the same pharmaceutical product at a lower price, or if the country of origin faced inflation, the price could be set at a lower level than the one calculated by adding all the costs. As for the prices of pharmaceuticals produced or packed in the Lebanese Republic, they were generally set so as to take into account the cost of production, the retail price of similar goods traded in the Lebanese Republic, expenses and profit indicators, and classification of pharmaceutical producers. The price for Persian tobacco was set by the *Régie des Tabacs et Tombac*, under the Ministry of Finance, by adding a mark-up to the international price.

44. Rates for regular mail were decided jointly by the Ministry of Telecommunications and Liban Post, and fees on incoming carrier packages were set by the Directorate General of Post under the Ministry of Telecommunications. Rates for telecommunications services, such as fixed line telephony services, ISDN services, and data services, were set by the Council of Ministers, rates for international telephony services and certain value-added services by the Ministry of Telecommunications, and rates for mobile phone services by the Council of Ministers. Pursuant to the Telecommunications Law No. 431 of 23 July 2003, tariffs of telecommunications services would be regulated by the Telecommunications Regulatory Authority. The Ministry of Public Works set prices for public and private taxis and buses; compliance was ensured by the Ministry of Interior. Municipalities also had the authority to set public transport prices. In addition, seaport authorities were responsible for setting fees charged at ports (port fees, unloading, loading, storage, and entry into the port), and certain

professional orders published lists of indicative minimum fees to be applied by professional service suppliers such as doctors, pharmacists, radiologists, lawyers, dentists, and engineers. These fees were not mandatory.

45. A member noted that the requirement preventing products to be sold at more than twice their cost could operate as a restriction on the internal sale of imported goods and restrict or distort the transmission of external prices to internal prices prevailing in the Lebanese Republic. Some members of the Working Party asked the Lebanese Republic to provide more information on the provisions of Article 7 of Decree No. 73 and the calculation method of the "cost", and to consider reviewing the measure. The Lebanese Republic was also invited to repeal all non-enforced price control laws and to take the provisions of Article III.9 of the GATT 1994 into consideration when considering future price control laws.

46. The representative of the Lebanese Republic replied that, pursuant to Article 7 of Decree No. 73, the "cost" of locally-produced products was determined on the basis of the manufacturer or producer invoice, plus the transport cost to the warehouse and/or retail outlet. For imported goods, the cost was defined as the invoice plus transport/shipment costs, insurance, customs fees, and transport costs to the warehouse or retail outlet. Any other cost not properly justified was excluded from the calculations. He noted that the measure provided for in Article 7 of Decree No. 73 imposed a restraint on profit margins – by setting a ceiling on profits – rather than on costs and applied equally to all imported and domestic goods. In his view, this measure did not constitute a form of price control. It did not have an impact on import and export activities or on the transmission of external prices to internal prices prevailing in Lebanon, and it fully complied with Article III.9 of the GATT 1994. He further noted that no good had been subject to the requirement of profit restraint since 1990. He added that the measure would be removed once new laws on consumer protection and competition, which would deal with price control, had come into force. In the meantime, existing legislation had to be maintained to protect consumers and prevent abuse of dominant position. The Consumer Protection Law had become effective on 10 May 2005, but the Law on Competition was still being drafted. As for non-enforced profitability control decisions, he confirmed that all such legislation had been repealed (see paragraph [39]).

47. [The representative of the Lebanese Republic confirmed that, from the date of accession, in the application of profitability controls, the Lebanese Republic would continue to apply such measures in a WTO-consistent fashion, and take account of the interests of exporting WTO Members as provided for in Article III.9 of the GATT 1994. The Working Party took note of this commitment.]

- **Competition Policy**

48. The representative of the Lebanese Republic said that competition policy matters were regulated by Decree Law No. 73 of 9 September 1983, as amended in July 1991, and Decree Law No. 340 of 1 March 1943, which set sanctions for unlawful competition. In particular, under Article 14 of Decree Law No. 73, each conglomeration or collusion limiting competition and leading to an artificial increase in prices was considered unlawful competition. His Government was currently preparing a competition law. An economic and legal study had been conducted to evaluate the needs of the Lebanese market and identify the main anti-competitive practices prevailing in the Lebanese market. The draft law was expected to be finalised by the end of 2007.

49. In response to a question about whether the Lebanese Government was considering setting up a domestic regulatory authority to address anti-competitive business practices, the representative of the Lebanese Republic said the draft competition law would aim at regulating such practices. The Law foresaw the establishment of a domestic regulatory body. He added that the new law on telecommunications, adopted on 23 July 2002, called for the setting-up of a regulatory authority in this sector. Draft decrees establishing the authority were under preparation (see paragraph 35 of this Report). The duties and prerogatives of the authority were set out in Article 5 of the Telecommunications Law (see also the response to question 44 of document WT/ACC/LBN/12).

50. State-owned monopolies existed in the fields of trade in tobacco and tobacco products, basic telecommunications, cellular phone (duopoly), and regular postal services, and exclusive service suppliers in the areas of gambling, clearing (settlement and clearing for the regulated stock market in the Beirut Stock Exchange, settlement of stock operations between Arab financial markets and with other financial markets) and air transport. The Lebanese Republic did not have a specific law on natural monopolies. Asked to provide information on activities considered to be natural monopolies, the representative of the Lebanese Republic replied that while there was no definition in the Lebanese legislation of such a term, natural monopolies were understood to be any industry, characterized by declining marginal costs and significant barriers to entry, in which a single firm could produce total industry output more efficiently than two or more competing firms. Natural monopolies could include power transmission, pipelines, and water supply systems.

51. Some members of the Working Party requested information on the rationale for the existence of monopolies and asked the Lebanese Republic to provide a schedule of liberalization of such sectors. In response, the representative of the Lebanese Republic said that Casino du Liban had been granted the exclusive right to operate gambling games pursuant to Law No. 417 of 15 May 1995 and Decree No. 6919 of 29 June 1995 with a view to protecting public morals. There was no plan to abolish this

monopoly. Concerning passenger air transport, Middle East Airlines had been granted exclusive rights for 20 years for efficiency purposes by Decision of the Council of Ministers of 16 September 1992. However, the national airline (Middle East Airlines) did not hold a formal monopoly as it only sold about 55-60 per cent of all the tickets purchased in Lebanon. He added that an open skies policy and a civil aviation framework designed to conform with international best practices had been established through Decree No. 23 of 8 November 2000. In addition, a Decree aiming at restructuring and privatizing the national airline, developing a competitive civil aviation sector, raising necessary funds and containing expenditures had been adopted on 17 May 2001 (Decree No. 14). As for telecommunications, the new Law adopted in 2002 provided for the liberalization of the sector (see paragraph 35 and the section on "Trade in services").

52. Asked to provide information about the tobacco monopoly of the Régie and the potential impact of this monopoly on retail and wholesale trading services, the representative of the Lebanese Republic said that all retail and wholesale trading services in this sector were subject to licensing by the Régie Libanaise des Tabacs et Tombacs" (Régie) pursuant to Decision No. 3272 of 29 September 1983 and its amendments, and Decision No. 2381 of 26 July 1960. He noted, however, that the regulatory activities of the Régie had been transferred to the Government pursuant to Law No. 157 of 27 December 1995. The commercial activities of the Régie were now totally separate from the Government's regulatory activities. Wholesale distributors were required to buy products from one of the Régie's warehouses and sold them to retailers. Retailers could only purchase from the wholesaler or warehouse mentioned on the license issued by the Régie. Accordingly, wholesalers were required to stock all brands so as not to limit the choice of retailers (see also paragraph [160]).

III. FRAMEWORK FOR MAKING AND ENFORCING POLICIES

53. The representative of the Lebanese Republic said that the Constitution had been promulgated on 23 May 1926. The President of the Republic, or Head of State, oversaw the administration of the Constitution and the independence of the State, presided over the Higher Defence Council, was the Commander in Chief of the armed forces, negotiated and ratified treaties in agreement with the Prime Minister, and promulgated laws adopted by the Parliament and requested their publication.

54. Executive power was exercised by the Council of Ministers. The Council of Ministers had authority over the armed forces and the State Administration (the civil service, the military, and all administrations and institutions). The Council of Ministers prepared the national budget and submitted it to the Parliament; determined the general policy of the State; prepared draft laws and regulatory decrees; nominated and dismissed the State's civil servants; dissolved the Parliament at the request of the President; was responsible for the enforcement of laws and regulations; and

exercised the authority of the President in case the Presidential Office was vacant. The quorum required for Council of Ministers' meetings was a majority of two-thirds and decisions were taken by consensus. Where this was not possible, a vote took place and decisions were taken at a simple majority. For fundamental issues, such as declaration or cancellation of state of emergency, declaration of war and peace, international agreements, etc., a two-third majority was required.

55. The Council of Ministers was headed by the Prime Minister, the Head of Government. The Prime Minister was appointed by the President in consultation with the Speaker of the House. The Prime Minister formed the Council of Ministers (Government) following parliamentary consultations and co-signed, with the President, the decree establishing the Government. The Prime Minister was responsible for the execution of the general policy set by the Council of Ministers. The Prime Minister co-signed with the President all decrees, with the exception of the decree appointing him/her and the decree accepting the resignation of the Government. The Prime Minister was the *de facto* vice-President of the Higher Defence Council.

56. The President could preside over the Council of Ministers, but without voting rights. The President could submit to the Council any urgent matter not included on its agenda and convene the Council to an emergency meeting, in agreement with the Prime Minister. The President had the right to request the Council of Ministers to review any Council decision or decree within fifteen days following the communication of the decision or decree to the President. Should the Council of Ministers maintain the decision, or should the fifteen-day period expire without publication of the decision or decree or request for reconsideration, the decision/decreed would be considered in force and would be published.

57. Ministers were accountable to the Parliament for the general policy of the Government and for their personal acts (Article 70 of the Constitution). They could be dismissed by the Parliament by a two-third majority vote or through a decree co-signed by the President and the Prime Minister after approval of two-thirds of the Government's members. In the case of suspected treason or violation of the Constitution, the Prime Minister and Ministers could be prosecuted before the Higher Council for Prosecuting Presidents and Ministers, established pursuant to the Taef Accord of 1990 and the Law of 23 August 1990. The Council was composed of seven parliamentarians elected by the Parliament and eight of the highest judges in the Republic, taken by hierarchical order or, at equal rank, by order of seniority (Article 80 of the Constitution). The Government would lose power in the event of resignation or death of the Prime Minister, resignation or dismissal of more than one third of its members, at the beginning of a new parliamentary or presidential mandate, or if it lost the confidence of the Parliament.

58. Legislative power was exercised by the Parliament. Parliamentary seats (currently 128) were shared equally between Christians and Muslims, and proportionately between the regions and communities of the two groups. Parliamentarians were elected for a period of four years. The Parliament was responsible for drafting laws. All legislation passed by the Parliament had to be signed by both the President and the Prime Minister before publication in the Official Gazette. Draft laws rejected by the Parliament could not be scheduled for a second discussion during the same session. The Parliament met twice a year in ordinary session, but the President of the Republic could, in agreement with the Council of Ministers or upon request of the simple majority of Parliament's members, request an extraordinary session. The President could also, once per session, adjourn the parliamentary session for a period not exceeding one month. A simple majority of members of Parliament were required for a quorum and decisions were taken by simple majority. In the case of equal vote, the project was rejected. Parliamentary sessions were public, but closed door sessions could be held upon request of the Government or of five members of Parliament. The President could request the Council of Ministers to dissolve the Parliament. New elections should be held within three months following the dissolution (Article 24 of the Constitution). After this period, the decree dissolving the Parliament would be considered invalid (Article 55).

59. Pursuant to the Constitution, laws had to be promulgated within the calendar month following their communication to the Government, or for laws declared urgent, within five days by a special vote of the Parliament. The President could not introduce any amendments to approved laws or exempt any person from their application. He could, however, once within the promulgation period, request a new debate on a law. Requests for reconsideration could be denied by the Parliament. The President was bound to promulgate any law that had been reconsidered and passed a second time by an absolute majority of the Parliament's members. Should a calendar month elapse without promulgation or request for reconsideration, the law would be considered in force and published. The President was responsible for transmitting to the Parliament draft laws approved by the Council of Ministers. Parliamentary Committees had the right to review and amend the legislation referred to it by the President. Should the Parliament fail to pass a law declared by the Government as urgent within 40 days following the date of its communication to the Parliament and after its inclusion on the Parliament's agenda and its reading in a general session, the President could, upon recommendation of the Council of Ministers, render the draft law executive by Decree. The President could not, however, issue a decree without first proposing it as a law to the Parliament.

60. In response to a question, he added that the Lebanese legal system was based on the so-called "pyramid of norms". The Constitution was the highest legal text, followed by constitutional laws, that interpreted the Constitution and had a constitutional character; international treaties, including all

bilateral and multilateral treaties which prevailed over ordinary laws; ordinary laws, i.e. laws approved by the Parliament; Decree-Laws taken by the executive branch; Council of Ministers' Decrees; Ministerial Decisions, i.e. decisions taken by ministers individually; and administrative provisions, i.e. rules, regulations and orders enacted by the Administration to implement laws. Consequently, international agreements prevailed over national legislation. International agreements were of direct application; their provisions did not need to be incorporated into domestic legislation. In case of conflict between the provisions of international agreements and domestic legislation, the provisions of international agreements applied automatically. Once ratified, international agreements were published in the Official Gazette and circulated among civil servants, including customs officials.

61. The Executive was represented at the local level by the Mouhafez, who administered the Mouhafaza, the main administrative subdivision of the executive authority. It was represented by the Caimacam at the Caza level, a subdivision of the Mouhafaza. The Mouhafez and Caimacam were appointed by Decree. All ministries were represented at the Mouhafaza level through various departments. The Mouhafez represented all ministries, except for the Ministry of Justice and the Ministry of National Defence. The Mouhafez supervised the enforcement of laws and regulations; controlled public services in the Mouhafaza and ensured public safety; issued licenses for the establishment of certain types of factories, warehouses, storage facilities, entertainment establishments, and classified establishments (i.e. establishments hazardous to security and health and likely to cause disturbances to neighbouring population), as well as billboards and advertisement plates, and building and occupation licenses for newly-built properties; oversaw the application and implementation of all sanitary measures set in the law; controlled agricultural departments and associations of water syndicates and committees in charge of administering projects of public utility; assisted the judiciary and coordinated with the General prosecutor; and informed the Ministry of Interior about the political and economic situation of the Mouhafaza. The Caimacam was responsible for ensuring public security in the Caza. The Caimacam guaranteed the enforcement of laws and regulations and controlled the proper functioning of public services. The Caimacam was under the direct supervision of the Mouhafez and communicated with the central Government only through the Mouhafez.

62. Each Caza was further composed of several municipalities, which enjoyed financial and administrative autonomy. Municipalities were run by a Municipal Council elected in direct elections (except for the Municipality of Beirut, whose one third of the members were appointed by the Council of Ministers) and a President designated by the Municipal Council. The Municipal Council set municipality fees within the framework of the law; set general programmes for works, enhancement of public areas, streets, etc., cleaning, health issues, and hydro-electrical projects; regulated public

transport and set public transport prices according to the law; controlled public services; and issued building and occupation licenses for newly built properties in their respective district, as well as permits related to public works, construction, zoning, outdoors advertising, etc. (Article 51 of the Municipal Law). The President of the Municipality had the authority to take measures aimed at implementing decisions of the Ministry of Economy and Trade regarding the fight against infectious diseases, the guarantee of public safety and public health, the protection of the environment, and the control of food product prices. He did not have the authority to impose import or trade restrictions. He could issue building and occupation licenses, and licenses for works on public roads and publicity boards.

63. In response to a specific question, he confirmed that sub-central entities did not have an independent authority over matters covered by the WTO Agreements, such as investment measures, trade in services, trade in goods or the operation of State enterprises. They could not develop policies and had no authority to levy taxes. Sub-central entities represented the central Government in their local jurisdiction and implemented policies developed by the executive and legislative branches. He added that all Lebanese citizens were equal before the law (Article 7 of the Constitution). They enjoyed the same civil and political rights and were equally bound by public obligations and duties. He further confirmed that laws and regulations applied equally to Lebanese and non-Lebanese.

64. The principal central government entity responsible for formulating and implementing policies relating to foreign trade was the Ministry of Economy and Trade. In carrying out its tasks, the Ministry of Economy and Trade cooperated with a number of State and non-State bodies, which had a regulatory role in the establishment and operations of services such as licensing, supervision, and pricing. Such State bodies included the Banque Du Liban, the Council of Ministers, the Ministry of Agriculture, the Ministry of Energy and Water, the Ministry of Environment, the Ministry of Finance, the Ministry of Information, the Ministry of Interior, the Ministry of Labour, the Ministry of Education Higher Education, the Ministry of Youth and Sports, the Ministry of Telecommunications, the Ministry of Public Health, the Ministry of Public Works and Transport, the Ministry of Social Affairs, and the Ministry of Tourism. Non-State bodies included the Bar Association, the Beirut Stock Exchange, the National Establishment for Guarantee of Investments, the National Establishment for Guarantee of Deposits, the Social Security Fund, the Lebanese Association of Certified Public Accountants, the Order of Dental Prostheses, the Lebanese Dental Association, the Order of Engineers, the Order of Medical Doctors, the Order of Pharmacists, the Order of Topographers, and the Order of Veterinarians. Ministries, such as the Ministry of Industry, the Ministry of Environment, the Ministry of Public Health, the Ministry of Public Works and Transport, the Ministry of Telecommunications, and the Ministry of Agriculture in particular, had the authority

to issue import and export licenses. The Ministry of Finance was in charge of fiscal policy measures and the Higher Customs Council, an independent body reporting to the Minister of Finance, was the policy and legislative body for customs-related matters. He added that all new trade-related legislation and regulations issued by the public administration and State bodies had to be reviewed by the Ministry of Economy and Trade prior to their enactment in accordance with Council of Ministers' Decision No. 76 of 20 September 2000. This measure aimed at ensuring the conformity of Lebanese laws and regulations with WTO rules and obligations.

65. Judicial power was exercised by independent courts. The judicial system of the Lebanese Republic comprised civil courts, an administrative court, special courts, and the Constitutional Council. Civil courts had general jurisdiction over all types of disputes, i.e. civil, commercial, and criminal disputes, except for disputes related to personal status. The first level of civil jurisdiction included single judges in each Caza headquarters and first instance courts in each Mouhafaza. Decisions of first instance civil courts could be appealed before the Court of Appeal located in each Mouhafaza within 30 days after their notification. Court of appeal judgements were subject to recourse before the Supreme Court within a period of two months after their notification to the second party. The Supreme Court was the highest court in the Republic. It was responsible for supervising the proper implementation of the law by lower courts. Supreme Court's rulings could not be reversed. Court decisions were executed once there were final, i.e. once all available means of appeal had been utilized. Court decisions were enforced pursuant to Articles 564 to 569 of the Code of Civil Procedure. In case of non-execution of a final decision, the execution court could authorize the forced execution of the decision through the judiciary police. He added that civil courts could, where appropriate, apply foreign law.

66. Special courts included banking courts, military courts, labour courts, personal status courts, urgent matters courts, rent matters courts, and executive bureau and bankruptcy courts. Special banking courts had been established pursuant to Law No. 110 of 7 November 1991. The Law provided for the establishment of two courts, (i) a special banking court responsible for seizing banks unable to carry on their activities, and (ii) a special court in charge of ruling over all cases and litigations related to banks in cessation of payment and banks seized on decision of the Special Banking Court.

67. The Constitutional Council was responsible for examining the constitutionality of laws and claims relating to parliamentary and presidential elections. The Constitutional Council had been established following the Taef Accord of 1990 and consisted of ten members, five appointed by the Council of Ministers by a two-third majority and five by the Parliament by simple majority. Requests

for examination of the constitutionality of laws could be lodged by the President, the Prime Minister, the Speaker of the House, Religious Leaders for matters related to their religious groups, or at least ten members of the Parliament through petition. Appeals against results of parliamentary elections could be initiated by any unsuccessful candidate within 30 days after the announcement of the official results, and appeals against presidential elections and the elections of the Speaker of the House by the Parliament – at a one third majority – and within 24 hours following the announcement of the results. Decisions on the constitutionality of laws were taken by a majority of seven votes and decisions relating to parliamentary elections by a relative majority of the present members. In case of deadlock, the President of the Council exercised the casting vote. Decisions concerning presidential elections and elections of the Speaker of the House were taken by a majority of seven votes in the first round, and by simple majority in the second round, if necessary.

68. Administrative decisions could, in first instance, be appealed to the administrative authority having issued the decision. Further appeal could be lodged with the Council of State pursuant to Articles 60 to 66 of the Law No. 10434/75 instituting the Council of State. He added that all initial judicial decisions of courts were subject to appeal from the point of law and point of fact in accordance with Articles 613 to 630 of the Law on Civil Procedures and Articles 205 and 208 to 211 of the Law on Criminal Procedures. The Council of State, located in Beirut, was a branch of the judiciary related to the Ministry of Justice. The Council acted as the highest level of authority for reviewing and repealing administrative decisions. The Council was composed of judges selected after having passed an exam. The judges were appointed by Council of Minister's decree upon approval of the Minister of Justice and recommendation of the Council of State's Office. The Council of State was divided into Chambers. The opinion of the Council of State could be solicited during the legislative process to ensure the legality and conformity of the texts under preparation with the legal regime. He added that administrative cases concerning public funds and funds deposited in the Treasury were dealt with by the Accountancy "Diwan". As for administrative disputes, they could be lodged with the Council of State. Disputes with public entities could also be settled through International Arbitration (Article 809 of the Civil Procedure Code, Law No. 90 of 16 September 1983).

69. He further noted that amendments to the Civil Procedure Code had been adopted on 29 July 2002 (Law No. 440) to address the issue of concessions granted by the Government and better protect foreign investment. Under the new Law, disputes relating to concessions granted by the Government were dealt with by Lebanese Courts. Arbitration clauses included in the concession contract remained valid, but arbitration agreements were subject to Council of Ministers' approval. Arbitrators were granted the authority to take preventive and temporary measures.

70. In response to questions concerning the rules of procedure for judicial determinations of commercial disputes, the representative of the Lebanese Republic stated that the Code of Civil Procedure provided for voluntary arbitration of disputes related to the execution or interpretation of a commercial or civil contract, provided an arbitration clause had been included in the contract or in related documents. The arbitrator was designated in the arbitration clause of the contract. Parties could agree to subject the contract to a jurisdiction clause identifying a foreign jurisdiction. Arbitration decisions, including decisions issued in a third country or following an international arbitration procedure, could be executed only after an exequatur decision had been issued by a first instance court. Refusals to issue an exequatur decision could be appealed within 30 days from the date of notification of the decision. Exequatur decisions for local arbitration cases could not be appealed. Exequatur decisions for international arbitration cases could be appealed under specific circumstances within 30 days from the date of notification of the decision (Articles 762 to 821 of the Code of Civil Procedure). Once the exequatur decision had been issued, the execution procedure followed the procedure for execution of a final local court decision as provided in Articles 564 to 569 of the Code of Civil Procedure. He added that other specific laws could provide for different arbitration rules.

71. In response to a question, the representative of the Lebanese Republic stated that in order to enter into force, international agreements and treaties had to be ratified by the Parliament and the instrument of ratification (Law) had to be signed by the President of the Republic and published in the Official Gazette. The same procedure would be followed for the ratification of the Lebanese Republic's Protocol of accession to the WTO.

IV. POLICIES AFFECTING TRADE IN GOODS

- Trading Rights

72. The representative of the Lebanese Republic said that all legal and natural persons, whether Lebanese or foreign, wishing to engage in import or export activities as part of their business activities were required to register at the Register of Commerce. Registration was for identification and tax purposes. Registration of legal and natural persons was granted automatically and promptly (within one day) upon presentation of the required documents and payment of the registration fee (see Table 5). Information on registration requirements could be obtained from any Register of Commerce. Applications for commercial registration could be submitted on any working day. There were no restrictions of any kind on registering at the Register of Commerce.

73. Natural persons who did not declare themselves traders were exempt from registration and the Customs could not refuse them the right to import. Both Lebanese and foreign natural persons were subject to the same registration requirements pursuant to Article 28 of Decree Law No. 304 of 24 December 1942. However, all foreign natural persons were required to hold a work permit in order to work in Lebanon, irrespective of the sector or profession (Decree Law No. 17561 of 18 September 1964). Fees imposed on work permits varied depending on the category of foreigners (Table 6). Some professions were restricted to Lebanese nationals. No work permit would be delivered to foreign natural persons to work in these sectors. The Ministry of Labour specified, in January each year, the conditions for issuance of work permits for these professions, taking into account the socio-economic situation of the country. Several members noted that the limitation imposed since 1995 on foreign natural persons to obtain work permits to import or export for commercial purposes violated Articles III and XI of the GATT 1994 (Decision No. 1/621 of 15 December 1995, most recently reviewed in Decision No. 147/1 of 3 December 2002). These members urged the Lebanese Government to eliminate this restriction. In response, the representative of the Lebanese Republic said that Decision No. 147/1 was being amended. The restriction on foreign natural persons to engage in import/export activities would be removed.

74. Foreign companies wishing to engage in commercial activities in Lebanon, including import/export activities for commercial purposes, had to register at the Register of Commerce as branches – representative offices did not have the right to carry out commercial activities (Decision No. 96 of 20 January 1926 and Explanatory Note No. 1871/95 issued by the Ministry of Justice on 16 December 1995). He confirmed that there were no limitations on the right of foreign legal entities to import and/or export and no restrictions, on nationality or others, for the manager of the company seeking registration.

75. Registration of foreign companies at the Register of Commerce, either as a branch or a representative office, was subject to prior registration to the Ministry of Economy of Trade and the delivery of a Receipt of Acknowledgement of registration. Documents required for obtaining a Receipt of Acknowledgement from the Ministry of Economy and Trade included (i) an application form, indicating the decision to open a branch or a representative office in Lebanon; (ii) a certified copy of the by-laws or articles of association of the company, duly certified by the Lebanese Embassy and the Lebanese Ministry of Foreign Affairs and translated into Arabic by an official translator; (iii) a decision from the competent authority within the mother company – duly certified by the Lebanese Embassy and the Lebanese Ministry of Foreign Affairs and translated into Arabic by an official translator – allowing the company to establish a branch or a representative office and nominating a manager or a representative for the company; (iv) and a power of attorney, if any (certified by the

Lebanese Embassy and the Lebanese Ministry of Foreign Affairs and translated into Arabic by a duly official translator, should it have been issued in a foreign country, or certified by a Lebanese notary public, should it have been issued in Lebanon). Registration at the Ministry of Economy and Trade was subject to a LBP 1,800,000 fee (US\$1,190), to be paid to the Lebanese Ministry of Finance. The Receipt of Acknowledgement issued by the Ministry of Economy and Trade was published in the Official Gazette. Publication fees depended on the number of words.

76. Legal and commercial establishments engaged in import and export were also required to register at the National Society Security Fund (NSSF) and to submit to the Customs a confirmation of payment of their obligations to the NSSF for customs clearance. The NSSF was an independent public institution that provided social and medical benefits for employees. Registration at the NSSF was, in principle, the responsibility of the employer. However, the employee could register himself/herself, should the employer have failed to do so within ten days after the starting date of employment. Documents to present included an application form; a certificate of registration at the Register of Commerce if the employer was a trader or a legal person; any work permit required by laws to operate a business in Lebanon; statutes of the company, whenever needed; a circular; a birth certificate of the employer or birth certificate of the person empowered to sign on her/his behalf; a family birth certificate for married employees; a birth certificate for single employees; and a copy of a lease contract certified from the relevant municipality or deed. Applications were available at the premises of the Fund. He confirmed that there were no restrictions on registration at the NSSF and that registration requirements were easily accessible.

77. He added that all exporters, both Lebanese and foreign, wishing to obtain a certificate of origin from a Chamber of Commerce had to be registered at one of the Lebanese Chambers of Commerce. As for importers, registration at the Chamber of Commerce was compulsory to import certain types of goods such as agricultural pesticides (Law No. 11/78 of 24 April 1978 and Decree No. 5039 of 26 March 1982), or to obtain import licenses for products like pesticides, water, and juices, and import licenses from the Ministry of Telecommunications for the products listed in Table 7 (Article 6 of Law No. 11/78). This additional registration requirement was designed to limit imports of certain types of products to importers whose qualifications and types of activities were known. Certification of the commercial qualifications and types of activities of importers fell within the competence of Chambers of Commerce, which were also responsible for certifying invoices and signatures, and for issuing certificates of origin, and ATA and TIR carnets. Registration at Chambers of Commerce was regulated by Law No. 36 of 5 August 1967, as amended by Law No. 626 of 23 April 1997. All natural and legal persons, regardless of their nationality, could register at Chambers of Commerce provided they had a physical business address in Lebanon. Required

documents included a certificate of registration at the Register of Commerce and a legal business circular or notice. Registration fees varied according to the type and size of the organization. Fees applied corresponded to the cost of services rendered. Fees were set by the Chamber and approved by the Council of Ministers. Fees of the Chamber of Commerce of Beirut had last been approved in 1998. Information on registration fees levied by Chambers of Commerce is reproduced in Table 8.

78. He added that for health and sanitary reasons and to avoid the importation of fraudulent drugs, imports of pesticides and insecticides (HS 3808), human medicines and vaccines (HS 3003), veterinary drugs and vaccines (HS 3004), and pharmaceuticals (HS 3006) were restricted to importers with specific qualifications, i.e. agricultural engineers for insecticides and pesticides, pharmacists for human medicines and pharmaceuticals, and veterinarians or pharmacists for veterinary medicines. Permits to practice agricultural engineering were delivered to any national with a degree from a recognized university in Lebanon or abroad having joined the order of engineers. For foreign nationals, additional requirements included the right to practice engineering in their home country (for more than five years for Arab nationals and more than ten years for others), and a condition of reciprocity. As foreign natural persons were not permitted to practice veterinary medicine, foreigners could therefore not import veterinary drugs and vaccines. Foreigners were allowed to work as pharmacists only on a reciprocity basis and provided they had been holding a degree in pharmacy for more than five years for Arab nationals and more than ten years for others. The same restrictions applied when purchasing bulk quantity of pharmaceuticals from Lebanese producers of such goods. However, foreign nationals could sign a contract with a person having the required qualifications and could import these goods under his/her name. In response to a specific question, the representative of the Lebanese Republic added that the requirement restricting the right to import powder milk to industrialists had been cancelled.

79. Some members of the Working Party expressed concerns with regard to the complexity of Lebanon's registration system. These members were of the view that the number of existing registration requirements and fees could act as a barrier to trade, and thus, was inconsistent with Articles III and XI of the GATT 1994. The Lebanese Government was invited to simplify and rationalize the cost of commercial registration. A member questioned the compatibility of setting the commercial registration fees as a proportion of the company's capital *vis-à-vis* the provisions of Article VIII of the GATT 1994, such fees being charged on the right to do business, including importation. This member urged the Lebanese Republic to bring these fees into compliance with Article VIII of the GATT 1994. The requirement to submit to the Customs a confirmation of payment to the Social Security Fund for customs clearance was also considered an additional administrative burden that had nothing to do with customs clearance and that should be removed. Some members

viewed the additional requirement to register at the Chamber of Commerce to be able to import certain goods as an unnecessary double-registration and an undue impediment to imports in the meaning of Article XI of the GATT 1994. Members also considered the additional qualification requirements imposed on foreign nationals to import pesticides, insecticides, human medicines and vaccines, pharmaceuticals, and veterinary drugs unduly restrictive and inconsistent with the national treatment obligations contained in Article III of the GATT 1994. In addition, the preferential treatment accorded to Arab nationals appeared to violate the MFN principle as different categories of foreigners enjoyed different trading rights. Furthermore, reciprocity was not recognized by the GATT nor the GATS. Some members also expressed concerns that Lebanese legislation appeared to merge the right to engage in importation with the right to distribute. They sought to clarify the distinction between the right to distribute, which was negotiable under the GATS, and the right of goods to be delivered to the import market for distribution, i.e. imported, which was covered by Articles III and XI of the GATT. These members noted that the GATT guaranteed the right that imported goods reach domestic distribution channels on a footing no less favourable than that accorded to domestic products and without additional impediments. The Lebanese Government was invited to review all these measures to bring them into conformity with WTO rules and to guarantee the right of all foreign importers to import products as importers of record.

80. In response, the representative of the Lebanese Republic said that his Government was currently reviewing and assessing the cost of commercial registration. The draft law on international trade and licensing included provisions that simplified and rationalized the cost of issuing licenses. The requirement to present to the Customs a confirmation of payment to the Social Security Fund for customs clearance was also being reviewed. Concerning registration at the Chamber of Commerce, he noted that it was required only for a limited number of sensitive products, representing less than 2 per cent of Lebanese imports; it was not a general import registration requirement. This registration was needed for health and security reasons to ensure that the company was fully operational and had the proper infrastructure and expertise for the importation of these products. Registration at the Chamber of Commerce involved an inspection of the actual premises and operational conditions of the company. Such registration was a pre-requisite to obtain an import licence for the products listed in paragraph [77]. In his view, this requirement did not constitute an undue impediment to imports in the meaning of Article XI of the GATT 1994. He added that Ministry of Agriculture Decision No.1/254 of 30 May 1997 requiring import licenses for pesticides had been cancelled pursuant to Decision No. 2/1 of 4 January 2006 “Regulating Pesticide Imports”. An import licence was required only in the case of new pesticides imported for the first time and not previously registered in Lebanon.

81. As for the qualification requirements to import pesticides, insecticides, human medicines and vaccines, pharmaceuticals and veterinary drugs, they had been set forth to ensure public safety. These products were hazardous by nature; they required special handling and storage facilities, and specific qualifications. He noted that although foreign natural persons could not practice veterinary medicine, duly registered companies or foreign natural persons having passed a contract with a local veterinarian or a pharmacist could import veterinary drugs. He added that there were no restrictions on foreign ownership of such businesses. In his view, Lebanese legislation did not merge the right to import/export with distribution services. He added that his Government was in the process of negotiating an agreement with some Arab countries to progressively liberalize trade in services among Arab countries and a study was being conducted to evaluate the conformity of existing import restrictions with WTO rules.

82. In response to a specific question, the representative of the Lebanese Republic confirmed that exporters to Lebanon were not required to have a commercial representation or an exclusive agency contract in Lebanon. Commercial representation and exclusive agency contracts were private contracts between a foreign producer and a Lebanese natural or legal person having a commercial establishment in Lebanon and were regulated by the provisions of Decree Law No. 34/67. Commercial representation and exclusive agency contracts had to be registered at the Register of Commerce and, in order to benefit from the protection granted under Decree Law No. 34/67, at the Ministry of Economy and Trade. Registration aimed at protecting the interests of the local distributor. Documents to submit for registration included an Arabic version (translated by a sworn translator) of the commercial representation contract. The original copy of the contract had to be certified by the Lebanese embassy where the foreign producer was located and in Lebanon by the Ministry of Foreign Affairs. The contract should include the following information: date of signature, duration, and description and type of products; a receipt of registration of the contract at the Register of Commerce; the statute of the Lebanese legal person acting as commercial representative; a power of attorney, where needed; and the payment of a LBP 500,000 (US\$330) annual registration fee.

83. He confirmed that information on registration and importing requirements were publicly available and easily accessible at the customs administration and would soon be published on the customs website.

84. [The representative of the Lebanese Republic confirmed that, consistent with Articles III and XI of the GATT 1994, the Lebanese Republic would, from the date of accession, grant any natural or legal person, domestic or foreign, the right to be the importer of record of any product allowed to be imported into Lebanon, recognizing that this was separate from the right to distribute goods in the

local market. He further confirmed that, from the date of accession, full rights to import and to export would be granted in a non-discriminatory and non-discretionary way, and that any requirements for registration or application for trading rights would be for customs and fiscal purposes only, would not require actual investment in Lebanon nor confer the right to distribute there, and would not constitute a barrier to trade. The Working Party took note of these commitments.]

A. IMPORT REGULATIONS

- Customs tariff

85. The representative of the Lebanese Republic said that the Lebanese Republic had adopted the HS 2002 nomenclature on 19 September 2002. Most tariff groups were specified at the 6-digit level. Close to 94 per cent of the rates were *ad valorem*. Combined rates represented slightly less than 6 per cent of the total tariff groups and specific and bracket-based rates 0.16 and 0.14 per cent respectively. Bracket-based rates applied only to used cars. In the event of combined rates, the higher amount would be collected. *Ad valorem* rates ranged from 0 to 90 per cent, with 87 per cent of the tariff lines between 0 and 5 per cent and a total of 14 tariff bands (0, 5, 6, 10, 15, 18, 20, 23, 25, 30, 35, 40, 70, and 90 per cent – see Table 9 for the distribution of Lebanon's applied rates). In 1999, the average trade-weighted import duty rate had amounted to approximately 8 per cent.

86. Tariff rates were applied on an MFN basis, but tariff preferences were granted to goods originating in member countries of the Greater Arab Free-Trade Area (GAFTA); in Egypt, Kuwait, and Syria pursuant to bilateral free-trade agreements signed with these countries; and in Jordan, Iraq, Saudi Arabia, Sudan, and Syria (1953 agreement) pursuant to bilateral trade agreements. Tariff preferences were also provided for imported items used as raw materials and input in production (0 per cent for industry and 5 per cent for agriculture), not locally-produced equipment and apparatus imported by hotels (Ministry of Finance Decision No. 92 of 30 August 1999), imported new cars to be used as taxis or car rentals, and imported buses to be used as tour buses.

[The Lebanese Republic's initial offer on goods was submitted in November 2003 under the reference number WT/ACC/SPEC/LBN/1. A revised offer was circulated in June 2004 in document WT/ACC/SPEC/LBN/1/Rev.1 and is available in electronic form or in hard copy for consultation.]

- Other duties and charges

87. The representative of the Lebanese Republic said that, other than ordinary customs duties, the Lebanese Republic imposed no other duties or charges ("ODCs") of any kind within the meaning of Article II:1(b) of the GATT 1994.

88. Members invited the Lebanese Republic to bind ODCs at zero in its Schedule for Concessions and Commitments on Goods.

- **Tariff rate quotas, tariff exemptions**

89. The representative of the Lebanese Republic said that the Lebanese Republic did not maintain any tariff rate quota system.

90. Exemptions from customs duties were granted by the Council of Ministers through decrees or decisions. Under the current legislation, full and partial tariff exemptions (5 per cent) were granted in accordance with Articles 295 to 320 of the 2000 Decree Law on Customs. Goods subject to full tariff exemption included (i) goods and effects imported for the Lebanese presidential residence or in the name of the President of the Republic (Article 296); (ii) goods imported for the official use of the United Nations or UN officials, as well as their household furnishings provided importation occurred immediately at the beginning of their term of office (Article 297); (iii) articles imported in the name of foreign country representatives for their personal use or the use of members of their families (Article 298); (iv) new personal belongings, furniture and home appliances imported for the use of consulates and diplomatic employees provided importation occurred within three months as from the date of arrival in the Lebanese Republic, a period which could be extended for a maximum of six months (Article 299); (v) vehicles intended for the official use of embassies or commissariats (two vehicles maximum – Article 300); (vi) construction materials intended for the construction or restoration of embassies or commissariats, except materials similar to national products (list determined by decision of the Minister of Industry – Article 300); (vii) cultural, scientific and social movies provided they would not be shown in public or private for commercial purposes (Article 300); (viii) imported stamps, official papers, flags, stationers, commissariats and consulates furniture, medals and badges (Article 300); (ix) personal belongings, household effects and items of non-commercial value (Article 316); (x) samples of non-commercial description, personal dispatches and occasional gifts, within limits specified by the Higher Council of Customs after consultation of the Director General of Customs (Article 317); (xi) certain supplies or petroleum products of vessels of war and commercial vessels of more than 150 net maritime tons whether of foreign or national origin, as well as new imported vehicles and trucks in transit, airplanes of national official airlines and foreign civil airplanes on a reciprocity basis (Article 318); (xii) returned or re-imported goods explicitly proven to be of Lebanese origin (Article 319); and (xiii) grants for public administrations and institutions, and municipalities (Article 295).

91. Products eligible for partial exemption (5 per cent duty rate) included (i) firearms, ammunitions, apparels, transportation devices, fuel and oil imported for the use of the Army, Internal

Forces, General Security, Security Forces, Customs Police, Parliament Police, as well as the Civil Defence and Fire Departments within municipalities and municipalities' unions, except food products and goods similar to national products specified by decision of the Minister of Industry (Article 308); (ii) fire pumps imported by public institutions and administrations and municipalities (Article 310); (iii) railway fixtures and fittings intended for the operation thereof, and vehicles intended for the transport of people (buses) and parts and accessories thereof imported by the Railway and Public Transport Department, under the conditions specified by the Customs Department, following consultation with the Director General of Customs (Article 310); (iv) all cars, vehicles, equipments, materials, accessories, and spare parts imported by public administrations, institutions and municipalities or granted to them for fire fighting and rescue purposes, under the conditions specified by the Higher Council of Customs, following consultation with the Director General of Customs (Article 310); (v) certain materials imported by foreign archaeological missions used for their works (photographic instruments and apparatus, gypsum etc.), by virtue of administrative decisions issued by the Higher Council of Customs following consultation with the Director General of Customs (Article 311); (vi) airplanes of officially licensed aviation companies and authorized Lebanese aviation training clubs and spare parts, fittings and accessories thereof, used for airplanes restoration (Article 312); (vii) furnishings of long distance vessels whose load exceeded 500 maritime tons, designated to be registered at a Lebanese port according to the Law of 21 December 1954 (Article 313); (viii) antiques over 100 years old imported by museums and fine arts institutions for instructional purposes (Article 316); and (ix) equipments, fixtures, fittings and installations imported for the administration and operation of the Port of Beirut and intended for use within the port territory (Article 315).

92. Procedures to apply for exemptions under the 2000 Decree Law on Customs were similar to those required for customs clearance. Documents to be submitted included a declaration form, specifying the HS code of the goods to be exempted from customs duties; the original commercial invoice; a copy of the lading bill; the packing of list; the delivery Order; a quietus from the Social Security Fund; and the certificate of Registration, should the importer be a legal person or trader. In response to a question, he added that the quietus indicated that a company had made all social security payments to the National Security Fund. Quietuses were valid for one year and were issued immediately and free of charge upon request at Social Security Fund offices.

- **Fees and charges for services rendered**

93. Some members of the Working Party noted that importers were required to pay a large number of relatively small fees. These members invited the Lebanese Republic to consolidate them

so as to enhance transparency and make their application less complex. They further observed that the Lebanese Republic applied a certain number of *ad valorem* fees. These fees did not correspond to the service rendered and would have to be amended to be brought into conformity with the provisions of Article VIII of the GATT 1994, including the *ad valorem* fees charged by Chambers of Commerce. Members also requested clarification of why certain fees for commercial invoices and certificates of origin were implemented by Chambers of Commerce and not the Lebanese Government, and which products were covered. A member added that the stamp fee on customs declaration could be considered an ODC rather than a fee for services rendered and invited the Lebanese Republic to provide an explanation of the nature of the service provided.

94. In response, the representative of the Lebanese Republic said that a Single Administrative Document (SAD) had been created, which consolidated all fees related to customs documents (stamp fee on each customs import, export and transit declaration; stamp fee for the customs copy; and stamp fee for the importer copy). The SAD had been introduced with a view to enhancing transparency and streamlining and facilitating customs procedures by making the application of fees less complex and burdensome. The processing of the Single Administrative Document was subject to a LBP 50,000 fee (US\$33) paid in a single instance, at one point only, during the processing of the document. The fee had been set so as to reflect the cost of the administrative processing of the document by customs officials. In his view, this fee was not an ODC. In response to a member of the Working Party who noted that this fee was too high, he noted that the introduction of this fee had been recommended by the IMF and commended by importers and exporters.

95. He added that all *ad valorem* fees on import licenses had been cancelled in the 2007 draft Budget Law. There were no more fees imposed on the issuance of import licenses or visas. As for the *ad valorem* fees charged by the Chamber of Commerce, they were being reviewed to be brought into compliance with Article VIII of the GATT 1994 – the new fees had already been approved by the General Assembly, but they still had to be ratified by the Council of Ministers. He provided a list of fees and charges for services rendered levied in the Lebanese Republic in Tables 10 (a) to (c). Fees for registration at Chambers of Commerce were listed in Table 8 and 10 (b). In addition, the Ministry of Post and Telecommunications charged a LBP 2 million fee (US\$1,325) per licence per year for wire equipment and a LBP 10 million (US\$6,630) per licence per year for wireless equipment.

96. In response to a specific question concerning the import surcharges levied on certain textiles and garments, motor vehicles, imitation jewellery, watches, alcoholic beverages, certain oil-seeds, and tomato sauce, the representative of the Lebanese Republic said that all import surcharges had been eliminated. In addition, commercial invoices and certificates of origin were no longer required to be

notarized or legalized by Lebanese Consulates. However, legalization could be granted upon request of the importer/exporter or to meet the obligations of international agreements. In such cases, fees applied included a LBP 15,000 (US\$9.9) visa fee for certificates of origin relating to one invoice; a LBP 30,000 (US\$19.9) visa fee for certificates of origin relating to more than one invoice; and an *ad valorem* fee of 4 per thousand of the invoice value for commercial invoices, amounting to minimum LBP 22,500 (US\$15) and maximum of LBP 1,875,000 (US\$1,240).

97. As to the reason why certain fees were being implemented by the Chambers of Commerce, he noted that Chambers of Commerce had historically assumed the role of certifying invoices and issuing certificates of origin. Chambers of Commerce had a thorough competence in verifying the activity of their members, including the production facilities of industrialists and warehouse facilities of traders, and accordingly in certifying the origin of exported goods of their members. Such role was defined in Law No. 36 of 5 August 1967, as amended by Law No. 626 of 23 April 1997. Chambers of Commerce were private sector bodies. Chambers of Commerce proposed fees to the Council of Ministers, which in turn approved them. Chambers of Commerce could not apply fees lower than those ratified by the Council of Ministers. He noted that the fees charged by Chambers of Commerce for the authentication of documents did not aim at generating revenue; they covered the expenses incurred by the various departments of the Chambers involved in the authentication process, such as the general administration, the accounting department, the treasury department and the value-added studies department. In response to a question, he noted that there were no plans to transfer any of the certification services provided by the Chambers to Government agencies.

- **Application of internal taxes to imports**

98. The representative of the Lebanese Republic said that the Lebanese Republic had introduced a value-added tax (VAT) on 1 February 2002. The VAT applied equally to domestic and imported goods. Excise taxes were levied in accordance with the 1993 Budget Law, Decree No. 4377 of 29 November 2000 on both domestic and imported products equally, except on domestic finished tobacco products, which were exempt. Excise tax rates on plasters, quicklime, slaked lime, hydraulic lime, cement clinkers, white cement, aluminous cement, and other hydraulic cement had been cancelled for both domestic and imported goods following the introduction of the VAT, and excise taxes on all non-alcoholic drinks and playing cards had been eliminated. Excise tax rates applied more favourably on some imported alcoholic drinks. Excise taxes on imported products were collected at the border. The list of products subject to excise taxes, including information on applied rates, is reproduced in Table 11.

99. In response to specific questions, he confirmed that there were no exemptions from internal taxes granted to the agricultural sector other than the exemption from excise taxes on finished tobacco products. The latter was the only existing excise tax exemption for domestic products. Gasoline and motor vehicles were not produced domestically. He confirmed that products not currently manufactured in Lebanon would not be subject to discrimination, if and once domestic production had started.

100. Some members of the Working Party noted that the exclusion of domestic finished tobacco products from excise taxes did not conform to Article III of the GATT 1994 and invited the Lebanese Republic to amend its legislation. The representative of the Lebanese Republic replied that the excise tax on foreign finished tobacco had been extended to domestic finished tobacco pursuant to Council of Minister's Decision No. 27 of 13 April 2006.

101. The representative of the Lebanese Republic confirmed that, from the date of accession, Lebanon would apply its domestic taxes, including those listed in Table 11, in strict compliance with Article III of the GATT 1994. The Working Party took note of this commitment.

- **Quantitative import restrictions, including prohibitions, quotas and licensing systems**

102. The representative of the Lebanese Republic provided a survey of non-tariff measures on trade, including information on import prohibitions, import licenses, and advance approval, in document WT/ACC/LBN/5/Add.1. The survey was subsequently revised in 2006 (see document WT/ACC/LBN/16/Add.2). The representative of the Lebanese Republic said that Lebanon prohibited the import of some 154 goods or groups of goods, primarily at the 4 and 6-digit levels, mainly for health, safety or environmental reasons. Certain goods were prohibited unconditionally, others if imported from certain countries by parcel post, through road transport means, or under other conditions. The importation of used medical equipment and apparatus, including radioactive equipment, was prohibited pursuant to Ministry of Public Health Decision No. 9/1 of 6 January 1999, except for used equipment and apparatus being the property of the physician wishing to import them or acquired by public welfare institutions through grants. Due to their high toxicity, certain veterinary drugs and vaccines, and pesticides were banned (Ministry of Agriculture Decisions No. 1/275 of 20 June 1997 and No. 1/94 of 20 May 1998). Such bans had been imposed for safety, health, and environmental reasons in accordance with the international guidelines developed by the WHO, Codex Alimentarius, and the OIE. In addition, certain drugs could be imported only if they were permitted for sale and use in the country of origin, and in some specific cases in developed countries (Ministry of Public Health Decision No. 114 of 18 June 1991; Ministry of Agriculture Decision No. 29/1 of 7 February 1995; and Ministry of Agriculture Decision No. 99/1 of 29 February 1996). He provided

a list of goods subject to import prohibition in Table A of document WT/ACC/LBN/5/Add.1, subsequently revised in document WT/ACC/LBN/16/Add.2. Banned veterinary drugs and vaccines, and banned pesticide are listed in Table 12. In response to a specific question, he added the Lebanese Republic maintained and enforced primary, secondary, and tertiary boycotts against the State of Israel (Israel Boycott Law of 23 June 1955).

103. Bans had been lifted on the importation of citrus fruits, apples, olive oil, peanuts, rape (colza) oil, rape (colza) seed and rape (colza) seed oilcake, liquid milk (0401.2090 and 0402.9910), radishes (0706.90), olives and a range of other vegetables preserved by vinegar or acetic acid (2001.9010 and 2001.9090), unfrozen canned tomatoes (2002.10), frozen prepared or preserved potatoes (2004.10), frozen canned tomatoes (2004.90), unfrozen prepared or preserved potatoes (2005.20), unfrozen prepared or preserved olives (2005.70), unfrozen prepared or preserved vegetables (2005.90), apple and grape vinegar (2209.00), and orange-flower water and rose water (3301.9090). Seasonal prohibitions on the importation of squash, eggplant, green beans, watermelons, peas, peaches, and apricots had also been eliminated, as well as the ban on the importation of bovine semen, which had been lifted by Decision of the Ministry of Agriculture No. 232 of 8 August 2002.

104. In response to specific questions, he said that the bans on the importation of bone meal, meat meal, and source of protein of animal origin for animal feeding had been imposed for health reasons (BSE measure – mad cow disease). The production and use of these products at the domestic level was also prohibited. Likewise, the Ministry of Health imposed conditions on table salt of Lebanese origin similar to those imposed on imported table salt in the form of a ban (Decree Law No. 1781 of 1 September 1971). He added that Lebanon followed the recommendations of the OIE when imposing or lifting an import ban. Bans were subject to regular reviews in accordance with the recommendations of the OIE.

105. A member noted that the bans on chemicals and on certain veterinary drugs and growth promoters seemed to go beyond international norms and recommendations, such as those of the Basel Convention in the case of chemicals, and those of the Lamming Committee, JECFA, or CC/RVDF for veterinary drugs. This member asked the Lebanese Republic to clarify the reasoning for the prohibition of these products, including, in the case of chemicals, wastes and scrap products. The representative of the Lebanese Republic replied that the Lebanese Republic had been a signatory of the Basel Convention since 21 December 1994, the Stockholm Convention on persistent organic pollutants since 23 May 2002, the Montreal Protocol since 31 March 1993, and the Convention on Biological Diversity since 1994. In addition, his Government was in the process of signing the Rotterdam Convention and of ratifying the Protocol on Bio-safety. He noted that the bans and

restrictions set by the Ministry of Environment concerned the importation and exportation of wastes, whether hazardous or non hazardous, as defined by the Basel Convention. Law No. 387 of 10 November 1994, by which Lebanon had ratified the Convention, allowed the Lebanese Government to manage the control and safe disposal of imported and exported hazardous wastes across its borders. The prohibition on importation of these products had been introduced pursuant to Ministerial Decision No. 71/1 of 19 May 1997. The majority of the chemical products banned in the Lebanese Republic were characterized as hazardous waste under the Basel Convention (Annexes VIII and IX of the Convention). The others were prohibited because of technological deficiencies for environmentally sound management of these products. The criteria used by the Ministry of Environment to determine whether a technological deficiency existed were specified in Ministerial Decision No. 71/1. He provided information on the criteria and process used in document WT/ACC/LBN/12, pp. 33-34. He added that the Lebanese Government was reviewing Ministry of Environment Decision No. 71/1 in the light of the updated waste lists and restrictions of the international agreements to which the Lebanese Republic was a party.

106. As for the import prohibition of certain veterinary drugs and growth promoters, he noted that Lebanon's legislation followed the standards of certain WTO Members, where they were based on international standards. The import prohibitions listed in Table 12 were based, in particular, on Annex IV of EC Council Regulation No. 2377/90, EC Regulation No. 1931/2003 and EC Directive 2003/74/EC.

107. He further noted that hospitals, medical laboratories, and universities could, upon request, be allowed to import goods subject to an import prohibition to conduct scientific and medical studies. Such exemption currently existed for dangerous narcotics. To benefit from an exemption, eligible institutions were required to submit an application to the Ministry of Health explaining the scientific or medical research/study for which such products were needed and the objective of the research/study. He noted that the Ministry of Health rarely received such requests.

108. With regard to import restrictions, he said that the quota on the importation of potato seeds (12.09), imposed through Decision No. 1/265 of 23 November 2000, had been eliminated. This quota had been introduced to avoid surpluses in the production of potatoes, not to protect domestic production. He confirmed that the Lebanese Republic did not maintain any quota system.

109. Import licenses and advance approvals were required for a number of products, representing about 2 per cent of all the products imported into Lebanon (see Tables C and F in document WT/ACC/LBN/16/Add.2). TBT or SPS "visas" were necessary for the importation of certain goods (see paragraph [142] below and Table E of document WT/ACC/LBN/16/Add.2, reproduced in annex

in Table 13). A "visa" was the official approval of the concerned Ministry stamped on a customs declaration indicating conformity with a TBT or SPS requirement. The Lebanese Republic did not have any laws or legal acts defining import licenses and other similar measures. Neither were there specific laws describing the procedures for obtaining licenses (except for a limited number of goods such as medical and pharmaceutical products, veterinary drugs, pesticides, fertilizers, weapons, explosive, arms and ammunition, and plastic), imposing a time limit for issuing licenses, defining eligibility requirements and criteria for refusal to issue a licence, providing for administrative and judicial appeal procedures, or specifying the validity of licenses. Under the current legal regime, each Ministry had the authority to impose trade measures through ministerial decisions or other legal acts (instructions, letters, notes, and orders). Therefore, procedures for obtaining licenses varied from one Ministry to another. Ministries delivering import licenses included the Ministry of Agriculture, the Ministry of Economy and Trade, the Ministry of Public Health, the Ministry of Industry, the Ministry of Post and telecommunications, and the Ministry of Energy and Water. He added that a draft law on import licensing and international trade, which would govern import/export licensing in Lebanon, had been approved by the Council of Ministers and was pending ratification by the Parliament. In his view, this draft law was in compliance with WTO provisions, and in particular with the WTO Agreement on Import Licensing.

110. Ministers' decisions imposing import licenses and detailing the requirements to obtain a licence were published in the Official Gazette, and would soon be posted on the website of the concerned Ministries. Importers had to approach only one authority, except for the importation of arms and ammunitions (see document WT/ACC/LBN/16/Add.2 pages 72-81) – and in any event never more than three. Although the current legislation did not set any time limit for issuing licenses, licenses were usually delivered within a week. He added that for certain products import licenses were delivered only to importers having a licence to practice a specific profession (i.e. pharmacist to import medical drugs or agricultural engineer to import agricultural treatment products – see section on "Trading rights" above). Information on arrangements under bilateral agreements relating to import licensing is reproduced in Table 14. In response to a question concerning the issuance of import licenses in the context of bilateral agreements, he noted that each ministry oversaw the issuance of import licenses falling under its scope. The issuance of import licenses was conducted on a non-discriminatory basis.

111. He added that his Government had conducted a study of conformity of non-tariff measures in the Lebanese Republic with WTO rules (see Annex I of document WT/ACC/LBN/9). All non-tariff measures were applied for SPS and TBT reasons or to protect national security and public morals, the environment, or human, animal and plant life and health – i.e. for reasons that met the requirements of

Article XX and XXI of the GATT 1994 – and were granted automatically and without discrimination in compliance with WTO rules, with the exception of those imposed by the Ministry of Industry. The latter had, however, been reviewed and all unjustified import licenses imposed under Ministry of Industry Decision No. 1/33 of 28 October 1977 on silk, juices and pyjamas falling under HS 051199, 20091190, 20091990, 20093090, 20097090, 500100, 500390, 500400, 620721, 620722, 620729, 620821, 620822, 620829 had been removed pursuant to Ministry of Industry Decision No. 75/1 of 20 October 2006. All licenses were now automatic and granted regardless of the country of origin of the imported goods. Procedures applied equally to legal and natural persons regardless of their nationality. Licenses were valid for six months and could be renewed for the same period of time upon request, provided the request for extension was submitted whilst the licence was still valid.

112. In response to specific questions, he noted that the measures imposed on newspapers, periodicals, journals and calendars for reason of "censorship" aimed at protecting public morals and national security, in accordance with Articles XX and XXI of the GATT 1994. The import licenses on the importation of chicks for layers and broilers, and bovine semen had been imposed to ensure that health requirements and standards were met and that the product originated in countries free from epidemics and diseases, in conformity with OIE rules and regulations. He noted, however, that the import licence on bovine semen had been eliminated pursuant to Decision of the Ministry of Agriculture No. 232 of 8 August 2002 and that the import licenses on the importation of chicks for layers and broilers had been replaced by a simple SPS measure, i.e. by requiring a veterinary certificate indicating explicitly the origin of the product. As for wheat and wheat derivatives (wheat and meslin, wheat or meslin flour, rice flour), the licence was required to monitor the wheat levels for food security purposes. Licenses to import wheat were granted automatically, within a day, and free of charge – all fees connected with import licenses had been cancelled in the draft 2007 Budget Law. Importers wishing to import wheat were required to submit an application form to the Directorate General of Wheat and Sugar Beat at the Ministry of Economy and Trade stating the quantity of wheat they wished to import for a year. No other documents were required. This system did not, in his view, constitute a barrier to trade. Asked whether his Government had considered other alternatives to monitor national wheat levels, he added that Lebanon would, for the time being, maintain licensing as a means to monitor such levels.

113. Some members of the Working Party enquired about Lebanon's plans to streamline its import licensing regime, which appeared complex, lacked transparency, and could, because of the burden it posed for importers, be considered a barrier to trade. The representative of the Lebanese Republic replied that his Government was drafting an International Trade and Licensing Law. That Law would set the general framework for international trade policy, state the general trade principles of MFN and

national treatment, and streamline non-tariff measures and make them fully compatible with WTO requirements. The draft had been finalized and was currently debated in Parliament. The new Law would address the question of the justification of import/export prohibitions and licenses in line with Articles XX and XXI of the GATT 1994, remove all unjustifiable measures imposed by the Ministry of Industry to protect local production, define general procedures and requirements for obtaining licenses in line with the WTO Agreement on Import Licensing, and provide for the right of appeal in case of refusal, taking into consideration the provisions of the WTO Agreement on Import Licensing Procedures. The Law would also require ministries to publish all procedures related to import licensing in the Official Gazette 21 days prior to their entry into force. Measures consistent with the WTO TBT and SPS Agreements and with Articles XX and XXI would be maintained. He further noted that all fees connected with import licenses had been removed in the draft 2007 Budget Law.

- **Customs valuation**

114. The representative of the Lebanese Republic said that the determination of customs value was carried out in accordance with the 2000 Decree Law on Customs. In his view, the Customs Law complied with the WTO Agreement on Customs Valuation. He provided detailed information on the implementation and administration of the Customs Valuation Agreement in document WT/ACC/LBN/3, Annex 4, subsequently revised in Annex 1 to document WT/ACC/LBN/12.

115. In response to specific questions, the representative of the Lebanese Republic added that pursuant to Article 49 of the Decree Law on Customs, the Higher Customs Council determined the valuation procedures according to the Interpretative Notes of the Valuation Agreement. Higher Customs Council Decision No. 42 of 23 March 2001 largely contained the Interpretative Notes of the Customs Valuation Agreement. Customs duties on carrier media bearing software for data processing equipment had been eliminated pursuant to Higher Customs Council Decision No. 4377 of 29 November 2000. He confirmed that the 2000 Customs Law provided for a judicial right of appeal to the Arbitration Committee (Articles 153 to 165 of the Customs Law). The Customs Law could be consulted in English on the customs' website (www.customs.gov.lb).

116. A member noted that new legislation might be needed to ensure that the Interpretative Notes and any additional deficiencies identified be included in Lebanese legislation prior to accession.

- **Rules of origin**

117. The representative of the Lebanese Republic said that the country of origin of goods was determined in accordance with Articles 25 through 34 of the 2000 Decree Law on Customs. The Law

provided that the country of origin was the country in which the goods had been wholly-produced or obtained, or in which the last substantial transformation had occurred (Article 26). The main criterion used for determining the origin of goods was the change of tariff classification. The criteria of percentage of added-value and manufacturing or processing operations were applied as complementary conditions. The secondary operations listed in Article 27 of the Decree Law were not considered in determining the origin of goods.

118. The origin of goods imported under non-preferential treatment could be proved by submitting the original invoice issued by the foreign seller or an independent certificate of origin. In some specific cases (sanitary and health reasons, quotas, anti-dumping, and countervailing measures), the Higher Customs Council could, upon consultation of the General Director of Customs and for non-statistical purposes, request relevant authorities in the country of origin to supply documentary evidence proving the origin of the goods. In the event of serious doubts, the Higher Customs Council could request additional documentary evidence. Global certificates of origin were accepted provided the concerned goods were shipped through the same consignment. Specific provisions on preferential rules of origin were laid down in Articles 29 to 31 of the Decree Law. Preferential treatment was granted upon submission of a certificate of origin. False rules of origin declarations aimed at benefiting from preferential treatment were subject to penalties in accordance with Articles 421 and 425 of the Decree Law. Proof of origin was not required for exported goods except in the case of re-export.

119. Under the Decree Law on Customs, any person could request an advance ruling of origin for a specific product. Such determination was granted within 15 days following the submission of the request for a three-year period provided the facts and conditions remained the same. He added that the Decree Law guaranteed confidentiality of information (Article 32.3), as well as MFN and national treatment, and provided importers with the right to appeal customs decisions and the publication of judicial and administrative decisions of a public nature relating to rules of origin (Articles 32.4 and 32.5). Conflicts on the origin of goods were examined by the Arbitration Committee under the conditions set forth in Articles 153 to 165 of the Decree Law.

- **Other customs formalities**

120. The representative of the Lebanese Republic said that the format of the Single Administrative Document, including its description, content, the copies required and other supplementary documents needed for customs clearance were specified in Decision No. 44 of 23 March 2001. Documents to be submitted included a declaration form; the original commercial invoice; a copy of the lading bill; the packing of list; the delivery order; a quietus from the Social Security Fund; the registration

certificate, if the importer was a legal person or trader; and depending on the type of imported goods, a licence, a visa, a phytosanitary, veterinary or health certificate from the Ministry of Agriculture for all goods of animal origin, and/or a laboratory analysis certificate, whenever required for the issuance of certain import licenses, primarily for food goods. In the event of doubt concerning the invoice value, customs officers could request to see the contract of sale. In addition, to benefit from preferential treatment or any special trade measure, the importer was requested to submit certificates of origin. He added that this information was readily and easily accessible to the public from the customs website (http://www.customs.gov.lb/customs/laws_regulations/Trader_guides.asp). In response to a member of the Working Party who considered that requiring a quietus from the Social Security Fund for customs clearance was not appropriate and constituted an undue barrier to trade, the representative of the Lebanese Republic noted that quietuses were valid for one year and were not required to be issued for every import activity. In his view, this requirement did not constitute a barrier to trade. He added that this measure was being reviewed.

121. In response to a question, he added that legalization of customs documentation (consular authorization, notarization) was not required. However, all other documents submitted to government authorities – other than customs documentation – had to be certified and translated as deemed appropriate.

- **Preshipment inspection**

122. The representative of the Lebanese Republic said that the Lebanese Republic did not use preshipment inspection services. However, in 2004, implementing decrees on technical standards had been issued, which made preshipment inspection upon importation in the country of origin an optional measure importers and exporters could use. Preshipment inspection was open to internationally recognized accredited inspection bodies. If the importer/exporter wishing to use preshipment inspection services had, before shipment, obtained a conformity certificate for the imported/exported products from an accredited laboratory or a type approval from the Industrial Research Institute in Lebanon, the role of the inspection body was limited to ensuring that the imported/exported goods complied with the conformity certificate and shipment documents. If the importer/exporter had not obtained a conformity certificate prior to shipment, the inspection body took samples of the imported/exported goods to an accredited laboratory of the client's choice for testing and certification.

- **Anti-dumping, countervailing duties, safeguard regimes**

123. The representative of the Lebanese Republic said that Article 7 of the 2000 Decree Law on Customs provided Customs with the authority to collect anti-dumping and countervailing duties and

to impose safeguard measures. However, the Lebanese Republic had not yet developed countervailing and safeguard legislation. Anti-dumping was regulated by the Law on Fraud and Dumping No. 31 of 5 August 1967, but the Law had never been applied. He added that a new law amending the existing law on anti-dumping and including provisions on countervailing duties and safeguard measures had been ratified by Parliament on 30 October 2006. The Law had entered into force on 21 December 2006. An implementing Decree was under preparation at the Ministry of Economy and Trade.

124. [The representative of the Lebanese Republic confirmed that from the date of accession Lebanon would not apply any anti-dumping, countervailing or safeguard measures until it had notified to the WTO appropriate measures in conformity with the provisions of the WTO Agreements on the Implementation of Article VI, on Subsidies and Countervailing Measures, and on Safeguards. After such notification, Lebanon would apply any anti-dumping duties, countervailing duties and safeguard measures in full conformity with these Agreements and other relevant WTO provisions. The Working Party took note of these commitments.]

B. EXPORT REGULATIONS

- Customs tariffs, fees and charges for services rendered, application of internal taxes to exports

125. The representative of the Lebanese Republic said that the Lebanese Republic did not apply any export duties or fees.

- Export restrictions

126. The representative of the Lebanese Republic said that the Lebanese Republic prohibited the exportation of 4 goods or groups of goods, primarily at the 4 and 6-digit levels, and imposed export licenses on some 54 goods and categories of goods. The same procedures as import licensing applied in the case of export licensing. Products subject to export prohibition and export licensing are listed in Tables B and D of document WT/ACC/LBN/16/Add.2, reproduced in annex in Tables 15 and 16.

127. Noting that Lebanon maintained export restrictions on a number of products for the purpose of conservation of natural resources, a member asked whether the Lebanese Government had considered implementing less drastic measures to achieve this goal. In response, the representative of the Lebanese Republic said that the export prohibition imposed on medicinal and aromatic plants and forest products aimed at conserving these rare Lebanese plants from extinction. Export licenses, which were less restrictive measures, were imposed on the export of other exhaustible and less

endangered plant resources, such as thyme. These measures were justified under Article XX, paragraph (g) of the GATT 1994.

128. He added that prohibitions on live animal exports had been cancelled. In addition, the quota on exports of concentrated forage (HS 23.08 and 23.09) had been eliminated by Decision No. 222 of 22 August 2001. He confirmed that all unjustified measures had been removed. He added that his Government had no intention to eliminate export prohibitions justified under Article XX of the GATT 1994.

- **Export subsidies**

129. The representative of the Lebanese Republic said his Government provided agricultural export transport subsidies under the Export Plus Programme launched in 2001 (see the section on "Agricultural policies").

130. Lebanese legislation also provided for an import duty drawback scheme. The scheme was governed by Articles 286 to 291 of the 2000 Decree Law on Customs. Under the scheme, customs duties could be reimbursed in case of (i) return of defected goods, (ii) return of goods that did not comply with the conditions set in the contract between the exporter and the importer, (iii) return of goods for any reasons deemed acceptable by the Customs, and (iv) exported goods made up of imported goods (raw material) used by the local industry for the production of a Lebanese product (i.e. any product with a local added-value equal or superior to 40 per cent). In the case of return of goods, goods could only be re-exported in their original form, including intact packing, by their importer to their country of origin and within three years from the date of submission of the import declaration. Duties were returned if there was undisputed proof of the foreign origin of the products. Pursuant to paragraph 4 of Article 287, customs duties and other taxes and charges imposed upon such goods were refunded on the basis of the tariff applicable at the time of import. If such goods were subject to a lower tariff at the time of re-export, customs duties and other taxes and charges were refunded on the basis of the lowered tariff. He confirmed that the Decree Law on Customs included a provision, in its Article 287, to ensure that refunds were not provided in excess of those levied on the imported inputs used in the production of the exported products, in accordance with Annexes I, II and III of the Agreement on Subsidies and Countervailing Measures. In response to some members of the Working Party who noted that case (iv) of the import duty drawback scheme appeared to be inconsistent with Article 3 of the Agreement on Subsidies and Countervailing Measures, the representative of the Lebanese Republic noted that this component of the scheme had never been applied. The implementation of case (iv) required the adoption of a decision by the Ministry of Industry which would list the imported raw materials and final Lebanese products meeting the conditions for

benefiting from the scheme. As Council of Ministers' Decision No. 76 prohibited legislation and measures contrary to WTO Agreements and principles, such a decision would not be issued. He added that the other aspects of the import duty drawback scheme did not confer any benefit to exporters as defined by the WTO Agreement on Subsidies and Countervailing Measures and were WTO compliant.

131. He added that Decree No. 2541 of 12 July 1985 provided for the establishment of the Lebanese Exports Insurance Institute, under the custody of the Ministry of Economy and Trade. The Institute would be responsible for compensating exporters for losses incurred as a result of risks of non-payment or delayed payment; confiscation, detention or seizure of goods; payment in currencies agreed-upon in the contract; non-payment or delayed payment due to natural disasters, foreign military operations or civil unrest such as revolutions, coups d'Etats, and violent acts of a general nature (Article 2). Foreign exchange risks or risks that existed at the time the contract was signed were not covered. The Institute had yet to be established. He added that should the Institute be established, Lebanon would operate it in conformity with WTO rules.

C. INTERNAL POLICIES AFFECTING FOREIGN TRADE IN GOODS

- Industrial policy, including subsidies

132. The representative of the Lebanese Republic said that Lebanon's industrial policy aimed at promoting investment and increasing competitiveness of industrial and agricultural products. A new Law on Promotion of Investment (Law No. 360) had been enacted on 16 August 2001 to promote investment opportunities in the Lebanese Republic and encourage investments in the fields of industry, tourism, agriculture, agro-industry, marine resources, media technology, and information technology. The Law had entered into force on 11 January 2003. The Law established a "One-Stop-Shop" service at the Investment Development Authority of Lebanon (IDAL) to facilitate procedures and better assist investors. The Law defined three investment zones (A, B, and C). Incentives provided under the Law took the form of income tax exemptions, which ranged from two to ten years depending on the investment zone. Criteria for benefiting from tax exemptions under the Law were laid down in implementing Decree No. 9326 of 26 December 2002 and included: the sector of investment – the investment project had to be in one of the following sectors: industry, agriculture, agro-industry, tourism, information, communication, technology, and media/advertising or in any other sector the Council of Ministers might add in future decrees; the minimum value of investment required, including the cost of purchased land, land rehabilitation, buildings and other constructions used in the project, machines and equipment (see Table 17 (a)); and minimum job creation (see Table 17 (b)). The Board of Directors of IDAL could also take into consideration the economic impact of the

investment project and its effect on the environment, the preservation of natural resources, and transfer of technology, as well as its consistency with the Government's priorities and development policies. Incentives applied equally to all sectors of investment on a horizontal basis. If the minimum requirements in investment capital and job creation were met, the investment project was eligible to receive incentives based on the approval from IDAL's Board of Directors and/or the approval from the Council of Ministers depending on the schemes of the requested incentives (Package Deal Contract Scheme stipulated in Article No. 15 to 17 of the Investment Development Law No 360 or Investment Incentive Scheme stipulated in Articles 9 to 14 in the abovementioned Law). Incentives were granted without discrimination to nationals and foreigners provided they met the eligibility criteria.

133. He added that the Law did not provide for any sort of prohibited subsidies and fully complied with the WTO Agreement on Subsidies and Countervailing Measures. Incentives provided under the Law were contingent neither on export performance nor on local content. The criteria set under Decree No. 9326 constituted a whole, not stand-alone conditions. Incentives were conditional on completion of the project and compliance with the criteria laid down in Decree No. 9326. As for the investment zones, they had been defined on the basis of economic development needs with a view to encouraging investment throughout the Lebanese territory.

134. Additional subsidies granted in the Lebanese Republic included (i) a ten-year tax exemption for new enterprises, located in areas that the Government was keen to develop, producing a new product that had not been manufactured in the Lebanese Republic before 1 January 1980, and with assets equal or superior to LBP 500 million (US\$331,560 – Law No. 27 of 19 July 1980 and Law No. 282 of 30 December 1993 amending Article 5*bis* of Decree Law No. 144 of 12 June 1959); (ii) a six-year tax exemption for the first factory established in a village and factories relocating from industrial or coastal regions to villages and rural areas that the Government intended to develop; (iii) interest rate subsidies for five to seven year loans provided by banks, financial institutions, and leasing companies to small and medium-sized enterprises in all productive sectors, including industry, tourism, agriculture, technology and technology-related sectors, provided the loan had been issued after 10 April 1997 and was fully invested in the Lebanese Republic – 7 per cent discount for the portion of the loan up to LBP 5 billion (US\$3.3 million) and 5 per cent above, with a ceiling of LBP 15 billion (US\$9.9 million – Banque du Liban Decision No. 7743 of 2 January 2001); (iv) loan guarantees (up to 75 per cent of the value of the loan including principal interests for loans up to LBP 300 million (US\$199,000) or its equivalent in foreign currency) to small and medium-sized enterprises to finance projects in the industrial, agriculture, tourism, technology-related sectors and craftsmanship (Law No. 24 of 23 February 1999); (v) a ten-year income tax exemption for new

industrial establishments producing new products and located in certain areas in South Lebanon, Nabatiyeh, and Bekaa (Decree No. 3361 of 7 July 2000), and a six-year income tax exemption for factories based on the coast and relocating to these areas and for the first factory established within five years in each village of the same area; and (vi) a 50 per cent exemption from tax liability for industrial companies reinvesting part of their annual income in purchasing new equipment or building new units for housing employees for a period of up to four years, provided the exemptions did not exceed the total amount of investment. There were no limitations on the type of equipment to be purchased to be eligible and there were no local content requirements.

135. Subsidies had also been granted to Electricité du Liban to cover the enterprise's deficit amounting to LBP 100 million (US\$66,310) for the first six months of 2000. Finally, favourable term loans based on grants, concession loans, and credits provided by donor countries and international or regional organizations were provided through domestic banks to modernize the Lebanese industry. External financing was monitored by the Ministry of Finance, the only public institution allowed to contract debt on behalf of the Lebanese Republic; the Banque du Liban, which was responsible for issuing domestic debt; and the Council of Development and Reconstruction (CDR), the implementation arm and executor of the projects financed by grants or concession loans.

136. In response to questions from a member of the Working Party who noted that some of the incentives provided for in Lebanese legislation could be either regional or enterprise specific, the representative of the Lebanese Republic said that the incentives listed in Article 15 of the Investment Development Law No. 360 were not linked to specific zones. Any investment project fulfilling the eligibility criteria set out in Decree No. 9326 could benefit from the incentives of the Law regardless of the zone it was established in. As for the areas of priority development, they were identified in Decree No. 11991 of 20 March and were located all around the country. The incentives granted were therefore not regionally specific, nor were they limited to a specific enterprise, industry or group of enterprises or industries. They applied to all new or relocated industrial establishments wishing to open in one of the specified areas. As for the interest rate subsidies for loans granted to small and medium-sized enterprises, they concerned all small and medium-sized enterprises in all productive sectors. This measure aimed at reactivating economic activity in general, not at developing a specific enterprise, industry or group of enterprises or industries.

137. In response to specific questions, he added that the two nationals to one foreigner ratio stipulated in Article 17.2 of Law No. 360 to benefit from incentives under the Law was required for the period during which the investment project benefited from income tax exemptions. He further noted that one of the criteria laid down in Decree No. 9326 was minimum job creation, but the Decree

did not include any provision regarding the position in the enterprise of Lebanese versus foreign staff. However, Article 144 of the Commercial Law, Decree No. 45 of 24 June 1983 on holding companies, and Legislative Decree No. 46 of 24 June 14983 on off-shore companies provided for a minimum number of Lebanese nationals to be represented at the boards of directors of Lebanese joint-stock companies. IDAL's board of directors could grant specific exemptions to these legal obligations in accordance with Law No. 360. He added that Articles 6.10 and 6.12 of Law No. 360 provided for IDAL to participate as shareholder in joint-stock companies either on a commercial basis or for other relevant reasons. As for certificates of deposits, they were mandatory under labour regulations for Lebanese nationals wishing to employ foreigners. However, Article 17 of the Law provided for a reduction of the value of such certificates.

- **Technical barriers to trade**

138. The representative of the Lebanese Republic said that a draft Law on Standards and Technical Regulations and Conformity Assessment Procedures was under preparation, which would bring Lebanon's standardization regime into conformity with the TBT Agreement. The Law was currently at the Council of Ministers. The Law would provide for standards, technical regulations, and conformity assessment procedures to be based on best international practices; establish standards, technical regulations, and conformity assessment procedures; provide for national treatment in the application of standards, technical regulations and conformity assessment procedures; and establish a TBT enquiry point at the Lebanese Standards Institution LIBNOR. The Law would include transparency and due process mechanisms, including provisions for a reasonable period of time for comments and the collection and review of comments (Article 20 of the draft). He added that his country needed technical assistance to build the necessary human and institutional infrastructure and ensure compliance with the TBT Agreement. He submitted information on technical barriers to trade in document WT/ACC/LBN/13 and a survey of non-tariff measures, including TBT measures, in document WT/ACC/LBN/5/Add.1, subsequently revised in document WT/ACC/LBN/16/Add.2.

139. The current Lebanese standardization system was based on the Decree Law of 23 July 1962 on Lebanese standards. A detailed description of the Decree was provided in Annex 5 of document WT/ACC/LBN/3. Technical regulations could be issued for public safety, public health, and national security reasons pursuant to Article 4 of the Decree. The authority responsible for issuing, publishing, and amending standards was Libnor, which also acted as Lebanon's current TBT enquiry point. Standards were prepared through specialized technical committees composed of all public and private sector parties concerned, and were based on international standards developed by organizations such as the International Standardization Committee (ISO), the Codex Alimentarius, and the International

Electro-technical Commission (IEC). Libnor participated in the work of ISO, the Codex Alimentarius Commission, and the Arab Industrial Development and Mining Organization (AIDMO). In addition, a number of ministries, including the Ministries of Telecommunications, Energy and Water, Industry, Public Health, Environment, Agriculture, Economy and Trade, and Transport and Public Works, could issue technical regulations in the form of Ministerial Decisions and Council of Ministers' Decrees – under the new draft, ministries wishing to issue a technical regulation would be required to go through the Council of Ministers and ask for Libnor's opinion. Voluntary standards could be converted into technical regulations, i.e. mandatory standards, by Council of Ministers' Decree. Technical regulations and standards came into force after a reasonable period of time from the date of their publication in the Official Gazette to give all concerned parties time to adjust their products accordingly. As of 30 June 2005, Libnor had issued 1,331 national standards, 220 of which were mandatory. Where Lebanese standards and technical regulations did not exist, the Lebanese Republic relied on international standards and requirements.

140. Conformity certificates issued by internationally accredited laboratories or a local laboratory recognized by the Government (private or public) were required for imported goods subject to technical regulations to be automatically admitted into the Lebanese territory. Lebanon recognized results of conformity assessment procedures from internationally accredited testing laboratories, certification bodies and inspection bodies. Thus, an imported product accompanied by a conformity certificate issued by an internationally accredited body could enter the Lebanese market without further testing or inspection procedures. He confirmed that conformity certificates were required for both domestically-produced and imported products to prove conformity with existing mandatory technical regulations and that all mandatory technical regulations were published in the Official Gazette. Foreign and domestically-produced goods were subject to the same sampling and testing procedures, and the same laboratories conducted testing of foreign and domestically-produced goods with the same methods of testing and analysis.

141. He added that a new accreditation law had been enacted on 14 February 2004. The Law provided for the establishment of a Lebanese Accreditation Body (COLIBAC), which would be responsible for accrediting local laboratories and conformity assessment bodies operating in Lebanon and for concluding mutual recognition agreements with other national and international accreditation bodies. COLIBAC had been established recently, but had not yet become fully operational. He noted that the Lebanese Republic had signed mutual recognition agreements on conformity certificates with Egypt, Iraq, Jordan, Morocco, Syria, and Yemen. These agreements were publicly available in the Official Gazette.

142. The official stamping (or "visa") of customs documents by customs representatives of the relevant Ministries was required for the importation of certain goods (see Table 13). Visas certified conformity of the imported products with certain technical requirements and standards. This measure aimed at ensuring compliance of the imported products with existing technical regulations, packaging and labelling requirements, and at preventing deceptive practices. Visas were stamped at customs entry points by the representative of the responsible Ministry present at the time of customs clearance (Ministry of Economy and Trade, Ministry of Public Health, Ministry of Interior, Ministry of Defence, Ministry of Telecommunications, Ministry of Agriculture, or Ministry of Environment – see Table 13). In the absence of doubt concerning conformity of the imported goods, visas were stamped automatically on the basis of the importer's documents demonstrating compliance, and the goods were directly cleared. However, should the representative of the Ministry concerned or customs official suspect non-compliance with applicable requirements, testing and inspection would be conducted and the visa would be stamped on the basis of the testing and inspection results. Samples were tested at one of the laboratories recognized by the Government (private or public). He added, however, that there was no laboratory accreditation system in place yet. Should the test results not be available after five days, goods could be cleared at the responsibility of the importer in accordance with Article 57.2 of the 2000 Customs Law. Visas were stamped free of charge for each shipment. For certain goods, in particular food-related products, the official stamping (or "visa") of several ministries could be necessary. He added that the issue of visas would be clarified in the draft International Trade and Licensing Law.

143. In addition, in accordance with the Consumer Protection Law, surveillance measures were applied equally to imported and domestic products offered for sale in the domestic market to protect consumers and prevent fraud. Entities responsible for conducting surveillance of the domestic market included the Department of Consumer Protection and the Intellectual Property Department at the Ministry of Economy and Trade, the Ministry of Agriculture, and the Ministry of Public Health, Customs, Security Forces and Municipalities (Decree Law No. 54 of 29 July 1983). Inspections could be conducted randomly at the factory level (primarily for food products), at the warehouse level, at the retail level or at storage facilities. Generic drugs and chemical products were systematically tested at the Central Laboratory at the Ministry of Public Health. As for food products, they were subject to inspection and testing in the event of doubt concerning food safety. In case of doubt, safety tests were carried out and a local laboratory certificate was issued pursuant to the test results. Findings of inspections had to be notified to the Ministry of Economy and Trade.

144. Certificates of conformity or quality for exported goods could be delivered upon request of the exporter, if the country of importation required such documents, or in accordance with bilateral

agreements. Certificates were issued by one of the recognized local laboratories, the Ministry of Agriculture for exported agricultural products, and the Ministry of Public Health per request of the exporter.

145. He added that Decree Law No. 12 of 23 August 1943 on labelling containers and packages made the display of the size, weight, or quantity of products on containers and packages mandatory. This Decree was enforced by the Consumer Protection Division at the Ministry of Economy and Trade. Non-compliance with the requirements was punished in accordance with Decision No. 51 of 28 February 1941.

146. He confirmed that local and imported products were subject to the same technical regulations and standards, random inspection and testing, and conformity assessment procedures. Lebanon's standards, technical regulations and conformity assessment procedures followed the guidelines developed by international standards organizations, including the International Organization for Standardization (ISO), the International Electro-technical Commission (IEC), Codex Alimentarius, and/or the American Organization of Analytical Chemists (AOAC).

- **Sanitary and phytosanitary measures**

147. The representative of the Lebanese Republic said that the main laws and legal acts governing sanitary and phytosanitary measures in the Lebanese Republic included Decree Law No. 12301 of 20 March 1963 on Animal Quarantine; the Law on Agricultural Quarantine of 10 June 1962; the Law on Animal Health of 5 December 1923; Decision No. 1/283 of 20 November 1998 on Agricultural Quarantine; and Decree No. 12253 of 1969 on Delineating Conditions that must be met in Canned and Preserved Foodstuffs, as modified by Decree No. 4770 of 18 January 1982. He added that new laws on food safety, animal quarantine, and plant quarantine had been drafted to bring Lebanon's SPS regime into conformity with WTO rules. Two of the draft laws were in Parliament. The third one, the law on plant quarantine, had been adopted on 1 November 2006. He submitted information on sanitary and phytosanitary measures in Lebanon in document WT/ACC/LBN/14 and a survey of non-tariff measures, including SPS measures, in document WT/ACC/LBN/5/Add.1, subsequently revised in document WT/ACC/LBN/16/Add.2.

148. The Ministry of Agriculture had been designated as Lebanon's SPS enquiry point under Article 22 of the Law on Plant Quarantine. All SPS-related information was in the process of being posted on the official website of the Ministry of Agriculture (www.agriculture.gov.lb). The official

website of the Ministry of Agriculture was already operational, but not the SPS webpage. The Ministry of Agriculture was translating Lebanon's SPS measures into English. In the meantime, measures were published on the website of the Ministry of Economy and Trade (<http://www.econom.gov.lb/MOET/English/Panel/Trade/InternationalTradeAgreements/WTO.htm>) and in the Official Gazette.

149. Ministries responsible for issuing SPS measures included the Ministry of Economy and Trade for food safety measures, the Ministry of Agriculture for animal and plant health measures, the Ministry of Public Health for human health measures, and the Ministry of Industry for food safety concerning agro-food industries. Before issuing new SPS measures, the Ministry in charge was required to notify the proposed measures to the parties concerned, including WTO Members, for comment (Article 6(i) of the Law on Plant Quarantine. Trading partners were informed ahead of time and were given a period of 45 days to submit their comments and take into account the new SPS measures. All adopted measures were published in the Official Gazette.

150. Lebanon's sanitary and phytosanitary measures were based on international standards and recommendations issued by international standardization bodies such as the Codex Alimentarius Commission for food safety measures, the IPPC for plant health measures, and the OIE for animal health. Risk assessment in Lebanon was conducted by the Ministry of Agriculture and the Lebanese Agricultural Research Institute (LARI) that worked under the auspices of the Ministry of Agriculture. These two bodies based their decisions and assessment on the rules and recommendations of the FAO for agricultural products, the OIE for animal health measures, the Codex for food safety measures, and the IPPC for plant health measures. In the absence of international standards, Lebanon applied EC directives or, if no such standards had been adopted by the EC, the standards developed by other developed countries such as the USA and Japan.

151. He added that equivalence of SPS measures was regulated by Article 6(e) of the Law on Plant Quarantine. SPS measures of other countries were recognized as equivalent if they provided for the same level of protection as Lebanese measures. He confirmed that this was the only provision in Lebanese legislation governing equivalence of SPS measures, but other provisions had been included in mutual recognition agreements on conformity assessment. The Lebanese Republic had signed such agreements with a number of Arab countries, including Egypt, Iraq, Jordan, Morocco, Syria and Yemen, and negotiations for the signing of a mutual recognition agreement with the European Union were underway.

152. In response to a question, he added that the shelf-life restrictions provided for in Ministry of Agriculture Decision No. 58/1 of 23 August 1988, Decree No. 6504 of 30 January 1967, and Decree

No. 5705 of 19 June 2001 had been cancelled by Decree No. 8801 of 4 October 2002. Imported goods could now enter the Lebanese territory until the last day of their expiry date. Lebanon followed international standards in this regard.

153. In response to a question concerning the ban on animal feed products listed in Table MOA1 of document WT/ACC/LBN/16/Add.2, he noted that animal feeds were eligible for trade, provided they met Lebanon's SPS requirements. He confirmed that the latter were consistent with international standards. Animal feeds were subject to testing at the port of entry. This measure aimed at ensuring that the allowed Maximum Residue Limit had not been exceeded. The results of the tests were issued the same day. He confirmed that there were no other SPS requirements for animal feed in the Lebanese Republic other than those listed in Table 18.

154. A member of the Working Party asked Lebanon to explain how concerned ministries would respond to a public health emergency of international proportion, such as the avian influenza ("AI"), and which mechanism would be put into place to minimize trade impact. Another member noted that Lebanon had recently imposed AI-related trade restrictions that exceeded OIE recommendations for animal health measures. In response, the representative of the Lebanese Republic replied that in the event of a public health emergency of international proportion, the concerned ministries, i.e. the Ministries of Public Health and Agriculture, along with the Ministry of Economy and Trade, would discuss suitable measures to prevent the disease from entering the Lebanese territory. The Lebanese Government usually followed the measures taken by other countries and tried as much as possible to minimize the impact on trade by adopting least restrictive measures and by periodically reviewing the measures. Concerning the recently adopted AI-related measures, he explained that these measures had been imposed in response to the spread of the avian flu in neighbouring countries. He noted, in this regard, that under the draft law on animal quarantine, all animal health measures would have to be in conformity with OIE guidelines.

155. The representative of the Lebanese Republic confirmed that Lebanon would apply the Agreement on Sanitary and Phytosanitary Measures from the date of accession, without recourse to any transition period. The Working Party took note of this commitment.

- **Trade-related investment measures**

156. The representative of the Lebanese Republic said that the Lebanese Republic did not maintain any measure contrary to the provisions of the Agreement on Trade-Related Investment Measures. All investment incentives were available to foreign and domestic companies under the same conditions, as provided for in the Investment Promotion Law No. 360 of 16 August 2001. The requirement

under which importers of wheat and derivatives were obliged to buy 25 per cent of the value of their overall purchases from the Cereal and Sugar Beet Office, sourced from domestic purchases, had been eliminated pursuant to the Council of State's Decision No. 121/2002-2003 of 9 December 2002.

157. In response to a question, he confirmed that neither the Investment Development Law No. 306 nor Decree No. 9362 on "Setting the Criteria required in investment projects benefiting from the incentive package stipulated in Investment Development Law 360" provided for any type of preference or incentives to projects with export orientation.

- **State trading entities**

158. The representative of the Lebanese Republic said that the Régie libanaise des Tabacs et Tombacs, the General Directorate of Oil at the Ministry of Energy and Water, and Electricité du Liban were State trading entities in the meaning of Article VII of the GATT 1994. Information on these entities is reproduced in Table 19. He provided detailed information on the Régie libanaise des Tabacs et Tombacs in document WT/ACC/LBN/3, Annex 6.

159. The Régie libanaise des Tabacs et Tombacs, which fell under the jurisdiction of the Ministry of Finance had the exclusive right to import and export tobacco leaves and products and to produce tobacco products. The Régie had been established in 1935 under the French mandate to reduce migration from rural areas. The Régie provided stability to local tobacco farmers by ensuring them a fixed annual income. The Régie promoted rural development, helped reduce migration and rural unemployment, and encouraged diversification from illicit narcotic crops. About 30,000 tobacco farmers and their families were linked to the Régie.

160. A member of the Working Party noted that the Régie libanaise des Tabacs et Tombacs did not appear to operate in a manner consistent with Article XVII of the GATT 1994 and enquired about Lebanon's plans to bring its regime into conformity with WTO provisions on State trading enterprises, in particular those relating to non-discriminatory treatment and purchases and sales based on commercial considerations. The representative of the Lebanese Republic replied that the Régie's guiding legislation, Decision No. 16 of 30 January 1935, guaranteed non-discriminatory treatment. Purchases and sales undertaken by the Régie were in accordance with commercial considerations, including pricing (based on international prices), quality, marketability, etc. All parties wishing to supply/buy tobacco products to/from the Lebanese market were given adequate opportunity on non-discriminatory terms and conditions – imported cigarettes represented about 87 per cent the total market share in Lebanon. In his view, the activities of the Régie did not have a distorting effect on trade and were consistent with the provisions of Article XVII of the GATT 1994 and the WTO

Understanding on that Article. His Government was not considering reviewing or abolishing this State trading enterprise. He added that excise taxes had been reviewed to apply equally to Lebanese and imported finished tobacco products (see paragraph [100]).

161. Noting that the Banque du Liban, which owned Middle East Airlines, was a public entity that set national monetary policy and regulated banking activities, a member of the Working Party was of the view that the activities of the Middle East Airlines fell within the scope of Article XVII of the GATT 1994. In response, the representative of the Lebanese Republic noted that Middle East Airlines was an airline service monopoly. In his view, service providers were not covered by Article XVII of the GATT 1994. Therefore, he did not consider Middle East Airlines as a State trading enterprise.

162. A member noted that the Cereal and Sugar Beet Office at the Ministry of Economy and Trade (CSBO) seemed to purchase wheat (HS 1001.10) from Lebanese farmers at prices set higher than the world price, which would appear to remove any incentive for farmers to sell these products to any other potential purchaser, and may operate as a State trading entity that should be notified. The representative of the Lebanese Republic reiterated that, in his view, the CSBO did not fall under the definition of a State trading entity since farmers could sell their wheat to any purchaser at any price, and that no licence was required to do so (the special regime for sugar had been discontinued pursuant to Council of Ministers' Decision No. 45 of 22 February 2001). Wheat producers wishing to benefit from the CSBO's wheat subsidy had to submit a seasonal application form to the CSBO indicating the planted land area and expected yield. The CSBO surveyed the applicant's land and registered the expected yield, and purchased wheat from the applicant on the basis of the approved application. All applications were approved on a non-discriminatory basis. The purchase price was set by Council of Ministers' Decision and was the same for all regardless of the quantity sold by each farmer to the CSBO. The CSBO purchased wheat from farmers at a price usually higher than the international market price (LBP 375,000/ton) and sold it to mills at market prices. The CSBO did not discriminate between foreign and domestic importers when selling its wheat. Importers could sell imported wheat and wheat purchased from the CSBO at any price. Import licenses for wheat, meslin, and wheat and meslin flour were delivered by the CSBO (Article 4.2 of Decree No. 143 of 12 June 1959). The CSBO did not engage in any export activity. The CSBO could import wheat for food security purposes, subject to Council of Ministers' approval and in accordance with Article 4.4 of Decree No. 143 of 12 June 1959, but could not engage in import activities for commercial purposes. CSBO's activities were financed from the national budget. In his view, the CSBO was not a State trading enterprise. He noted that this regime had been notified under agricultural subsidies in Lebanon's

domestic support tables in agriculture (see paragraphs [191-194] below). He added that the domestic purchase requirement of 25 per cent had been abolished.

- **Free zones, special economic areas**

163. The representative of the Lebanese Republic said that free zones in the Lebanese Republic were regulated by Articles 242 and 261 of the 2000 Decree Law on Customs. Free zones were established by Decision of the Higher Customs Council following approval of the Council of Ministers and could be dismantled through the same procedure. Free zones could be set up at any port (sea, land or air) and internal place, and were considered outside the Lebanese customs territory. There were currently two free zones in the Lebanese Republic, at the seaports of Beirut and Tripoli. Products imported into or exported from free zone were exempt from duties and taxes. There was no time limit imposed on the storage of goods in free zones.

164. Natural persons and companies wishing to establish in a free zone were only required to rent business premises within the free zone and to launch their business activities in accordance with Articles 247 to 261 of the Customs Law. Entities investing in free zones had to establish all roads and warehouses needed for the transport and storage of goods. Products imported for the setting up and/or maintenance of free zones infrastructure, buildings, warehouses, plants and factories benefited from minimum customs duties, except for goods similar to national products (list determined by decision of the Higher Customs Council after consultation of the Ministry of Industry – Article 245 of the Customs Law). However, such products would be subject to normal customs duties if they exited the free zone to be sold on the Lebanese market. VAT and excise taxes were not levied in free zones, but goods transferred from the free zone to the Lebanese market were subject to such taxes. According to Article 360 of the Decree Law on Customs, foreign products entering the Lebanese Republic and exported to the free zone did not benefit from duty drawback, except if they were exported to a foreign country within the period set for duty return. A summary of the various regimes applicable to goods exiting the free zone is provided in Table 20. In 2003, imports from free zones into the Lebanese territory for local consumption had amounted to US\$10,944,182.

165. In response to a member who noted that the provision of the Customs Code according to which goods imported for the setting-up and/or maintenance of free zones infrastructure that were similar to national products were not subject to minimum customs duties would appear to impose an import substitution requirement, the representative of the Lebanese Republic said that no mechanism had been put in place for the implementation of this particular provision.

166. Products prohibited from importation into free zones included goods subject to import prohibition (see the "Quantitative import restrictions, including prohibitions, quotas and licensing system" section); arms and ammunitions; explosive and flammable products, except those needed for the exploitation of the free zone; and drugs, psychotrops, and inhibitors of all kinds. Products under monopoly were only admitted into free zones according to the conditions set by the Customs administration and monopolistic establishments or companies. A specific licence was required for the importation of dangerous products and products assimilated with explosives, as well as the industrialization and storage of such products.

167. He further noted that customs' authority in free zones was limited to ensuring that prohibited goods did not enter the territory of the free zone. Customs officials could enter the free zone whenever needed to check the existence of prohibited goods, provided they were accompanied by a representative of the entity investing in the free zone and concerned parties. All goods entering or exiting the free zone had to be registered with the Customs Directorate for control and statistical purposes.

168. Goods imported into free zones could be subject to all operations aiming at changing their state or packaging in order to facilitate their sale on the domestic or foreign market, and to retail or wholesale within the zone under the conditions set by the Higher Customs Council after consultation of the General Customs Directorate. They could not, however, be consumed within the zone. Goods transformed in free zones had to carry an original "free zone" label. The supply of ships was permitted in free zones. Products admitted into free zones could not be shipped in or out, or transported without the approval of the entity investing in the free zone. Intellectual property legislation applied in free zones.

169. In addition to free zones, the Lebanese Republic maintained two types of warehouses that shared certain features with free economic zones, i.e. industrial warehouses and public warehouses. There were currently about 100 "industrial warehouses" in the Lebanese Republic. "Industrial warehouses" were an industrial plant under Customs supervision. They could be established at the request of any industrialist or industrial establishment through Decision of the Higher Customs Council after consultation with the General Customs Director pursuant to Article 240 of the Decree Law on Customs. No special requirements were needed. The Decision specified the nature of the goods concerned and, if required, the quantity such goods, which should not exceed 50 per cent of the volume of business of the interested party. The Decision was issued within one month from the date of submission of the request. The practical conditions for the functioning of the industrial warehouse were determined by the Higher Customs Council.

170. Goods admitted into industrial warehouses were subject to the temporary admission regime and were therefore temporarily exempt from customs duties. All goods entering industrial warehouses had to undergo processing within an approved period of usually one year. However, the General Customs Director could, for justified reasons, exempt goods from mandatory industrialization and thus allow them to exit in their original form. Should the period of validity expire before the goods had been fully manufactured, applicable duties were to be paid immediately. Once manufactured, goods could be exported to a foreign country (exempt from duties), transferred to a free zone or public warehouse (under the transit regime), or offered for consumption on the domestic market, in which case the importer could choose to either pay the duties on the manufactured goods or on the value of the imported goods used as input in the manufacturing process. Goods manufactured in industrial warehouses could benefit from preferences applied on similar goods according to current treaties, upon request of the interested party, provided they were considered as originating from the industrial warehouse, i.e. had a local value-added exceeding 40 per cent. The Ministry responsible for attesting the origin of such goods was the Ministry of Industry. Wastes resulting from the manufacturing process could be exported, destroyed or offered for local consumption. In the latter case, duties had to be paid on the wastes according to their conditions and the effective rate applied when offered for consumption.

171. The second category of warehouses, i.e. public warehouses, were established by the Higher Customs Council. Public warehouses were considered outside the Lebanese territory and were supervised by Customs. Goods entering public warehouses were exempt from customs duties, provided they were not offered for local consumption, and could remain within the public warehouse up to two years (renewable). However, they were subject to customs duties when exiting the public warehouse. Mixing of foreign products or of local and foreign products and labelling of new products were allowed only if the products were re-exported or sent to a free zone. Mixed products containing Lebanese inputs and offered for local consumption were subject to customs duties on their foreign component only. Upon expiration of the public warehouse period, goods had to be re-exported or were subject to applicable duties.

172. Asked to explain how the programme under which goods manufactured in industrial warehouses could benefit from preferences applied on similar goods conformed with Article 3.1(b) of the WTO Agreement on Subsidies and Countervailing Measures, the representative of the Lebanese Republic said that paragraph [170] described the situation where imported products were "merchandise in bonds". It could not be considered a subsidy programme. When put for consumption, imported products could benefit from preferential tariff rates applied to similar goods under concluded free-trade agreements, provided the beneficiary had explicitly requested so and had

submitted a statement issued by the Ministry of Industry confirming that the Lebanese value-added of the goods amounted to at least 40 per cent.

173. In response to a question, he confirmed that, in accordance with Article 254 of the 2000 Customs Law, all goods imported into Lebanon from a free zone or a bonded warehouse were subject to applicable customs duties and taxes. He further confirmed that free zones did not offer special incentives, export or import substitution subsidies, and were fully compliant with the WTO Agreement on Subsidies and Countervailing Measures.

- **Government procurement**

174. The representative of the Lebanese Republic said that government procurement practices were regulated by Decree No. 2866 of 16 December 1959 and its amendments of 1962 and 1963, which governed procurement by all State entities, including Municipalities, public institutions, and independent utilities, with the exception of the Ministry of National Defence, the Internal Security Forces, and the General Security Body; the General Accountancy Law and its implementing Decree No. 14979 of 30 December 1963 (Articles 121 to 157), which outlined government procurement methods; Articles 22 to 24 of Decree No. 2460 of 9 November 1959 establishing the Administration of Tenders; and Articles 363, 595, and 684 of the Criminal Code, which set out penalties for violations of procurement legislation. In addition to these general provisions, a number of State entities had specific legislation and rules governing their procurement activities. Procurement operations were conducted by the Administration of Tenders, an entity affiliated with the Central Inspection Body under the Council of Ministers. The Administration of Tenders consisted of a Tendering Bureau and Tendering Committees, established to conduct and monitor specific procurement operations.

175. Procurement was carried out by (i) public tendering; (ii) restricted tendering; (iii) request for bids; (iv) mutual agreement; or (v) virtue of declaration or receipt. Public tendering was open to all candidates and advertised in the Official Gazette and at least three local daily newspapers. The conditions and terms of tenders were set by the Authority or State body requesting the tender. The deadline for accepting bids could range from 5 to 15 days and was specified in the tender invitation. The contract was generally awarded to the bidder offering the lowest price, but exceptionally the best offer would be chosen. Should the offers be equal, the process would be started over among the previous candidates. If the offers remained equal, the winner would be chosen through a lot. Procurement contracts were signed only after ratification by the relevant State bodies had been secured. In the event of non-ratification, the winner had a right of judicial recourse. Restricted tendering was limited to a certain category of candidates depending on the nature of the work,

services or products required. Conditions were defined by the Administration of Tenders. The same procedures as public tendering applied.

176. The request for bids procedure was subject to the same rules as public tendering, but parties considered qualified to execute the transaction were notified by the Authority or State body requesting the bids. The General Accountancy Law generally permitted the use of the request for bids procedure for transactions inferior or equal to LBP 100 million (US\$66,315), with a few exceptions. Such transactions could be conducted through a special committee established by ministerial decision. In the case of transactions exceeding LBP 100 million, the request for bids procedure could be applied only when the transaction was carried out as a trial or under study; when it involved procurement of products and crops at the place of production due to its special characteristics; transport, shipment, and insurance; equipment, works or services for which no offers had been made during the Public Tendering or for which only unacceptable offers had been made; or when it was impossible to use the normal procedure of tendering due to an urgent situation or because of the nature of the equipment and technical works involved in the transaction.

177. Under the mutual agreement procedure, the contractor was selected without competitive tendering. Pursuant to Article 147 of the General Accountancy Law, mutual agreements could be concluded only (i) when the transaction involved equipment or works that had to be kept secret or for reasons of public safety based on ministerial recommendation; equipment or products available from one supplier; works, products or equipment produced by disabled, provided that their cost did not exceed the current cost in the market for similar products or work; or patented products; (ii) when the public institutions or municipalities could execute the transaction; (iii) when the transaction could be granted to foreign Governments or institutions linked to those Governments – when the foreign Government or institution linked to this Government was the only suitable supplier or when a foreign Government granted funds to Lebanon for a specific project under the written understanding that procurement had to be made through sources of this foreign Government or institution (in such cases, the contracting party was exempted from the conditions of residence, guarantee, penalties and delivery terms); (iv) when the Council of Ministers, if suggested by the relevant Minister, decided to conduct the transaction through the mutual agreement procedure; (v) when the State body was unable to handle transactions of a technical nature, regardless of their value; or (vi) when the transaction involved equipment and services provided through international organizations.

178. In response to a question, he added that the Council of Ministers could decide to conduct the transaction through the mutual agreement procedure when procurement involved works or services that had to be kept secret such as those involving military or security services and works; additional

material, works or services that had to be procured by the original contractor due to time constraints; products owned by one individual; technical material, works or services; material or works produced by the disabled; expenses relating to Protocol and related activities; material, works and services for which two consecutive tenders or biddings had been undertaken or for which a tender had been proceeded by bidding, and no positive outcome had been reached; and materials or services procured through international organizations; and when the right to manufacture a patented product was limited to the patent's right holder.

179. As for the transaction by virtue of declaration or receipt, it could be used only when the value of the transaction did not exceed LBP 3,000,000 (Law No. 247 of 12 July 1992); when the price of the product was set by the State body or any other accredited international organization and made it impossible for the State body to obtain a lower price through tendering; or when the transaction involved the renting of public work vehicles according to a general tariff set by the relevant Minister (Article 151 of the General Accountancy Law).

180. In response to questions, the representative of the Lebanese Republic stated that government procurement legislation did not contain any specific provisions concerning the participation of foreign bidders, except for discretionary participation in certain customs-related procurements (Article 14 of Decree No. 1163 of 24 October 1983). In practice, foreign bidders were not prohibited from participating in government procurement and were applied the same treatment as Lebanese bidders. However, invitations to tender could include specific clauses restricting foreign employment for the execution of the project, limiting participation to Lebanese nationals, or requiring the existence of a contract between the Lebanese participant and a foreign firm. Where foreign participation was authorized, foreign suppliers which were not established in the Lebanese Republic, were required to select a representative or domicile in the Lebanese Republic for notification purposes and execution.

181. He added that some provisions provided preferences to Lebanese products. Article 131 of the General Accountancy Law granted a 10 per cent preference to Lebanese products in bids (the list of products and their qualifications were set by Council of Ministers' Decree). Articles 66-67 of Decision No. 11/2 of 23 March 1988 stipulated specific conditions for bids related to the company of the port of Beirut and provided a preferential treatment for offers based on Lebanese products, the percentage of which was specified by the General Directorate for Investment per suggestion of the Company. Finally, Article 98 of Decree No. 2981 of 19 May 1980 concerning the financial status of the Council for Development and Reconstruction, Article 99 of the Decree No. 3410 of 17 April 1993 concerning the financial status of the National Fund for Displaced, Article 30 of the Decree No. 4113 of 1 July 1981 concerning the financial status of the Council of the South, and Article 91 of the

financial status of the Water Company of Tripoli stipulated preferential treatment for offers based on Lebanese products. In addition, the Taysir agreement among Arab countries required signatories to provide a preference of maximum of 15 per cent to Arab products in conducting government procurement.

182. In response to specific questions concerning transparency of the tendering process, the representative of the Lebanese Republic added that the bid prices submitted by all bidders fulfilling the formal and technical requirements were announced by the Tender Committee during the tendering process in a session open to all competitors. Following the award of a tender, competitors had the right to access the report of the Tender Committee, and thereby information about bid prices submitted prior to the award. A firm suspecting a lack of transparency in the award of a contract had a right to judicial recourse. Asked about statistics on government procurement, the representative of the Lebanese Republic noted that Lebanon did not yet have comprehensive statistics on the matter. His Government was considering whether or not to establish a reporting system to capture government procurement activity.

183. Some members encouraged the Lebanese Republic to apply for observer status to the Government Procurement Committee and to initiate negotiations for membership in the Agreement on Government Procurement.

184. [The representative of the Lebanese Republic confirmed that his Government would seek observer status in the Committee for the Agreement on Government Procurement at the time of its accession with a view to initiating negotiations for membership thereafter. The Working Party took note of this commitment.]

- **Transit**

185. The representative of the Lebanese Republic said that transit of goods through the Lebanese territory was regulated by Articles 180 to 194 of the 2000 Decree Law on Customs. The Decree Law foresaw two transit regimes, i.e. normal and international transit. Goods transported by international railway companies and authorized transport companies under their own responsibility fell under the international transit regime. International transit was restricted to specific routes and subject to special conditions determined by the Higher Customs Council in accordance with the treaties signed with the countries concerned. A guarantee was required, and simplified declaration and inspection procedures applied unless fraud was suspected. Other goods, i.e. goods transported by the transitor at his own responsibility, were subject to the normal transit regime; they could be shipped along all routes without any restriction and were applied normal customs declaration and inspection

procedures – however, the Higher Customs Council could, after consultation of the General Customs Director, determine specific cases where the normal customs declaration could be replaced by a simplified declaration. The importer was required to deposit the amount of customs duties as a guarantee or to sign a guaranteed undertaking covering all guarantees required by the Customs.

186. Goods in transit were exempt from customs duties and were not subject to the prohibitions applied to imports and exports. He added that a number of goods were excluded from transit pursuant to international agreements, such as goods with a false or misleading origin label, or goods illegally carrying a commercial name or trademark protected in Lebanon. He confirmed that transit measures applied equally to goods from all countries.

- **Agricultural policies**

(a) **Imports**

187. The representative of the Lebanese Republic said that his Government had conducted a tariffication programme in the agricultural sector in 1999. Customs duties were now the main type of border protection. However, about 200 agricultural products or groups of agricultural products were subject to other types of border measures, including prohibitions, visas, veterinary and phytosanitary health certificates, certificates of origin, licenses, and certificates of product specialization.

188. He added that the special regimes for the import of wheat and derivatives, and sugar, under which importers were required to buy 25 per cent of the total imported quantity of wheat and sugar from the Cereal and Sugar Beet Office (CSBO), sourced from domestic purchases, had been eliminated in February 2001 for sugar (Council of Ministers' Decision No. 45) and in December 2002 for wheat and derivatives (Council of State's Decision No. 121/2002-2003 – see paragraph [162] for a description of the activities of the CSBO).

189. Some members expressed concerns about the large number of agricultural products subject to non-tariff measures. These members reminded the Lebanese Republic that Article 4.2 of the WTO Agreement on Agriculture did not allow the application of non-tariff measures such as quantitative import restrictions and similar border measures on agricultural products and asked the Lebanese Republic to explain the basis for such restrictions. The Lebanese Republic was invited to bring these measures into conformity with WTO rules. The representative of the Lebanese Republic replied that his Government had conducted a study of conformity of all non-tariff measures with WTO rules and had subsequently eliminated all unjustified border measures (see paragraph [111]). Only 23 categories of agricultural products were now subject to border measures – 10 categories were subject to import

licenses and 13 to health certificates (the so-called "visas"). All these measures were applied for health and sanitary reasons. The Ministry of Agriculture also applied temporary prohibitions on a limited number of agricultural products in accordance with OIE guidelines on the avian flu, the foot and mouth disease, the BSE, etc. These prohibitions would be lifted once the OIE would declare the concerned country free from the declared disease. He provided a survey of non-tariff measures in the Lebanese Republic as of December 2006 in document WT/ACC/LBN/16/Add.2.

(b) Exports

190. The representative of the Lebanese Republic said that exports of around 90 agricultural goods and groups of goods were subject to border measures including prohibitions, licenses, and visas. In addition, export subsidies were granted for agricultural products under the Export Plus Programme put in place in 2001 (see paragraph [192] below).

(c) Internal policies

191. The representative of the Lebanese Republic provided information on domestic support and export subsidies in agriculture for the period 1999-2001 in document WT/ACC/SPEC/LBN/2 of 5 November 2003, last revised in January 2007 (WT/ACC/SPEC/LBN/2/Rev.4). In addition to "green box measures", which included research and training programmes, inspection services for agricultural pesticides, veterinary substances and drugs, and laboratories equipments, marketing and promotion programmes, support for infrastructure (Green Plant Project and small scale and irrigation project), and direct payments to producers for worm silk, silk eggs, and silk cocoons (decoupled income support), the Lebanese Republic provided some support under development programmes in the form of input subsidies, investment subsidies, subsidized loans for the agricultural sector, and price support to encourage the diversification from growing illicit narcotic crops, as well as agricultural export subsidies under the Export Plus Programme.

192. The Export Plus Programme had been launched in 2001 to provide support to exporters of fresh Lebanese agricultural products in the form of partial reimbursement of their transportation costs. To be eligible for export subsidies, exporters were required to maintain a certain level of quality of exported products so as to match destination standards requirements. Quality control was assessed by SGS Liban S.A.L, member of SGS holding (Société Générale de Surveillance); Bureau Veritas Liban S.A.L, member of Bureau Veritas S.A; and TUV Hellas, member of RWTUV Group. The transportation subsidy was determined according to the type of transport (sea, land or air), product (fruit or vegetable), and destination (category A included Syria, Jordan, and Iraq; category B other Arab and Gulf countries and traditional markets; and category C new markets). Fruits and exports by

air, because of their higher costs, were granted higher subsidies. For the year 2001, the budgetary allocation for agricultural subsidies under the Export Plus Program had amounted to US\$33 million. A total of US\$21 million had effectively been granted.

193. Some members of the Working Party expressed disappointment and concerns with regard to the introduction of agricultural export subsidies in the Lebanese Republic in violation of the standstill clause and requested the Lebanese Republic to undertake a commitment to bind agricultural export subsidies at zero upon accession. The representative of the Lebanese Republic replied that the Export Plus Programme had been introduced because of the high transit fees applied by neighbouring countries on Lebanese exports. His Government did not foresee maintaining export subsidies indefinitely, but needed to retain them for the time being to offset the high transit fees applied by these countries on Lebanese exports.

194. He noted that the support for international transport, quality control, and marketing provided under the Export Plus Programme for exports of high quality fruits and vegetables met the definition of Article 9.1 (d) and (e) of the WTO Agreement on Agriculture. He further observed that Article 9.4 of this Agreement exempted developing countries, such as the Lebanese Republic, from undertaking commitments in respect of such subsidies and that the question of special and differential treatment for developing countries with regard to agricultural matters was currently being discussed under the Doha Development Agenda, in accordance with paragraphs 13 and 14 of the Doha Ministerial Declaration – these paragraphs stated that special and differential treatment should be an integral part of all elements of the negotiations and should be embodied in the Schedules of concessions and commitments and as appropriate in the rules and disciplines to be negotiated. He further noted that the July Package provided for an extension of the right of developing countries to enjoy exemptions under Article 9.4 for subsidies to support marketing, handling, upgrading, and international transport. Consequently, the Lebanese Republic agreed to bind agricultural export subsidies at zero, with the exception of any subsidies on agricultural exports maintained or granted as a developing country in accordance with Articles 9.4 and 9.1 (d) and (e) of the Agreement on Agriculture. He added that his Government was ready to commit to implement the results of the Doha negotiations on this specific issue.

- **Trade in civil aircraft**

195. In response to a question concerning the participation of the Lebanese Republic in the WTO Agreement on Civil Aircraft, the representative of the Lebanese Republic said that his Government was closely following the work of the Committee on Trade in Civil Aircraft and would decide at a later stage whether or not to join the Agreement.

196. As for the Information Technology Agreement, he stated that his Government would decide, at a later stage, whether accession to this plurilateral agreement was relevant to Lebanon.

- **Textiles regime**

197. The representative of the Lebanese Republic said that a number of textile goods, namely women's and girl's nightdresses and pyjamas (HS, 6208.21, 6208.22, and 6208.29) and men's or boy's nightshirts and pyjamas (HS, 62507.21, 6207.22, and 6207.29), were subject to import licenses by the Ministry of Industry. These measures aimed at protecting local production.

198. Noting that these measures were WTO-inconsistent, a member enquired about Lebanon's plans to reform its textiles regime prior to WTO accession. In response, the representative of the Lebanese Republic said that all unjustified import licensing measures imposed on nightdresses, nightshirts and pyjamas pursuant to Ministry of Industry Decision No. 1/33 of 28 October 1977 had been removed by Ministry of Industry Decision No. 75/1 of 20 October 2006.

199. He further noted that exporters of textiles from the Lebanese Republic to the European Communities were required to hold a certificate of origin from the Ministry of Industry, certified by the Lebanese Customs, in the format of the EURO-1 form. He confirmed that there were no other policies or requirements regulating textiles.

V. TRADE-RELATED INTELLECTUAL PROPERTY REGIME

- **GENERAL**

- **Industrial property protection**

200. The representative of the Lebanese Republic said that the main legal instrument for the protection of intellectual property rights in the Lebanese Republic was Law No. 2385/24 entitled Laws and Systems of Commercial and Industrial Property, or "1924 Law", which covered patents, industrial designs, trademarks, copyrights, and unfair competition. However, his Government had recently undertaken a broad reform programme to comply with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and extend protection to newer kinds of intellectual property, such as semiconductors, undisclosed information, and plant varieties. Specific laws on intellectual property had been enacted, including new copyright and patent laws that had replaced the relevant provisions of the 1924 Law. The new patent law governed patents, layout designs, plant varieties and undisclosed information. In addition, the Ministry of Economy and Trade (MOET) was developing, in cooperation with the private sector and WIPO, new laws on trademarks, industrial

designs, geographical indications and unfair competition in line with the TRIPS Agreement. He noted that existing legislation was in conformity with the TRIPS Agreement and other related Conventions. The main objective of the new laws was to modernize the existing system of protection. He added that Lebanon was committed to protecting intellectual property rights and raising public awareness about the importance of intellectual property protection. He provided detailed information on the implementation of the TRIPS Agreement in document WT/ACC/LBN/8.

- **Responsible agencies for policy formulation and implementation**

201. The representative of the Lebanese Republic said that the Ministry of Economy and Trade was responsible for overseeing the revision of existing laws, as well as the development of new intellectual property laws. The Intellectual Property Protection Office, under the Ministry of Economy and Trade, was the agency concerned with the protection of rights of literary, artistic, and industrial property. The Lebanese Customs was responsible for enforcement of intellectual property rights at the border.

- **Participation in international intellectual property agreements**

202. The representative of the Lebanese Republic said that Lebanon was a member of the Convention Establishing the World Intellectual Property Organization (WIPO), the Paris Convention for the Protection of Industrial Property (London Act of 1934), the Berne Convention for the Protection of Literary and Artistic Works (Rome Revision of 1928), the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods (London Text), the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, the Universal Copyright Convention (Geneva, 1952), and the Rome Convention for the Protection of Performers, Producers of Phonograms, and Broadcasting Organizations (1961). In addition, in June 2002, Lebanon had ratified the 1970 Patent Co-operation Treaty, as amended in 1979 and 1984. However, as the latest amendments to the PCT had not been taken into consideration in the ratified draft, Lebanon had not been able to deposit the instrument of ratification. The Government was in the process of re-ratifying the treaty with all its amendments. A draft law had been submitted to this effect to the Council of Ministers on 3 January 2007.

203. Draft laws on the ratification of the 1967 Stockholm Act of the Paris Convention (as amended in 1979), the 1977 Geneva Act of the Nice Agreement (as amended), and the 1967 Stockholm Act of the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods had been sent to the Council of Ministers on 9 December 2005. Ratification of the 1971 Paris Act of the Berne Convention was also underway. A draft law had been submitted to this effect to the Council of

Ministers on 20 June 2006. In addition, Lebanon had committed itself under the Association Agreement with the European Union to accede, by the end of the fifth year after the entry into force of the Agreement, to the 1977 Budapest Treaty on the International Recognition of the Deposit of Micro-Organisms for the Purposes of Patent Procedures, as modified in 1980; the 1989 Protocol to the Madrid Agreement concerning the International Registration of Marks; the 1994 Geneva Trademark Law Treaty; and the International Convention for the Protection of New Varieties of Plants (UPOV – 1991 Geneva Act), and to make every effort to ratify the WIPO Copyright Treaty and WIPO Performance and Phonograms Treaty. His Government had signed the 1994 Geneva Trademark Law Treaty on 5 December 2006.

204. Noting that many intellectual property agreements and conventions were not very specific, a member asked the Lebanese Republic whether it contemplated issuing implementing regulations concerning the conventions and agreements to which Lebanon was a party. In response, the representative of the Lebanese Republic said that all these conventions and agreements were self-executing under Lebanese law. Therefore, there was no need for implementing regulations. He added, however, that provisions of the conventions on copyright, neighbouring rights, patents and semi-conductors had been incorporated in the new Copyright Law and the new Patent Law, and that all the mandatory provisions of the conventions on trademarks, geographical indications, industrial designs and unfair competition would be included in the draft laws on trademarks, industrial designs, geographical indications and unfair competition.

- **Application of national and MFN treatment to foreign nationals**

205. The representative of the Lebanese Republic stated that Lebanon's intellectual property laws generally afforded protection in a non-discriminatory manner, in conformity with Articles 3 and 4 of the TRIPS Agreement. This was true of the 1924 Law, of the 1999 Copyright Law and of the 2000 Patent Law.

206. Some members of the Working Party requested additional information on the extent to which additional intellectual property protection was granted to certain countries on a bilateral basis. Those members were of the view that this could operate in a manner inconsistent with the MFN principle. In response, the representative of the Lebanese Republic noted that international conventions to which Lebanon was a party prevailed over domestic Lebanese law. Consequently, in relation to nationals of WTO Members, the principles of MFN and national treatment contained in the WTO TRIPS Agreement would have priority upon Lebanon's accession to the WTO. He added that Lebanon did not grant any favoured treatment or privilege to its nationals or to nationals of any country, except as permitted under Articles 3 and 4 of the TRIPS Agreement.

207. He further stated that countries of the Arab League, which were not parties to any convention related to copyright to which Lebanon was a party, were required to provide copyright protection for Lebanese authors in order to be eligible for protection in Lebanon pursuant to Article 12 of the Copyright Law. He confirmed that no additional intellectual property protection was granted to any country on the basis of bilateral reciprocity arrangements.

- **Fees and taxes**

208. The representative of the Lebanese Republic said that fees charged for the protection of certain intellectual property rights included patent fees, industrial drawings and design fees, trademark fees, and copyrights and related work fees. Information on fees levied is reproduced in Table 21.

209. He noted that the same fees were applied to foreign and domestic persons. In addition, a 5 per cent reconstruction fee was added to the total fee to be collected.

- **SUBSTANTIVE STANDARDS OF PROTECTION, INCLUDING PROCEDURES FOR THE ACQUISITION AND MAINTENANCE OF INTELLECTUAL PROPERTY RIGHTS**

- **Copyright and related rights**

210. The representative of the Lebanese Republic said that the Law on the Protection of Literary and Artistic Property No. 75/99 (hereinafter referred to as the "1999 Copyright Law") protected "all human intellectual products, whether written, photographic, sculptured, handwritten, or oral, regardless of their value, importance, aim, or manner or form of expression." Computer programs, databases and compilations of data were covered by this definition. Protection extended to phonogram producers, broadcasting organizations, and performers (Article 35). He added that certain categories of works, such as daily news, legislative materials, public speeches, thoughts and abstract scientific facts, and artistic folkloric works, were excluded from protection. Rights were obtained through creation of the work, although the 1999 Copyright Law included optional procedures for the registration of copyright and related works. He noted that a decision implementing Article 25 of the Law on reproduction of computer programs by non lucrative institutions had been adopted in 2002 (Ministerial Decision No. 16/2002). Another Decree, implementing Article 66 of the Law, would be drafted by the Ministry of Culture. These were the only implementing regulations required for the implementation of the Law.

211. Right holders had the exclusive right of reproduction, recording, adaptation, translation, selling and renting, importation of copies of the work manufactured abroad, performance, broadcast,

and communication of a work (Article 15). In addition to economic rights, right holders enjoyed moral rights pursuant to Articles 21 and 22 of the Law, i.e. the right to disclose the work; to claim authorship; to use a pseudonym or remain anonymous; to object to any distortion, modification or any other derogatory action in relation to the work that would be prejudicial to their honour or reputation; and to withdraw the work from the market, provided third parties were compensated for the damages resulting thereof. Moral rights applied to all protected works mentioned in Article 2, including computer software, video films and audiovisual works.

212. Limitations to exclusive rights were laid down in Articles 23 to 34 of the Law and included copying for personal use (Articles 23 and 24); copying of a limited number of computer software by non-profit educational institutions, universities and public libraries for the purpose of lending them to students (Article 25.1); and use for critical or educational purposes (Articles 25.2 and 26).

213. The terms of protection were regulated by Articles 49 to 57 of the Law. Protection was provided for the lifetime of the author and 50 years after the author's death (Article 49), 50 years from the end of the year of the death of the last surviving author in the event of co-authored work (Article 50), and 50 years from the end of the year of first authorized publication for collective and audiovisual works – or 50 years from the making of the work should the work not have been published. Rights of performing artists, phonogram producers, broadcasting organizations and publishers subsisted for 50 years following the end of the calendar year of first performance, fixation, broadcast, or publication (Articles 54 to 57). Moral rights were protected in perpetuity and could be transferred by means of will or succession (Article 53). The Law provided for retroactive protection pursuant to Article 98, as required under Article 18 of the Berne Convention and Article 14.6 of the TRIPS Agreement.

214. Some members of the Working Party noted that some provisions of the 1999 Copyright Law did not seem to fully comply with the requirements of the TRIPS Agreement. Article 25 of the Law (implemented by Decision No. 16/2002 of 1 July 2002) did not meet the requirements of Article 9(2) of the Berne Convention and Article 13 of the TRIPS Agreement, as it permitted students to make copies of "educational or general learning" software, while students were the primary purchasers of such software. In their view, Article 25 went beyond the specific exceptions for "certain limited cases" contemplated by the TRIPS Agreement and threatened to eliminate an entire market. In addition, Article 36 of the Copyright Law did not seem to satisfy the point of attachment requirement for sound recordings. Lebanon was also invited to explain how Article 98 of the Copyright Law provided full TRIPS-compatible retroactivity for works and sound recordings of nationals of other

members as required under Article 18 of the Berne Convention, and whether Article 98 applied to neighbouring rights.

215. In response, the representative of the Lebanese Republic said that the Copyright Law, in particular Articles 25, 36 and 98, was being reviewed. The amendments would eliminate the possibility for students to make one copy for his/her personal use; ensure that the point of attachment requirement of the TRIPS Agreement was fully satisfied – until such time, sound recordings would be protected pursuant to Article 36 (b) and (c) of the Copyright Law; and extend the protection of pre-existing works to sound recordings and performers' performances. The representative of the Lebanese Republic added that, pursuant to Article 98, any work created in any member country of the Berne Convention, covered by the Copyright Law, and that had not entered the public domain by the entry into force of the 1999 Law, were covered by the Law if the work was protected in its country of origin. Protection was provided upon creation of the work and for a period of 50 years after the death of the author pursuant to Articles 143 and 148 of Decree No. 2385 of 17 January 1924. He noted that Lebanon had been applying the Berne Convention since 24 December 1933 (Decision HC No. 141 of 28 June 1934).

216. In response to a question about enforcement mechanisms available to right holders against copyright piracy, the representative of the Lebanese Republic said that a number of remedies were provided for in the Copyright Law, the Civil Law, the Law on Civil Procedures, the Criminal Law and the Law on Criminal Procedures. They included (i) provisional measures – such measures could be taken in order to prevent infringement of copyright and related rights where there was a ground for suspecting an imminent infringement; in such cases, the judge of expedited matters could take all measures, in particular *ex-parte* decisions, and order temporary seizure of the infringing goods; (ii) monetary damages to compensate the right holder for the material and moral damage incurred; (iii) seizure and subsequent destruction of the equipment and devices used to commit the infringement; (iv) criminal sanctions, including fines up to 50 million Lebanese pounds and imprisonment for a period from one month to three years; and (v) closure of premises, commercial establishments or radio and television stations infringing copyright and related rights for a period of one week to three months. Legal action could be initiated by the public prosecutor *ex officio* or at the request of the person victim of damage, or by the head of the Intellectual Property Protection Office. He added that a police unit for combating cyber-crime and enforcing intellectual property rights had been created by the Judicial Police at the Internal Security Forces. The Unit had started to operate on 13 March 2006 (see also the "Enforcement" section below).

- **Trademarks, including service marks**

217. The representative of the Lebanese Republic said that trademarks were protected in Lebanon under the 1924 Law, the Paris Convention and the Madrid Agreement – which prevailed over national legislation and were subject to direct application in Lebanon – and other related laws such as the Customs Law, the Criminal Law, and the Law on Consumer Protection, which included provisions on the enforcement of trademark rights. There was no specific legislation on trademarks. However, a new Law on Trademarks was being prepared. The new Law would increase applied penalties; provide for an examination system and an opposition procedure at the IP Office level; include detailed provisions relating to collective and certification marks; define well-known marks and streamline related provisions, in line with the TRIPS Agreement and the Joint Recommendation concerning the protection of well-known marks adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization; include provisions concerning the exhaustion of rights; and modify the existing provisional measures for trademark protection to make them suitable to the present time. He confirmed that the new law would be in conformity with Article 6*quinquies* of the 1967 version of the Paris Convention.

218. Article 68 of the 1924 Law protected "names written in a way which distinguishes them from others, titles, nomenclatures, symbols, stamps, letters, protruding marks and drawings, small drawings and figures, in general, any sign of any kind intended to bring benefit to the consumer, the factory owner and the dealer, by distinguishing between things and showing the identity, source, origin of goods, and the industrial, commercial or agricultural product, or the products of forests and metals." He confirmed that distinctive words (including personal names), letters, numerals, three-dimensional signs, figurative elements and combinations of colours, as well as any combination of such signs were eligible for protection. However, sounds and perfumes were not protectable. Both individual and collective marks were recognized by the 1924 Law. Trademarks containing national or foreign symbols or including a word, signal or symbol, which was subversive or contrary to public order and morality, were excluded from protection (Article 71). A mark was considered subversive if it constituted a national threat. Service marks were protected under Law No. 243 of 3 March 1983 (in particular Articles 82.6, 84.6, and 86) and via Lebanon's membership in the 1957 Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks.

219. He added that while the 1924 Law prohibited the registration of a trademark similar to a well-known trademark, it did not set out standards for determining well-known marks. Well-known marks were protected by virtue of the Paris Convention, whose provisions prevailed over national legislation. In practice, the head of the Intellectual Property Protection Office (IPPO) applied the

provision of Article *6bis* of the Paris Convention *ex officio*, and determined whether a trademark was well-known on a case-by-case basis, taking into consideration the public knowledge of the trademark in the relevant sector in Lebanon. He added that provisions of the 1924 Law related to enforcement and penalties applied to well-known trademarks. Further provisions on well-known trademarks, in line with the TRIPS Agreement and the Joint Recommendation concerning the protection of well-known marks adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization, had been included in the new law in preparation. The draft law defined well-known trademarks as marks which had become reputable, taking into account the degree of knowledge or recognition of the mark in the relevant sector of the public (actual and potential consumers, suppliers, and economic circles exercising activities in connection with the type of goods or services to which the mark applied) and the duration, extent and geographical area of use and promotion of the mark. Unregistered trademarks were also protected. He added that the new draft law prohibited the registration as trademarks or elements of trademarks of (i) signs identical with, confusingly similar to, or constituting a translation of a well-known mark in Lebanon, used for distinguishing goods or services identical or confusingly similar to the goods and services represented by such well-known mark; and (ii) signs identical with, similar to, or constituting a translation of a well-known mark registered in Lebanon, used for distinguishing goods or services not identical or similar to those in respect of which the well-known registered mark was affixed, and which may indicate a connection between those goods and services and the owner of the well-known registered mark and may damage the interests of the owner of the well-known registered mark.

220. The initial trademark protection term was 15 years, and was renewable indefinitely in 15-year increments. Protection was acquired through filing. Use of a registered mark was not required to maintain protection.

221. In response to specific questions, he added that the 1924 Law did not include any opposition procedures regarding trademark applications. However, the Law permitted any interested party to petition before a court for the cancellation of a trademark registration within five years following the filing date. Passed this period, trademark registration could not be cancelled on the ground of prior use, unless it could be proved in written deeds that the applicant knew, at the time of filing, that the mark belonged to the person who had used it first (Article 74). In addition, passed this five-year period, any person who could prove that she/he had continuously used the trademark prior to the filing date, could keep the right to use the mark for 15 years starting from the filing date by submitting a legal claim on the ground of unfair competition (Article 75 – for the definition of unfair competition, see paragraph [254]). He noted that the new law on trademarks would provide for an opposition

procedure at the IP Office level. Under the draft, opposition requests would have to be submitted in writing by the intermediary of the IP Office to the Opposition Committee within a period of 30 days following the publication of declaration of the mark. Opposition requests would be subject to a LBP 100,000 fee. The IP Office would communicate a copy of the opposition to the proprietor of the mark against which the opposition had been filed, or his representative, within 10 days from the date the opposition request had been received. The proprietor or his representative would then have 30 days to submit a written reply to the opposition. Twenty days after both parties' hearings, the Committee would make a justified decision determining whether registration should be accepted or rejected. In the absence of a reply within 30 days, the proprietor would be considered to have abandoned the registration application. Decisions of the Committee could be appealed before the Civil Court of Appeal of Beirut, in due form of law.

222. In response to a question concerning the possibility to appeal the cancellation of a trademark, he noted that all initial court decisions were subject to appeal from the point of law and point of fact pursuant to Articles 613 and 630 of the Law on Civil Procedures and Articles 205 and 208 to 211 of the Law on Criminal Procedures, including court decisions for the cancellation of a trademark. Appeal procedures were described in Articles 93, 638 to 670 and 703 to 740 of the Law on Civil Procedures (see also paragraph [68]).

223. Questioned about civil and criminal penalties for wrongful use of a trademark, the representative of the Lebanese Republic stated that Articles 105 to 109 of the 1924 Law provided for criminal penalties in the form of fines and/or imprisonment from three months to three years for infringing use of a trademark. Furthermore, Articles 702 to 706, 713 and 714 of the Criminal Law imposed criminal penalties for wrongful use of a trademark and increased the amount of fines set in the 1924 Law. He further noted that the new law on trademarks would increase the penalties applied to a level believed to be sufficient to deter future infringement.

224. He added that civil compensation, including the recovery of profits gained by the infringer, could be claimed for material or moral damage and for damage arising from the wrongful use of a trademark (Articles 122 to 124 and 252 to 278 of the Law on Obligations and Contracts; and Articles 702 to 706, 713 to 714 of the Criminal Law). The Court would, in such a case, order the cancellation of marks, symbols, signs and notices that had been wrongfully used (Article 116 of the 1924 Law). Article 116 of the 1924 Law also provided for seizure of the infringing goods and destruction of infringing marks, symbols, signs, and notices. The Court was also permitted to make an order for costs against an infringing party. Damages in civil suits claiming infringement of moral rights were assessed in accordance with the provisions of Articles 134 to 136 of the Law on

Obligations and Contracts and Article 132 of the Criminal Law. When courts ordered forfeiture of smuggled goods along with monetary penalties, the value of the forfeited goods was added to the amount of the monetary penalty (Articles 422 and 423 of the Customs Law).

225. Asked whether the owner of a well-known trademark unregistered in Lebanon had any recourse in Lebanon against infringement of the well-known mark in the light of Article 114 of the 1924 Law, the representative of the Lebanese Republic noted that Article 114 of the Law applied only to industrial designs. However, any interested party could seek recourse to a court against infringement of an unregistered well-known mark on the ground of unfair competition and/or related provisions of the Paris Convention.

- **Geographical indications, including appellations of origin**

226. The representative of the Lebanese Republic said that there was no specific legislation dealing with the protection of geographical indications in Lebanon and no registration system for geographical indications had been established to date. Geographical indications were protected through direct application of the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, Articles 105 to 110 on trademarks and Articles 97 and 98 on unfair competition of the 1924 Law (see paragraph [254]), the Customs Law (Articles 59.3, 62 to 66 and 181), the Law on Consumer Protection (Articles 11, 48 and 105), and the Criminal Law (Articles 682, 701 to 706 and 713 to 717). Civil and criminal penalties for the use of a misleading geographical indication were the same as for infringement of a trademark.

227. He noted that a law on geographical indications, which would bring Lebanon's legislation on geographical indications into line with the TRIPS Agreement, was being drafted. The new law would include general provisions defining geographical indications and appellations of origin; establish a register for geographical indications and appellations of origin; designate the Ministry of Economy and Trade as the registration authority; stipulate registration procedures and the extent of protection of geographical indications; and provide for control procedures and sanctions. The new law extended the additional protection provided for wines and spirits under the TRIPS Agreement to all products under the draft law, and a protection for traditional denominations was provided. Lebanon was receiving technical assistance under the EFTA-Lebanon Free-Trade Agreement to help define an adequate system for geographical indications and draft the necessary regulatory framework. In addition, as part of the Lebanese Government's policy to promote places of quality distinctions within the economy, a Committee on Geographical Indications and Appellations of Origin had been established. The Committee was composed of representatives from the public and the private sectors, and was responsible for establishing the legislative and institutional basis for designations of origin.

228. Existing legislation did not contain any provisions corresponding strictly to Article 23 of the TRIPS Agreement on protection for wines and spirits, but adequate protection was provided to wines and spirits under Law No. 216/2000 related to the production, manufacture, sale and import of wine (in particular Articles 6 and 12), Articles 97 and 105 of the 1924 Law, Article 702 of the Criminal Law, Article 3(*bis*) of the Madrid Agreement, Article 10 of the Paris Convention, Articles 62, 63 and 181 of the new Law on Customs, and Articles 11, 48 and 105 of the Law on Consumer Protection. He added that provisions in line with Article 23 of the TRIPS Agreement had been included in the draft law on geographical indications.

229. As to the relationship between the protection of geographical indications and trademarks, he noted that Article 68 of Decree No. 2385 of the High French Commissioner of 17 January 1924 defined manufacturing brands and trademarks as "appellations [...] used to distinguish the individuality and the origin of goods, for the consumers', manufacturers' and traders' benefit". This provision allowed the registration of geographical indications as trademarks. He added that the head of the Intellectual Property Protection Office was entitled, *ex officio* or at the request of an interested party, to refuse the registration of trademarks which contained or consisted of a geographical indication with respect to goods not originating in the territory indicated, provided the trademark was of such a nature as to mislead the public as to the true place of origin, as required under Article 22.3 of the TRIPS Agreement. Therefore, trademarks composed in whole or in part of geographic terms were eligible for protection, provided they would not mislead the public as to the true place of origin. The head of the IPPO based his assessment as to whether a geographical indication was likely to confuse or mislead the public, on the link between the geographical origin and the reputation of the good essentially attributable to this geographical area. He added that the question of conflict between trademarks and geographical indications dealt with in Article 24.5 of the TRIPS Agreement would be addressed in the new law on geographical indications that was being drafted. The law would permit the use of a trademark composed in whole or in part of a geographical indication, provided the trademark had been applied for or registered in good faith before the entry into force of the law, or before the geographical indication had been protected in Lebanon. He further noted that the draft law on trademarks would prohibit the registration as trademarks or elements of trademarks of (i) signs prejudicing protected appellations of origin or geographical indications; (ii) geographical indications with respect to goods not originating in the territory indicated in the trademark, if the use of such geographical indication in the trademark was of a nature as to mislead the public as to the true place of origin; and (iii) geographical indications of wines and spirits that may indicate or suggest that the goods originated in a geographical area other than the true place of origin.

230. In response to a question he further noted that interested parties could prevent the use of misleading geographical indications, including geographical indications for wines and spirits, as required under Article 22, 23.1 and 23.3 of the TRIPS Agreement through direct application of the Madrid Agreement, as well as through Articles 105 to 110 on trademarks and Article 98 on unfair competition of the 1924 Law (see also paragraph [254]); Articles 59.3, 65, 66 and 421 of the Customs Law; Articles 11, 48 and 105 of the Law on Consumer Protection; and Articles 682, 701 to 706 and 713 to 717 of the Criminal Law. Those provisions provided protection against any act that misled or deceived the public as to the nature of the requested product including any false indication as to the origin of the goods. He added that while the provisions of the Madrid Agreement did not protect non-members, in practice, no distinction was made between members and non-members, and the current regime did not distinguish between national and foreign geographical indications. He confirmed that the provisions of the Madrid Agreement would apply to all WTO Members, including those that were not members of the Madrid Agreement, on a non-discriminatory basis upon Lebanon's accession to the WTO.

- **Industrial designs**

231. The representative of the Lebanese Republic stated that the 1924 Law protected industrial drawings and designs which were new and original (Article 49 of the Law). Registration procedures, related fees, and periods of protection were laid down in Articles 53 to 67 of the 1924 Law. Applications for registration had to be submitted to the IPPO. Applications were accepted automatically if the formal requirements of Article 49 were met. Protection was provided for 25 years for both public and secret deposits, and was renewable once (Article 62). There were no opposition procedures – and there were no plans to introduce any. Right holders enforced their rights through the judicial system in accordance with Articles 111 to 114 of the 1924 Law. Protection was presumed and acquired upon deposit, but actual ownership rights arose upon use (Article 52).

232. In response to a member of the Working Party, who noted that the provisions of Article 52 appeared to add a use requirement for the attachment of ownership rights and could permit an unauthorized third party to make or sell the protected design, he added that the provisions of Article 52 did not add any use requirement for the attachment of ownership rights. According to Article 52, the person who had registered the design was presumed to be the owner of the design. This entailed that this person had the right to forbid unauthorized third parties from making, selling or using the protected design, even if he/she had not used the design yet. Use provided the right holder undisputed ownership.

233. Noting that Article 48 of the 1924 Law listed exclusive rights of industrial designs creators, some members asked whether the exclusive rights of making and importing, as required by TRIPS Article 26.1, were included. In response, the representative of the Lebanese Republic said that the term "exploit" used in Article 48 covered any act that may be of profit or benefit to the right holder, including making and importation of the design, as defined by the general principles of the civil law and the Lebanese doctrine. Accordingly, Article 48 of the 1924 law complied with the requirements of Article 26.1 of the TRIPS Agreement.

234. In response to a question, he confirmed that textile designs could be protected as industrial designs under Article 50 of the 1924 Law, provided the designs met the requirements of Article 49, or as an artistic work under the Copyright Law. In his view, the requirements for obtaining textile design protection did not unreasonably impair the ability to acquire such protection and therefore complied with Article 25.2 of the TRIPS Agreement.

235. He added that a new law on industrial designs was being drafted. The new law would modernize the provisions on industrial designs contained in the 1924 law, and would harmonize provisional measures, penalties, and sanctions with those stipulated in other intellectual property laws.

- **Patents**

236. The representative of the Lebanese Republic stated that under the 2000 Patent Law, inventions were subject to protection if they were new, involved an inventive activity, and were industrially applicable. Patentable subject matters included products; procedures; new applications of known procedures or methods; new sets of known procedures or methods; micro-organisms; and newly invented or discovered plant varieties. He confirmed that animals, essentially and non-essentially biological processes, and micro-organisms were also covered. Patent protection did not extend to inventions violating public order or morality; discoveries; scientific theories and abstract mathematical curricula with no industrial application; principles and methods relating to pure mental acts, economic or financial fields, or games; and medical treatment or diagnosis methods (Articles 3 and 4).

237. Patent protection was available for 20 years from the filing date, and was not renewable. Filing was required for protection. Applications were regarded as accepted unless the applicant had been otherwise notified within 30 days. In case of refusal, the applicant had 60 days from the date of notification to submit his remarks to the head of the IPPO, who submitted them, along with a detailed report, to the Minister of Economy within 30 days. The Minister had then 60 days to issue a decision accepting or rejecting the application. Such decision could be appealed before the Civil Court of

Appeals of Beirut within 30 days following the date of notification of the Minister's decision. To maintain the patent, annual fees had to be paid. He added that there were no opposition procedures – and his Government had no plans to introduce any. The patent holder had the exclusive right to exploit his invention, including making, exhibiting, marketing, using, selling, offering for sale, importing and holding the product, and using the process (Article 20). Patent rights could be assigned, transferred, and licensed (Article 22).

238. Conditions and procedures for granting compulsory licenses were laid down in Articles 32 to 38 of the Patent Law. Compulsory licenses could be granted only in limited cases and subject to certain restrictions. Under the provisions of the Law, any person could request a compulsory licence after expiration of a three-year period after the date of issuance of a patent, if the patent holder or his successor had not started exploiting the patent without valid reasons, or after three years of non-use of a patent without valid reasons (Article 32). Requests for compulsory licenses had to be brought before the Civil Court of First Instance in Beirut and had to include evidence that the plaintiff (i) had, before submitting the complaint, made efforts to obtain authorization from the owner to exploit the patent under reasonable commercial terms and conditions – this condition could be neglected in case of national emergency, utmost necessity, or public use for non-commercial purposes; and (ii) was capable of exploiting the patent efficiently and seriously. The owner of the patent or his licensee could institute court proceedings to request amendments to the conditions of a compulsory licence, when new facts justified such amendment, and could appeal to the court to withdraw a licence, should the compulsory licence holder not abide by the conditions provided in the court decision (Article 35). The rights of a compulsory licence holder could not be transferred to a third party without authorization of the court, except in the event of mergers, consolidation or division of corporations (Article 34).

239. He added that the Council of Ministers could, in accordance with Article 36 and upon request of the competent Minister, decide to grant a compulsory licence when products did not adequately supply the market or were offered at a significantly excessive price to protect food security and public health, and secure public interest in fields of vital importance for economic, social, and technological development (Article 36). Compulsory licenses could also be granted for national defence reasons, upon decision of the Minister of Economy and Trade and upon recommendation of the Minister of National Defence (Article 37). All decisions granting compulsory licenses could be appealed before the Civil Court of Appeal of Beirut within 30 days from the date of notification of the decisions.

240. In response to a question, he confirmed that importation was recognized as working a patent and therefore precluded compulsory licencing in accordance with Article 27.1 and Article 31 of the

TRIPS Agreement. Questioned about Article 34 of the Patent Law and the assignability of compulsory licences in the light of Article 31(e) of the TRIPS Agreement, he noted that Article 31(e) of the TRIPS Agreement prohibited all assignments, except for those associated with the enterprise or goodwill enjoying the licence, and that this prohibition did not apply to courts, which were the competent authority for granting compulsory licences. In his view, Article 34 of the Patent Law complied with the provisions of the TRIPS Agreement. He added that the matter would be resolved upon Lebanon's accession to the WTO as WTO Agreements would prevail upon domestic legislation.

241. Some members of the Working Party noted that the 2000 Patent Law, which excluded from patentability inventions contrary to public order or moralities, seemed to omit the TRIPS required provisions that exclusion could not be based solely on the fact that commercial exploitation of the invention was prohibited in Lebanon. In response, the representative of the Lebanese Republic stated that Lebanese law did not permit a patent to be refused or invalidated based upon restrictions or limitations on the sale of a patented product or a product produced by a patented process. Articles 3 and 4 of the Patent Law (which described the grounds for refusing a patent) and Article 31 (which covered the grounds for forfeiture of a patent) contained no such limitation. Likewise, nothing in Lebanese legislation allowed the forfeiture of a patent for failure of a compulsory licence to prevent abuse by the patent owner. Pursuant to Article 31 of the Patent Law, patents could be forfeited or invalidated by judicial rulings if it was proved that the invention was neither new nor involved an inventive activity or was industrially inapplicable; if the patent consisted of (i) a discovery, scientific theory, or an abstract mathematical curricula that did not have an industrial application; (ii) principles and methods relating to pure mental acts, economic or financial fields, or games; or (iii) medical treatment or diagnosis procedures relating to human beings or animals, provided that the products and equipment used in the application of these procedures were excluded (Article 3 of the Patent Law); if the invention was contrary to public order or morality (Article 4); if the disclosure of the invention was insufficient to permit one skilled in the art to carry out the invention; or if the subject of the invention had trespassed the scope of the description given thereto on the application, or in the event that the patent had been issued as a result of a divided application, if the subject of the invention had trespassed the scope of the original application. Procedures for invalidation of patents by judicial rulings were set out in the Law on Civil Procedures. If the reasons for nullification concerned only part of the patent, nullification affected only the related applications. He noted that, upon accession to the WTO, Article 27.2 of the TRIPS Agreement would supersede any contradictory provision of national laws.

242. A member was concerned that the 2000 Patent Law did not require sufficient disclosure when the application was filed, as provided for in Article 29.1 of the TRIPS Agreement. In response, the

representative of the Lebanese Republic said that conditions concerning disclosure of an invention in a patent application were laid down in Article 8 of the Patent Law. The Patent Law established a deposit system, rather than an examination-based system. Therefore, patents were issued without guarantee as to soundness, value, novelty, truthfulness, precision of description, industrial applicability or creativity (Patent Law, Article 16). Patents could, however, be invalidated by a judicial ruling. He was of the view that the Patent Law met the requirements of Article 29.1 of the TRIPS Agreement as Article 31.3 of the Law implied that the description of the invention must be enabling when the application was filed. He further noted that Article 1 of the TRIPS Agreement stated that "Members shall be free to determine the appropriate method of implementing the provisions of this Agreement within their own system and practice", and hence, each country had the latitude to use the appropriate words to reach the substance of the protection provided for in the TRIPS Agreement.

243. He added that each patent had to be published in the Official Gazette in Arabic, along with a summary of the invention, at the expense of the owner (Article 17). In addition, all registrations and entries in the patent registry had to be published in the Official Gazette at the expense of the party concerned (Article 27). All interested persons could request to the IPPO a statement of records of the patent registry or a copy of a patent after it had been published for a fee of LBP 50,000 (Article 25 and 17 respectively).

- **Plant variety protection**

244. The representative of the Lebanese Republic stated that the 2000 Patent Law extended patent protection to plant varieties (Article 2). The Law incorporated four protection conditions - newness, distinctiveness, uniformity, and stability.

- **Layout designs of integrated circuits**

245. The representative of the Lebanese Republic said that layout designs of integrated circuits (topographies) were protected under Articles 22 to 28, and 62 to 71 (Section III) of the 2000 Patent Law. Protection was provided to final and intermediate topographies, which were original, i.e. were the result of an intellectual activity and were not commonly used in the industry (Article 62(i)).

246. Layout designs of integrated circuits could be registered within two years following the date of first commercial investment of the topography at any place in the world, or in the event of non-investment, within fifteen years from the date of first fixation or coding of the topography (Article 62(ii)). Protection was provided for ten years from the deposit date or from the date of first

commercial exploitation (Article 69). Failure to exploit a registered layout design of integrated circuits for more than fifteen years after the date of fixation or first coding led to nullification of the protection (Article 70).

247. Rights arising from a registered layout designs of integrated circuits could be assigned, transferred by succession, or licensed (Articles 22 to 28). Right holders had the exclusive right to prevent third parties from copying the protected topography and exploiting or importing such copy, or any topography or articles incorporating a protected layout design for commercial purposes (Article 68). This prohibition did not apply to persons who did not know or had no reasonable grounds to know, when acquiring an integrated circuit or an article incorporating such an integrated circuit, that it incorporated an unlawfully reproduced layout design. However, after having been notified, such a person was required to pay to the right holder a sum equivalent to a reasonable royalty, should she/he wish to continue to use the layout design (Article 68).

248. Some members of the Working Party noted that Lebanese legislation did not explicitly refer to "selling and distribution" and should accordingly be amended to reflect the terms of Article 36 of the TRIPS Agreement. In response, the representative of the Lebanese Republic said that while the list of exclusive rights did not explicitly mention sale or distribution for commercial purposes, the term "exploit", as defined by the general principles of the Civil Law and the Lebanese doctrine, was understood as covering these two activities. He confirmed that right holders had the exclusive rights to prevent any person from, *inter alia*, selling and distributing for commercial purposes topographies and articles incorporating a topography.

- **Requirements on undisclosed information, including trade secrets and test data**

249. The representative of the Lebanese Republic stated that Article 47 of the 2000 Patent Law prohibited the unauthorized disclosure or use of secret information which (i) was not generally known among or readily accessible to persons within the circles that normally dealt with that kind of information; ii) had industrial or commercial value resulting from its confidentiality; and (iii) had been subject of reasonable steps by the right holder to maintain its confidentiality. Manufacturing processes and research and test results were considered confidential information under the Law. Any person in possession of confidential industrial or commercial information by virtue of his/her status, employment, skill or art, who disclosed this information without valid reason and used it for his/her or a third party's benefit was subject to the penalties provided for in Article 42 of the Patent Law, including two months to three years imprisonment and/or a fine of LBP 5 to 50 million (US\$3,316-33,156). Undisclosed information was protected as long as the information was secret and fulfilled the requirements of Article 47 of the Patent Law.

250. Article 47 extended the protection to information submitted to public administrations as a condition for obtaining marketing approval of pharmaceutical and agro-chemical products. Such information could not be used for unfair commercial purposes. Unfair commercial use occurred when, in the course of industrial or commercial activities, an act or practice resulted in the disclosure, acquisition or use by others of undisclosed information without the consent of the right holder and in a manner contrary to equitable and honest commercial practices. Judges decided on each matter on a case-by-case basis; there was no exhaustive list of restricted or prohibited activities (see also paragraph [254]). Information submitted to public administrations as a condition for obtaining marketing approval of pharmaceutical and agro-chemical products could only be disclosed where necessary to protect the public – when, for example, the primary ingredient or any excipient used in the pharmaceutical preparation had been found to be harmful. In the event of a drug alert issued by official organizations such as the World Health Organization, or of verified information published in the medical literature, the Ministry of Health could disclose information about the products and its composition, alert the community of physicians and pharmacists through their orders, or in extreme cases, discontinue the registration of the pharmaceutical preparation and retrieve it from the market, depending on the seriousness and severity of the problem. He added that the Law governing the Practice of the Profession of Pharmacist in Lebanon, dated 1 August 1994, guaranteed the confidentiality of all files processed by the Ministry of Health for the registration of pharmaceuticals and prohibited the registration of unauthorized copies of innovative pharmaceuticals (Articles 53 and 54 of the Law).

251. In response to a specific question, he added that registration of a copy of a patented product was prohibited if the original molecule had been patented. If the patent of the original molecule had expired, the request for registration of the generic product could include the basic, clinical and toxicological data available in the literature, but not the undisclosed data submitted by the innovator company. The bioequivalence, analysis, and stability studies of the generic product had to be conducted by the generic producer and presented as part of the request for registration. He confirmed that generic pharmaceutical manufacturers could not, for the registration of their products, present undisclosed studies and data of pioneer pharmaceutical companies, unless the pioneer companies had authorized them to do so. The innovator company could, however, conduct the bioequivalence, analysis, and stability studies on the generic product itself or in agreement with the generic producer. In such a case, documentation about the relationship between the generic manufacturer and the innovator company had to be provided. Accordingly, direct or indirect reliance on marketing approval data of an originator by a generic manufacturer to obtain his/her own marketing approval was not permitted in Lebanon.

252. He further noted that determining whether a pharmaceutical product was the subject of a patent was not the responsibility of the marketing approval authority or any other authority at the Ministry of Health. Right holders were liable for enforcement of their patents. There were no provisions under Lebanese laws requiring regulatory authorities responsible for approving new pharmaceutical or agro-chemical products to be informed of the existence of a patent covering a product for which approval was sought. He added that Lebanese legislation did not condition the protection of undisclosed information on the existence of a patent.

253. Asked whether his Government foresaw to introduce data exclusivity provisions into its legislation before accession, the representative of the Lebanese Republic noted that such provisions had been included in the Lebanon-EFTA Free-Trade Agreement. The Agreement, which had entered into force on 1 January 2007, provided data exclusivity for pharmaceuticals for a period of six years from the date of issuance of the marketing authorization.

- **MEASURES TO CONTROL ABUSE OF INTELLECTUAL PROPERTY RIGHTS**

254. The representative of the Lebanese Republic stated that Articles 97 and 98 of the 1924 Law prohibited unfair competition. Pursuant to Article 97 of the 1924 Law, an act of unfair competition was any act of competition contrary to honest practices in industrial or commercial matters. There was no exhaustive list of restricted or prohibited acts. The judge decided on a case-by-case basis. However, the following acts were prohibited: all acts of such a nature as to create confusion with the establishment, the goods, or the industrial or commercial activities of a competitor; false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities of a competitor; and indications or allegations the use of which, in the course of trade, was liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity of the goods. As for Article 98, it provided that acts of unfair competition could only be subject to legal proceedings for cessation of competition or prejudice and for seeking indemnity, except where such acts were considered violations subject to penalties under the Criminal Code or the provisions of the 1924 Law. He added that a new law on unfair competition was being drafted. The new law would modernize existing provisions on unfair competition, incorporate existing jurisprudence into the law, and amend Article 47 of the Patent law to include the new requirements on market exclusivity stipulated in the EFTA Agreement.

255. He added that according to Article 18 of the Patent Law, patent holders having failed to pay patent fees by the due date were subject to a fine of LBP 100,000. In case of non-payment of the annual fee and fine, the patent lapsed.

- **ENFORCEMENT**

- **Civil judicial procedures and remedies**

256. The representative of the Lebanese Republic said that civil remedies for infringement of intellectual property included fines, seizure, destruction of infringing materials, and publication of rulings. The 1999 Copyright Law also provided for injunctions and compensatory damages. Particular provisions concerning civil penalties included Articles 85 to 88 of the Copyright Law; Articles 105, 106, and 108 to 110 of the 1924 Law (for trademarks); Articles 111 and 113 of the 1924 Law (for industrial designs); Articles 42 to 44 of the Patent Law; the general principles of the civil law (for integrated circuits); and Article 42 and 47 of the Patent Law (for undisclosed information).

257. Civil damages for patent, trademark and copyright infringement were compensatory in nature. Any person whose intellectual property rights had been infringed could claim compensation from infringers for any material or moral injury and the payment of damages arising from such infringement including an account of profits, pursuant to Articles 122 to 124 and 252 to 278 of the Law on Obligations and Contracts; Articles 81 to 88 of the Copyright Law; Articles 41 to 46, 48 and 49 of the Patent Law; Articles 105, 106, 108 to 110, 111 and 113 of the 1924 Law.

258. The representative of the Lebanese Republic said that the police, Customs officials and officers of the Intellectual Property Protection Office (IPPO) sworn to this effect were responsible for combating counterfeiting and piracy in Lebanon. The specific authorities designated to combat counterfeiting and piracy were, however, the sworn officers of the IPPO and the officers of the Police Unit for combating cyber-crimes established in March 2006 (see paragraph [275] below). Customs officers could act *ex officio* at the borders and in the country to combat piracy and counterfeiting. IPPO's sworn officers were empowered to identify, inventory and sample pirated products and infringing goods wherever they were found (Articles 89, 91 and 92 of the Copyright Law; Article 52 of the Patent Law, Articles 120 and 122 of the 1924 Law). The police and Customs were entitled to seize counterfeit products (Articles 140(3) and 250 of the Customs Law). He further noted that legal action could be initiated by the public prosecutor, *ex officio* or at the request of the person suffering damages, or by the Head of the IPPO (Article 89 of the Copyright Law).

259. Since the second half of 2002, the IPPO and Customs had increased their cooperation to better combat piracy and counterfeiting. A number of actions had been taken *ex-officio* or at the request of right holders, which had led to the prohibition or seizure of pirated products and to the confiscation of infringing goods. In addition, a task force which had the authority to conduct raids

and investigate violations of intellectual property rights anywhere in the country and at the borders had been established by the Minister of Economy and Trade and the Minister of Finance. The task force consisted of inspectors from the Intellectual Property Protection Office, the Consumer Protection Office, the VAT department and the Customs. Raids had also been conducted by different enforcement bodies *ex officio* or at the request of the right holders. Furthermore, the Ministry of Economy and Trade was working with the Brand Protection Group on a project aiming at enforcing intellectual property rights and educating consumers on their rights and responsibilities. The campaign had been launched to increase consumer awareness, and a consumer hotline had been set up at the Ministry to receive complaints on counterfeiting. These actions had led to a reduction of the piracy level.

260. In response to a question on whether foreigners had to obtain any special approvals, engage any special agents, or present any special documentation in order to have access to Lebanese courts, customs officials, or police officials to obtain enforcement of their Lebanese intellectual property rights, the representative of the Lebanese Republic said that this matter was regulated by Articles 378, 379 and 655 of the Law on Civil Procedures and Article 61 of the Law on Lawyers Practice in the case of civil litigations, and Articles 68, 155, 168, 170 and 217 of the Law on Criminal Procedures, Article 8(1) of the Patent Law, Article 77 of the 1924 Law, and Articles 12 and 13 of the Copyright in the case of criminal litigations. Under Lebanese legislation, foreigners were required to be represented by a Lawyer member of the Lebanese Bar in order to have access to Lebanese courts to obtain enforcement of their Lebanese intellectual property rights. However, they had direct access to customs or police officials. As for claims submitted to the IPPO, foreigners had to be represented by a Lebanese agent in the case of patent and trademarks infringements (Article 8(1) of the Patent Law and Article 77 of the 1924 Law), but they could submit their claims without being represented by a local agent in the case of copyright infringements. However, in order to undertake legal action or penal proceedings within the 15 day period foreseen under Article 92 of the Copyright Law, they had to be represented by a Lawyer member of the Lebanese Bar.

261. He added that civil decisions of general applicability were published. The judge could, at the request of the plaintiff and if the interest of the latter so required, order the publication of the court decision, whether civil or criminal, or a summary of it in one or several newspapers at the expense of the convicted person. The judge could also, at the request of the defendant and if the interest of the latter so required, order the publication of the acquittal decision at the expense of the plaintiff (Article 135 of the Criminal Law/Penal Code).

262. Concerning the right of information of Article 47 of the TRIPS Agreement, he noted that this Article was optional. However, pursuant to Articles 203 to 207 of the Law on Civil Procedures, judicial authorities could, at the request of an opposing party, order a party to the proceedings to disclose and produce relevant documents which were or had been within that party's control, and to respond to requests for admissions (Article 208 of the Law on Civil Procedures) and interrogatories (Articles 218 to 234 of the Law on Civil Procedures). In case of failure to comply with such an order, the court could require defendants to pay a fine ranging from LBP 8,000 to 80,000 (Article 209 of the Law on Civil Procedures).

263. He confirmed that there were no special evidentiary or procedural requirements established by Lebanese courts for intellectual property matters. However, Articles 4, 132, 203 to 208, 530, 363 to 377, and 540 to 551 of the Law on Civil Procedures relating to evidence applied in this regard.

- **Provisional measures**

264. The representative of the Lebanese Republic said that the 1924 Law permitted various authorities to identify and seize infringing goods, whether or not the injured party had lodged a complaint. The 2000 Patent Law was more specific as it empowered judicial and prosecutorial bodies, at the request of a right holder, to take "necessary precautionary measures" when infringement appeared imminent. As for the 1999 Copyright Law, it permitted to take "all necessary provisional measures" in case of fear of a possible infringement. Temporary seizure was permitted to preserve evidence.

265. Compensation for goods wrongfully seized was provided for in Articles 10, 11 and 551 of the Law on Civil Procedures. In addition, Articles 402 and 403 of the Criminal Code included provisions on defamatory denunciation. He added that the Government could be sued for the acts of judges in case of gross negligence that should not have been committed if the judge had fulfilled his/her responsibilities in a regular way (paragraph 4 of Article 741 of the Civil Procedures Law).

266. In response to questions, he added that Articles 120 to 136 of the 1924 Law, Articles 50 to 58 of the Patent Law, and Articles 81 to 84 of the Copyright Law provided for provisional measures *inaudita altera parte* consistent with Article 50 of the TRIPS Agreement.

- **Administrative procedures and remedies**

267. The representative of the Lebanese Republic said that according to the 1924 Law, Law No. 75/99 (on Copyrights), and Law No. 240/00 (on Patents), the Intellectual Property Protection Office at the Ministry of Economy and Trade could, on the basis of complaints or on its own initiative,

inspect suspected violators, take samples of products, and prepare reports to be used before the court which would handle the case. Remedies included monetary damages, seizure of products, and imprisonment (see Articles 50-58 of Law No. 240; Articles 99-136 of Decision No. 2385; and Articles 81-97 of Law No. 75).

- **Special border measures**

268. The representative of the Lebanese Republic said that Articles 63, 65, 66, 181, and 197 of the 2000 Decree Law on Customs provided for border measures to ensure intellectual property protection. Pursuant to Article 63 of the Customs Law, all products bearing false marks of origin, or marked or labelled so as to indicate that they had been produced or originated in one of the countries parties to the Madrid Agreement and its amendments, or in an area situated in one of these countries, and all other products inconsistent with the conditions prescribed in agreements, laws and regulations pertaining to the protection of the intellectual property, were precluded from import, transit, transport, export or re-export. The mechanism for enforcing this provision was set out in Article 65. Under this Article, any violation or attempted violation of intellectual property rights (as described in Articles 62, 63 and 64 of the Law) would be dealt with as importation or an attempt to import prohibited goods, and would be subject to the penalties prescribed in Article 421. However, such goods could be released after elimination or correction of false marks, labels, signs or indications, or after affixing the origin indication whenever one of these measures was found to be sufficient by customs. He further noted that Article 91 of the 1999 Copyright Law prohibited the importation, warehousing, entry into the free zone, or transit of "sound recordings or works that were imitations of sound recordings or works enjoying legal protection in Lebanon," and foresaw the confiscation of such goods. The exportation of counterfeit or pirated goods was not permitted under any condition.

269. Asked to provide information about security and equivalent assurances required to prevent abuse of customs procedures to detain counterfeit or pirated goods and any plans to develop such assurance with regards to customs, the representative of the Lebanese Republic noted that such provisions were included in Article 93 of the Copyright Law, Articles 51 and 55 of the Patent Law, and Article 128 of the 1924 Law. Pursuant to these articles, the court had the authority to require the plaintiff to provide a security or insurance guarantee to protect the defendant and prevent abuse. He added that there were no such provisions regarding customs procedures.

- **Criminal procedures**

270. The representative of the Lebanese Republic said that the 1924 Law, the 1999 Copyright Law, and the 2000 Patent Law established fines and incarceration periods for certain types of infringement.

Any act of piracy and counterfeiting, including the importation, exportation, and traffic of counterfeit or pirated products, was a criminal offence pursuant to the provisions of Lebanon's intellectual property laws (Articles 81 to 88 of the Copyright Law; Articles 41 to 46, 48 and 49 of the Patent Law; Articles 105, 106, 108 to 110, 111 and 113 of the 1924 Law), Articles 62 to 66 of the Customs Law, the criminal law and other related legislation (on a case-by-case basis). Criminal offences were punishable by imprisonment from one month to three years and/or a fine of 5 to 50 million Lebanese Pounds; closure of the business premises; and destruction of all infringing goods, and equipments and materials used for the production of infringing goods. In case of recidivism, the amount of the fine was doubled. In addition, Articles 217 to 222 of the Criminal Law and Article 88 of the Copyright Law provided deterrent penalties against co-conspirators and criminal groups engaged in intellectual property rights criminal offences. No monetary thresholds for infringing materials or profits were required before a prosecution or conviction of suspects.

271. He added that statutory or punitive damages were recoverable pursuant to Articles 249 to 278 of the Law on Obligations and Contracts. Civil damages could be awarded as part of the criminal process (Article 132 of the Criminal Law). Criminal recidivists were subject to additional penalties under Article 88 of the Copyright Law, Article 44 of the Patent Law and Article 109 of the 1924 Law, but the importation, exportation and/or distribution of pirated or criminal goods did not result in increased penalties.

272. Questioned about the implementation of the proportionality principle foreseen in Article 61 of the TRIPS Agreement, he noted that in his view, the provisions of Articles 85 to 88 of the Copyright Law, Articles 105, 106, 108 to 110 of the 1924 Law on trademarks, Articles 111 to 113 of the 1924 Law on industrial designs, Articles 42 to 44 and 47 of the Patent Law, and the general principles of the civil law for integrated circuits were consistent with the proportionality principle of Article 61 of the TRIPS Agreement.

273. Concerning the publication of decisions, he noted that the judge could, at the request of the plaintiff and if the interest of the latter so required, order the publication of the court decision, whether civil or criminal, or a summary of it in one or several newspapers at the expense of the convicted person. The judge could also, at the request of the defendant and if the interest of the latter so required, order the publication of the acquittal decision at the expense of the plaintiff (Article 135 of the Criminal Law/Penal Code). In addition, Article 721 of the Criminal Law/Penal Code provided for the publication and the posting, in two local newspapers, of court decisions related to counterfeiting, in accordance with Articles 67 and 68 of the Law.

274. A member of the Working Party asked Lebanon to describe how it cooperated or intended to cooperate in the future in cross-border intellectual property criminal investigations, including those involving infringements committed over the Internet. The Lebanese Republic was also asked to explain which steps it intended to take against specific problems such as piracy of cable broadcasting services, videos, business software, entertainment software, sound recordings and books. In response, the representative of the Lebanese Republic said that Lebanon had signed Bilateral Agreements on Mutual Assistance on Customs Matters with the European Union (Protocol 5 of the EU Association Agreement), Syria, Iran, Azerbaijan and Ukraine. According to these Agreements, both Parties should cooperate, among other issues, on border enforcement matters. While the aforementioned Agreements did not include any specific provisions related to intellectual property, infringement of intellectual property constituted a customs violation under Articles 62 to 66 of the Customs Law and was consequently covered by the said Agreements. The text of the Agreement between Lebanon and the European Union was available on the website of the Ministry of Economy and Trade (<http://www.economy.gov.lb/MOETEN/Texts/protocol5.pdf>). Lebanon had also signed the Johannesburg convention on mutual assistance cooperation in customs matters in June 2004. The Ministry of Foreign Affairs was the point of contact in the Lebanese Government for foreign government's investigations of criminal intellectual property matters which might involve suspects or evidence located in Lebanon. The Ministry of Foreign Affairs was then required to refer the claim to the Ministry of Justice, which submitted it to the General Prosecutor.

275. Concerning crimes committed over the Internet, he noted that a Police Unit for combating cyber-crime and enforcing intellectual property rights had been created by the Judicial Police at the Internal Security Forces. The Unit counted 15 officers and had started to operate on 13 March 2006. To date, the Police Unit had conducted 330 raids, which had resulted in the seizure of 190,000 CDs and DVDs and 116 prosecutions – the prosecutions were currently being reviewed by the judiciary. As for piracy of cable broadcasting services, videos, business software, entertainment software, sound recordings and books, he noted that there was no legislation regulating television services in Lebanon. However, a first draft of an interim law on cable transmittals had been finalized. The draft had not been discussed with the relevant parties yet. He provided information on raids conducted in 2004, 2005 and 2006 in response to Question 205 of document WT/ACC/LBN/12 and Question 144 of document WT/ACC/LBN/16.

VI. POLICIES AFFECTING TRADE IN SERVICES

276. The representative of the Lebanese Republic said that the services sector represented 70 per cent of GDP and employed 76 per cent of the total labour force. Most prominent services

included trade (retailing and wholesale), construction, tourism, telecommunications and financial services. He provided information on the regulatory environment for key services in document WT/ACC/LBN/3, Annex 7.3, and a list of laws and regulations affecting trade in services in Section 5a of Annex II of that document. Details on State and non-State bodies having a regulatory role in the conduct of service activities are reproduced in Table 22. He added that the Ministry of Economy and Trade acted as Lebanon's enquiry point for services in accordance with Article III of the GATS.

277. A number of monopolies and exclusive service suppliers existed in the areas of gambling, fixed and mobile telecommunications services, settlement and clearing, settlement of stock operations, passenger and cargo air transport, postal services, railroad and public transport, and distribution and transmission of electricity. Information on service monopolies and exclusive service suppliers is reproduced in Table 23. He added that the Lebanese Republic did not have specific laws and regulations governing natural monopolies, i.e. power transmission and distribution networks, pipelines, railroads, water distribution networks and sewage networks – pipelines had not been operated since the early 1980s.

278. Pursuant to Minister of Labour Decision No. 1/147 of 3 December 2002, which had replaced Decision No. 466/1 of 19 August 1997, work permits could not be granted to foreign nationals for banking and administrative works for which there were qualified citizens and commercial activities, except in the event of reciprocity or if the foreigner was an expert or a specialist who could not be replaced by a Lebanese national, was Director of a foreign company or branch of a foreign company registered in Lebanon, was Director of an off-shore company, had been living in Lebanon since his/her birth, was of Lebanese origin, or had been married to a Lebanese for more than a year. He noted that this Decision regulated foreign labour through work permits. It did not impose any restriction or limitation on the right of foreign legal entities to engage in a business activity. In addition, Lebanese legislation restricted access to some professions, such as lawyers, veterinarians, customs brokers, nurses, midwives, tourist guides, maritime agencies, and taxi drivers, to Lebanese nationals, and a number of professions, including doctors, pharmacists, engineers, chartered accountants, dentists, physiotherapists, lab-technicians, health supervisors, topographers, dental prosthesis specialists, and specialists in the manufacturing and replacement of prostheses and artificial limbs, were open to foreigners only on a reciprocal basis. Commercial representation of foreign service providers was permitted through a Lebanese natural or legal person. Limitations on the number of work permits of foreign natural persons employed also existed for some activities like nursing training and housemaid supply.

279. In addition, foreign participation was not permitted in media-related companies for reasons of public order, national security, and protection of cultural identity and diversity. These restrictions applied to both broadcast and print media (Decree Law No. 104 of 30 June 1977 and Law No. 382/94 of 4 November 1994). There were also some limitations on the participation of foreign capital in brokerage firms, maritime agencies, public utility companies, and freight forwarders. However, there were no limitations on opening branches of foreign companies for brokerage firms, leasing companies and companies managing mutual funds.

280. In response to a specific question on freight forwarders, he noted that freight forwarders should be Lebanese natural persons (21 years old or more); joint-stock companies or partnership limited by shares companies with a capital of at least LBP 30 million, and half the registered shares should be owned by Lebanese shareholders (bylaws forbade the transfer of these shares to non-Lebanese persons or non-fully-owned Lebanese companies); or partnerships or limited liability companies with a capital of at least LBP 5 million, and the absolute majority of the shares should be owned by Lebanese partners or by fully-owned Lebanese companies (bylaws forbade the transfer of these shares to non-Lebanese persons or to non-fully-owned Lebanese companies). He added that in all cases the person empowered to sign on behalf of the company or the President of the board of directors had to be Lebanese and should have been director-general for at least five years.

281. Limitations also existed with regard to the number of service operations for professions such as doctors and pharmacists, who could not open more than one medical laboratory for each permit (Decree Law No. 75 of 9 September 1983) or more than one pharmacy (Article 15 of Law No. 367 of 1 August 1994); lawyers, who could not have more than one office in the office where he/she was registered and could not carry out more than five annual contracts for the representation of commercial companies, a limit that the Council of Ministers could raise to ten (Law No. 8/70 of 11 March 1970); broadcasting agencies, which could not own more than one television or radio station; maritime agencies, which could not contract with more than two fuel supply companies (Memorandum of the Minister of Public Works and Transport No. 11/n/94 of 10 September 1994); engineers, who could not exceed the quota set by the Order of engineers (square meters per year) and could register only one project per day and five projects per week at the Order of engineers (Articles 35, 64, and 28 of the Regulations governing the Registration of Building Operation at the Order of Engineers); and announcers, who could not benefit from more than 10 per cent of the total legal number of permitted billboards within the same municipal area. These measures aimed at ensuring competition within the market.

282. In a few cases, foreign service suppliers were treated less favourably than domestic service suppliers. Foreign insurance establishments and courier service firms were required to provide twice the amount of guarantees that Lebanese companies provided (Article 26 of Decree No. 9812 of 4 May 1968 and Decision No. 771 of 30 March 1985), and the minimum capital required to obtain a licence was doubled for foreign courier service firms. Fees to enter Lebanese ports were also higher for foreign ships than for domestic ones (Schedule No. 9 of the Budget Law), and registration fees charged by several professional orders were higher for non-Lebanese (see Table 23). As for travel agencies, licenses were issued by the Council of Ministers for foreign travel agencies and by the Minister of Tourism for Lebanese (Decree No. 4216 of 20 October 1972). This separate registration system had been put in place to provide foreign travel agents with additional guarantees. He added that this system did not impose any additional burden on foreign travel agents, and that the fees applied were not discriminatory. In response to members of the Working Party who were enquiring about Lebanon's plans to amend its discriminatory provisions for entry into Lebanese ports and courier services, he noted that his Government had no intention to modify these provisions.

283. He added that registration in professional orders was mandatory in order to practice any regulated activity. The fees for registration were set by the various professional Orders.

284. Concerning MFN treatment, some preferences were accorded to service suppliers of certain other countries in the context of trade and co-operation agreements. In addition, preferences were given to Arab nationals, i.e. citizens of member countries of the League of Arab States, versus non-Arabs with regard to qualification requirements for pharmacists, engineers, topographers, and dental prostheses. In response to a member who enquired about Lebanon's plans to modify the preferential treatment accorded to Arab national, the representative of the Lebanese Republic noted that this preferential treatment arose from the special economic and cultural ties between Lebanon and Arab countries and had been scheduled in Lebanon's list of Article II exemptions.

285. He added that there were no restrictions on international transfers and payments for current transaction of services and capital transaction affecting the supply of services. A number of subsidies were granted to the tourism and banking sectors in the form of interest rate subsidies, exemptions from taxes and charges, preferential tariff rates, and loan guarantees. Information technology services, educational institutions, and Lebanese air and sea transport establishments also benefited from tax exemptions. He confirmed that foreign enterprises were eligible to the same benefits, except for foreign air and sea transport establishments, for which exemptions were conditional on reciprocity.

286. Licensing for both foreign and domestic service providers was required for many activities, such as engineering, architectural, medical, dental, and veterinary services; services provided by

nurses, midwives, physiotherapists, agricultural engineers, and topographers; dental prostheses; pharmacists; health supervisors; lab-technicians; advertising services; services incidental to forestry, hunting, and fishing; placement and supply services of personnel; investigation and security services; packaging services; printing and publishing; customs clearing brokers; postal, courier, wireless data, V-Sat, and Internet services; motion picture projection services; radio television broadcasting agencies; rental of satellite broadcasting channels; usage of frequency connection equipment; educational services; financial services, except for settlement and clearing services; health-related and social services; tourism and travel related services; sporting and other recreational services, river fishing, and scuba diving sports; and transport services, except internal waterways transport services. In addition, doctors, veterinarians, dentist-laboratorists, pharmacists, lawyers, engineers, topographers, and chartered accountants were required to register at respective Orders, and trade names of tourism establishments had to be registered at the Ministry of Tourism (Decree No. 4221 of 18 October 2000).

287. Refusals to grant a licence had to be justified. Appeal procedures for negative licensing decisions were governed by the administrative law and Decree No. 10434 of 14 June 1975. In case of refusal, the affected party could present a *litis contestati* to the Minister within a period of two months. The Minister had then two months to render his decision. In case of negative decision by the Minister or in the absence of decision after two months, the affected party had two months to lodge an appeal before the administrative Supreme Court (Conseil d'Etat). Only persons having a personal, legitimate and direct interest were allowed to appeal to the administrative Supreme Court.

288. He added that the Ministry of Economy and Trade acted as the Lebanon's enquiry point for all GATS-related issues (www.economy.gov.lb). In addition, a one-stop information office, the Central Office for Administrative Information, consisting of a phone helpline (1700) and an internet website (www.informs.gov.lb), had been established on 21 January 2002 under the responsibility of OMSAR. Both the helpline and the website contained a list of addresses and phone numbers of ministries and public agencies, as well as information about administrative procedures, including licensing procedures.

289. Legal services were regulated by Law No. 8 of 11 March 1970. The Law restricted access to the profession to lawyers of Lebanese citizenship for more than ten years. This restriction, which extended to foreign legal consulting on matters of third country law, had been introduced due to the small size of the Lebanese market. However, the Head of the Lebanese Bar Association could, in special cases and under a condition of reciprocity, permit a foreign lawyer to defend cases before Lebanese courts.

290. The banking sector was regulated by the Code of Money and Credit, decisions of the Central Council of the Banque du Liban, and various laws and circulars that could be found on the website of the Banque du Liban (www.bdl.gov.lb). As of September 2004, there were 53 banks in the Lebanese Republic, including 14 banks with more than 50 per cent foreign ownership and 10 foreign banks. He added that a number of foreign insurance companies were providing insurance services in the Lebanese Republic, mainly via wholly-owned branches and representative offices. He noted that, in addition to commercial registration, branches of foreign insurance companies were required to register at the Insurance Department of the Ministry of Economy and Trade, and branches of foreign banks and financial institutions at the Banque du Liban.

291. Concerning telecommunications, a new Law had been enacted and published in the Official Gazette on 22 July 2002. The Law aimed at reforming and liberalizing the telecommunications sector, and at preparing it for privatization. The Law established a State-owned operator "Liban Telecom", which would be privatized at up to 40 per cent within a maximum of two years after its creation (Article 46). The Law also provided for the establishment of an independent Regulatory Authority responsible for encouraging competition, setting up technical standards, enforcing the Law, regulating tariffs, licensing, and acting as a mediator and arbitration body. The draft Decrees establishing the Regulatory Authority were being finalized. Pursuant to the Law, Liban Telecom would provide basic telecommunications services, international public switched voice services, domestic and international telex, telegraph, and private line services, public call office and pay phones, emergency call services, dial-up and printed directory information services, and other services that the Telecom Regulatory Authority would find to be in the interest of the public. Under the Law, Liban Telecom would be granted an exclusive right to provide basic telecommunications services, international public switched voice services, domestic and international telex and telegraph services for a maximum of five years, non renewable. All other services were to be fully liberalized – with the exception of fixed telephony, telex, telegraph and facsimile, all other telecommunications services had actually been liberalized. The Law also established a special unit within the Regulatory Authority for control and inspection purposes, and laid down rules for the radio spectrum management and licensing procedures for telecom service providers.

292. The Internet sector had been liberalized, with the exception of Internet via satellite technology, which had been licensed by decree of the Council of Ministers (Decree No. 8804). In addition, any operator having a licence to provide telephone services could provide videoconferencing and voice over the Internet services, in accordance with the Telecommunications Law of 23 July 2002. As of May 2004, there were five active Internet service providers' companies in the Lebanese Republic. As for mobile services, two contracts had been granted pursuant to Law No. 393 of 1 June 2002 to

Detecon, an affiliate of Deutsche Telecom, and Kuwait's Mobile Telecommunications Company (MTC) following a tender process to manage the networks. The Law provided that a mobile licence would be awarded to Liban Telecom. Additional mobile licenses could be granted by the Council of Ministers upon recommendation of the Telecommunications Regulatory Authority. He added that advertising was regulated by Decree No. 8861 of 25 July 1996 on billboards and Law No. 382 of 4 November 1994 on television and radio broadcasting.

293. Concerning postal services, Liban Post had a monopoly over regular postal services, i.e. mail handling services (collection, sorting, transportation and delivery of letters up to 2 kg within Lebanon), EMS and facsimile services, and philately services. The Ministry of Telecommunications could grant licenses to postal entities with foreign participation for conducting international courier services according to the conditions set out in the Decision of the Minister of Post and Telecommunications No. 1/771 of 30 March 2005. A management contract had been concluded with Canada Post – whose shares had been sold to Factor Invest Holding, a French company, and Invest Holding, a Lebanese Company. The contract would remain until 2014. In response to questions concerning Lebanon's plans for management of postal services after the contract with Canada Post had expired, the representative of the Lebanese Republic added that his Government intended to privatize some major economic sectors, including telecommunications and postal services.

294. The establishment of private higher education institutions and universities was regulated by the Law of 26 December 1961 amended by Law No. 36/63 of 25 November 1963, the establishment of private schools by Decree No. 1436 of 23 March 1950, as amended by Decree No. 9408 of 15 October 1996 and Decree No. 13276 of 24 October 1998, and the establishment of technical schools by Law No. 62/64 and Decree No. 4815 of 25 June 1966. Under existing legislation, private schools, higher education institutions and technical schools could be set up by any Lebanese and foreign national having obtained a licence by Council of Ministers' Decree. Licenses for establishing universities were only granted to legal persons. Foreign legal persons could only open branches of foreign universities in Lebanon. Applications for licenses had to be submitted to the Ministry of Education and Higher Education. Decisions were issued within 6 months. Foreign institutions were free to set their curricula. The only conditions applied concerned the number of credits for graduation. For each new educational institution established in Lebanon, recognition and equivalence of its degrees was set within two years after licensing through a decree of the Council of Ministers. He added that there were no special requirements concerning the composition of Boards of Directors of higher education institutions. However, exceptionally, the Boards of Directors of university institutes of technology had to meet special requirements pursuant to Decree No. 8864 of 26 July 1996. These

requirements did not differentiate between foreign nationals and Lebanese citizens, but at least half of the members of the Board had to be Lebanese nationals.

295. In response to specific questions, he said that retailing, wholesale and commission agents' services were regulated by Decree Law No. 73 of 9 September 1983, the Code of Commerce, and the Code of Obligations and Contracts, and commission agents and commercial representation by Decree-Law No. 34/67. Decree Law No. 34/67 imposed some restrictions on the ownership and management of commercial representatives. He added that Law No. 73 of 9 September 1983, the Code of Commerce and the Code of Obligations and Contracts did not discriminate against foreign service suppliers. There was no specific legislation related to franchising, market research, management consulting, maintenance and repair of equipment, or translation and interpretation – applicable laws were the Code of Commerce and the Code of Obligations and Contracts. The Codes did not discriminate between Lebanese and foreign nationals. Technical testing and analysis services were regulated by the Law of 13 February 2004, real estate services by Decree No. 9952 of 8 March 1997, and rental activities by the Code of Commerce, Decree No. 4216 of 20 October 1972 on travel agencies and transport related to tourism, and Law No. 160 of 27 December 1999 on leasing operations for machineries and equipments.

296. Asked about brokerage services, he said that the number of brokers at the Beirut Stock Exchange was not fixed. Article 45 of the By-Laws provided for three new brokers to be accepted each year. This limitation had been established to protect brokers operating at the Beirut Stock Exchange against fast and high competition and to allow the Beirut Stock Exchange to properly manage their admission. There were currently 15 brokers at the Beirut Stock Exchange. He added that foreign suppliers were not allowed to own and operate customs brokerages (Articles 115 and 119 of the 2000 Customs Law).

[Lebanon's offer of initial commitments on trade in services was circulated in document WT/ACC/SPEC/LBN/3 of 4 December 2003. A revised offer has been circulated in document WT/ACC/SPEC/LBN/3/Rev.1].

VII. TRANSPARENCY

- Publication of information on trade

297. The representative of the Lebanese Republic said that all legal texts, including the Constitution, constitutional laws, treaties, ordinary laws, decree-laws, decrees, ministerial decisions

and administrative decisions of public application were published in the Official Gazette. None of these texts came into force before publication, with the rare exception of those that did not concern the public, which could become binding on the date of their notification. Unless otherwise specified, legal texts entered into force on the eighth day following their publication.

298. In response to a question concerning the possibility for the public to comment on trade-related draft legislation, the representative of the Lebanese Republic said that his Government had no plan to pass specific legislation making the circulation of trade-related laws, decrees, regulations and rules to the public for comment prior to implementation a general rule. He was not aware of any WTO provision requiring that such a system be in place. He noted, however, that the legislative practice in Lebanon had always been to circulate draft laws, decrees and regulations of general application among the relevant stakeholders for comment prior to enactment and implementation. In addition, all WTO draft legislation included provisions requiring that draft trade-related legislation be circulated among stakeholders prior to enactment.

- **Notifications**

299. [The representative of the Lebanese Republic said that, at the latest upon the entry into force of the Protocol of Accession, Lebanon would submit all initial notifications required by any Agreement constituting part of the WTO Agreement. Any regulations subsequently enacted by Lebanon which gave effect to the laws enacted to implement any Agreement constituting part of the WTO Agreement would also be conform to the requirements of that Agreements. The Working Party took note of this commitment.]

VIII. TRADE AGREEMENTS

300. The representative of the Lebanese Republic said that the Ministry of Economy and Trade was the authority responsible for concluding trade agreements. Lebanon's trade agreements fell under two categories, trade and economic co-operation agreements and free-trade areas. Trade and economic cooperation agreements guaranteed MFN treatment for trade in goods. Such agreements had been signed with Algeria, Armenia, Australia, Azerbaijan, Bulgaria, Cameroon, Chile, China, Cuba, the Czech Republic, Egypt, France, Greece, Iran, Iraq, Italy, Jordan, Kuwait, Malaysia, Morocco, Nigeria, Poland, Romania, Russia, Saudi Arabia, Senegal, Spain, Sudan, Syria, Tunisia, Turkey, Ukraine, United Arab Emirates, Uruguay, and Yemen. Provisions calling for improved and increased co-operation with regard to trade in services were also included in some of these agreements. The representative of the Lebanese Republic provided short summaries of the preferential provisions

of the trade agreements with Iraq, Jordan, Saudi Arabia, and Sudan in document WT/ACC/LBN/3, Annex 8, pp. 176-177.

301. Concerning services, the Lebanese Republic had signed over 120 sector-specific bilateral agreements on tourism, post, culture, post, telecommunications, and transport (air, land, and sea transport) with a large number of countries, including Armenia, Bulgaria, Egypt, Greece, Italy, Iran, Russia, Turkey, United Arab Emirates, United Kingdom, and Yemen. The scope and nature of the preferential treatment was detailed in the MFN exemption list attached to the Lebanon's offer on services.

302. He added that the Lebanese Republic was not a member of any customs union. However, his Government had signed bilateral free-trade area agreements with Egypt, Kuwait, Syria, and the United Arab Emirates, and more recently, on 6 April 2002, with Iraq. Three additional agreements were being negotiated with Jordan, Bahrain, and Saudi Arabia. The Free-Trade Agreement with the United Arab Emirates was awaiting ratification by the Lebanese Parliament. These Agreements had been signed to expedite the implementation of the GAFTA Agreement (see below). A more detailed description of the provisions of the Free-Trade Agreements with Egypt, Kuwait, and Syria is provided in document WT/ACC/LBN/3, pp. 85-86 and 175-176. Lebanon had also signed a Free-Trade agreement with the GCC.

303. The Lebanese Republic had joined the Taysir Agreement, or Agreement for Facilitating and Developing Trade Exchanges among Arab Countries, on 1 April 1985. The Agreement had been ratified by all Arab governments, with the exception of Algeria, Djibouti, and Comoros Island. The Taysir Agreement exempted from customs duties, taxes, and non-tariff barriers all agricultural and animal goods in their original form or as altered for consumption; raw materials (mineral and non-mineral) in their original form or in an adequate industrial form; semi-finished goods used as inputs for industrial production, pursuant to lists adopted by the Arab Economic Council (AEC); goods produced under joint Arab projects within the framework of the Arab League or Arab organizations working under its scope; and industrial products listed by the AEC. The Agreement also provided for the gradual reduction of duties and restrictions on other goods of Arab origin, as specified in AEC lists. Under the Taysir Agreement, contracting parties could provide additional preferences to other Arab countries and governments through bilateral and multilateral agreements. Preferential treatment extended to non-Arab countries could not exceed that provided to Taysir Members. The Taysir Agreement included further provisions allowing contracting parties to negotiate and implement, through decisions of the AEC, minimum common customs duties and taxes on products imported from non-Arab countries, provided they were competitive and substitutable to goods of Arab origin,

and requiring contracting parties to provide preferences in government procurement to goods originating in Arab contracting parties. Contracting parties had the right to import from non-contracting parties goods for which the local offer was not sufficient, and could maintain or impose duties or quantitative/administrative restrictions to protect a specific local industry for a limited period of time. They could not re-export goods imported under the Taysir Agreement without approval of the country of origin.

304. The Implementation Programme of the Taysir Agreement, adopted on 18 February 1997 and ratified by Lebanon on 4 May 1998, called for the establishment of a Greater Arab Free-Trade Area (GAFTA) through gradual reductions of customs duties over ten years, starting from 1 January 1998. As of June 2001, 14 Arab governments had been implementing GAFTA – Mauritania, the Palestinian Authority, Somalia, Sudan, and Yemen had not taken any measures to implement it. GAFTA did not cover goods prohibited from import, use, or exchange for religious, health, security, and environmental reasons, or reasons related to agricultural and veterinary quarantine. This represented about 300 categories of goods. The temporary exemptions provided under GAFTA had been terminated on 16 September 2002.

305. Finally, the Lebanese Republic had signed a co-operation agreement with the European Union on 3 May 1977, under which most Lebanese industrial goods were granted duty free access to the European market without any quantitative restrictions and certain Lebanese agricultural goods benefited from customs duty preferences ranging from 40 per cent to 80 per cent on a non-reciprocity basis. The Agreement required the Lebanese Republic to provide MFN treatment to European goods. He added that his Government had signed a Free-Trade Agreement with the European Union in 2002. The Interim Agreement had entered into force on 1 March 2003. His Government had also signed a free-trade agreement with EFTA on 24 June 2004. The Agreement was now awaiting ratification.

CONCLUSIONS

[to be completed]

ANNEXES

Laws, Regulations, and Other Information Provided to the Working Party

- Investment Development Law No. 360 of 16 August 2001;
- Decree No. 17561 concerning "Organizing the Work of Foreigners" of 18 September 1964 (amended under Decree No. 1582 of 25 April 1984);
- Decree Law No. 304 "Code of Commerce" of 24 December 1942 and appendices;
- Decree Law No. 34 of 5 August 1967 concerning commercial representation;
- Decree-Law No. 73 of 9 September 1983 concerning the possession and trade of goods, commodities and products;
- Law No. 72 of 24 July 1991 modifying certain provisions of Decree-Law No.73 of 9 September 1983 concerning the possession and trade of goods, commodities and products;
- Decree No. 2339 of 6 April 1992 determining articles which are not considered luxury articles and which may not be subject to exclusive commercial representation;
- Customs Law 2000;
- Currently applicable Tariff Schedule;
- Decree Law No. 144 "Income Tax Law" of 12 June 1959 (including modifications);
- Draft Law on "Foreign Trade and Licenses" (also known as "International Trade and Licensing Law");
- Survey on Non-Tariff Measures on Trade of December 2006;
- Survey on Non-Tariff Measures on Trade of March 2003;
- Decision No. 2/1 "On Regulation of the Importation of Pesticides" of 4 January 2006;
- Decision No. 232/1 on "The Authorization to Import Frozen Semen for Artificial Insemination Purposes" of 8 August 2002;
- Ministry of Agriculture Order No. 1/349 on "The Determination of Potato Seed Importation Conditions for the 2001-2002 Season" of 16 December 2001;
- Resolution No. 42 on "Implementation of the Interpretation of the Rules on Customs Valuation" of 23 March 2001;
- Decree No. 31 "Anti-Dumping" of 5 August 1967;
- Law of Protection of National Production (Anti-dumping, Countervailing measures and Safeguard Regimes) of 21 December 2006;
- Draft Law on "Standards, Technical Regulations and Conformity Assessment Procedures", Amendment of the Law of 23 July 1962;
- Decree Law issued on 23 July 1962 on Lebanese Standards;
- Draft Law on "Food Safety Law";
- Draft General Food Law;
- Republic Of Lebanon Decree Number 12253: Delineating the conditions that must be met in canned and preserved foodstuffs;
- Decree No. 8801, Annulment of Decree No. 6504 of 30 June 1967 on "Determination of the period of validity for the consumption of canned foods that quickly deteriorate and its amendments" of 4 October 2002;
- Decree No. 12301 "Animal Quarantine" of 20 March 1963, Veterinary Medicine and Animal Health Control Department;
- Law of 10 June 1962 Concerning Agricultural Quarantine;
- Decision No. 1283 of 20 November 1998 on Agricultural Quarantine;
- Decree No. 5705 (Amendment of Decree No. 6504 of 30 January 1967) concerning "Determining the Shelf Life of Highly Perishable Packaged Food Products" of 19 June 2001 and Decree No. 6504 of 30 January 1967;
- Decree No. 2866 concerning "Tendering Regulations" of 16 January 1959 (amended by Decree No. 8703 of 10 February 1962, Decree No. 12037 of 5 February 1963 and Decree No. 12221 of 28 June 1963);

- Decree No. 14969 "Special provisions governing the procurement of supplies, works and services" of 30 December 1963;
- Aviation Law of 11 January 1949 (including modifications);
- Law No. 75/99 concerning the "Protection of Literary and Artistic Property" (previously referred to as the Copyright Law) of 13 April 1999;
- Resolution No. 2385/1924 of 17 January 1924 amended by the Law of 31/1946 concerning "Regulations and Systems of Commercial, Industrial, Literary, Artistic and Musical Property in the Lebanon";
- Law No. 240 concerning "Patents" of 7 August 2002;
- Draft Law on the "Protection of Industrial Marks, Trademarks and Service Marks";
- Articles 120-142, 212-222 of the Criminal Law;
- Articles 122-124, 134-136, 252 and 259-264 of the Law on Obligations and Contracts;
- Articles 93, 613 - 630, 638 - 670 and 703 - 740 of the Law on Civil Procedures;
- Law of 3 September 1956 concerning banking secrecy;
- Law of 19 December 1961 authorizing the opening of a joint account in banks subject to banking secrecy;
- Decree No. 9860 of 25 June 1962 concerning the affiliation of banks to the Central Service of Risks;
- Law No. 2/67 of 16 January 1967 subjecting to special provisions banks in default of payment;
- Law No. 28/67 of 9 May 1967 amending and completing the legislation relating to banks and creating a mixed Institute to guarantee bank deposits;
- Decree Law No. 8 of 3 July 1967 creating a Banks Management Section at the Bank of Agricultural, Industrial and Real Estate Credit, and modifying certain provisions of Law No. 28/67 of 9 May 1967;
- Decree No. 7739 of 8 July 1967 fixing the provisions and measures to be taken in the event of the suspension of the activity of a bank and its taking-in-charge as well as other details of application of Law No. 28/67 of 9 May 1967;
- Decree Law No. 43 of 5 August 1967 fixing the responsibility of the chairman and members of the Banks Control Commission;
- Decree-Law No. 44 of 5 August 1967 amending certain provisions of Law No. 2/67 of 16 January 1967 subjecting to special provisions banks in default of payment;
- Decree Law No. 45 of 5 August 1967 regulating procedure concerning the notification of notices, decisions and all other documents emanating from the Central Bank and various organizations stemming therefrom;
- Decree No. 7977 of 16 August 1967 fixing the procedure to be followed before the Higher Bank Board;
- Decree No. 8284 of 28 September 1967 facilitating the merger and self liquidation of banks;
- Decree No. 1621 of 28 July 1971 enforcing the urgent draft law, referred to the Chamber of Deputies by virtue of Decree No. 14866 of 10 July 1970, exempting the management committee of the Banks Management Section at the Bank of Agricultural, Industrial and Real Estate Credit from payment of judiciary taxes and stamp-duty;
- Decree No. 1983 of 25 September 1971 governing the profession of supervisory commissioner for banks;
- Decree No. 9976 enforcing the urgent draft law referred to the Chamber of Deputies by virtue of Decree No. 8083 of 29 May 1974 intended to grant the Government the right to exempt deposits and various banking commitments in foreign currencies pertaining to non-residents from certain taxes, levies and obligations (creation of a banking free zone within banks);
- Decree No. 29 of 5 February 1977 - special regulations governing exemption of deposits and various banking commitments in foreign currencies relating to non-residents from certain taxes, levies and obligations (creation of a banking free zone within banks);
- Decree Law No. 83 of 27 June 1977 – exceptional provisions regarding the formation of a provision intended to meet loss of debts occurring prior to 1 January 1977 and special provisions relating to the provision for debts set up by banks;

- Decree Law No. 130 of 2 November 1977 granting facilities intended to provide incentives to economic sectors for the reconstruction of the country;
- Decree No. 707 of 9 December 1977 setting forth the elements of accounts of banks serving for the assessment of the annual premium due to the National Institute for the Guarantee of Deposits;
- Decree No. 1663 of 17 January 1979 enforcing the urgent draft law, referred to the Chamber of Deputies by virtue of Decree No. 1100 of 23 March 1978, intended to amend certain provisions concerning banks under seizure;
- Decree Law No. 50 of 15 July 1983 – Merchant banks, medium- and long-term credit banks;
- Decree Law No. 87 of 16 September 1983 governing the exchange of bank shares;
- Law Non. 99 of 6 November 1991 concerning Lebanese and foreign banks;
- Law No. 110 of 7 November 1991 – reorganization of the banking sector;
- Law No. 192 of 4 January 1993 aimed at facilitating the merger of banks; and
- Law No. 521 of 6 June 1996 setting the terms and conditions for negotiation of shares of Lebanese banks as well as the issue of bonds.

Table 1
Agreements on Avoidance of Double Taxation
and the Prevention of Fiscal Evasion (as of 21 January 2004)

Country	Signed	Ratified	Enforced	Legal Reference
Algeria	26 March 2002	29 August 2002		Law No. 456. In OG No. 50 of 5 September 2002.
Armenia	16 September 1998	23 February 1999	13 December 2000	Law No. 38. In OG No. 38 of 1 March 1999.
Bahrain	7 August 2003			
Belarus	19 June 2001	14 December 2001	29 December 2002	Law No. 370. In OG No. 64 of 27 December 2001.
Bulgaria	1 June 1999	25 October 1999	5 January 2000	Law No. 111. In OG No. 52 of 3 November 1999.
Canada	29 December 1998			
Cuba	4 February 2001	2 August 2001		Law No. 334. In OG No. 39 of 9 August 2001.
Cyprus	18 February 2003			Law No. 530. In OG No. 48 of 22 October 2003.
Czech Republic	28 August 1997	14 June 1999	24 January 2000	Law No. 82. In OG No. 28 of 17 June 1999.
Egypt	17 March 1996	24 July 1996	22 March 1998	Law No. 582. In OG No. 35 of 8 August 1996.
France	24 July 1962	23 August 1963	1963	Decree-Law No. 13673.
Gabon	20 February 2001	16 July 2003		Law No. 516. In OG No. 35 of 24 July 2003.
Iran	22 October 1998	23 February 1999		Law No. 43. In OG of 1 March 1999.
Italy	22 November 2000	3 April 2001		Law No. 288. In OG No. 19 of 19 April 2001.
Jordan	31 October 2002			Law No. 534. In OG No. No. 48 of 22 October 2003.
Kuwait	21 January 2001	3 April 2001	20 March 2002	Law No. 293. In OG No. 19 of 19 April 2001.
Malaysia	20 January 2003	16 July 2003		Law No. 517. In OG No. 35 of 24 July 2003.
Malta	23 February 1999	25 October 1999	10 February 2000	Law No. 119. In OG No. 52 of 3 November 1999.
Morocco	20 October 2001	5 June 2002	7 August 2003	Law No. 404. In O.G No. 34 of 13 June 2002.
Poland	26 July 1999	24 May 2000		Law No. 178. In O.G No. 25 of 8 June 2000.
Romania	28 June 1995	24 July 1996	6 April 1997	Law No. 577. In OG No. 38/96.
Russia	7 April 1997	23 February 1999	16 June 2000	Law No. 29. In OG of 1 March 1999.
Senegal	19 October 2002			Law No. 538. In OG No. No.48 of 22 October 2003.
Sudan	9 March 2004	20 November 2004		Law No. 614. In OG No. 64 of 2 December 2004.
Sultanate of Oman	12 April 2001	16 August 2001	28 October 2001	Law No. 353. In OG No. 42 of 23 August 2001.
Syria	12 January 1997	24 July 1997	10 March 1998	Law No. 658. In OG No. 37 of 31 July 1997.
Tunisia	24 June 1998	23 February 1999	3 June 2000	Law No. 36. In OG of 1 March 1999.
Ukraine	22 April 2002	16 July 2003	6 September 2003	Law No. 500. In OG No. 35 of 24 July 2003.
U.A.E	17 May 1998	23 February 1999	21 May 1999	Law No. 42. In OG of 1 March 1999.
Yemen	29 September 2002	16 July 2003		Law No. 513. In OG No. 35 of 24 July 2003.

Table 2

Documents to be Submitted with the Application for an Investment Licence

1	Feasibility Study ¹
2	Preliminary Project Design
3	Environmental Impact Statement
4	Land Registry Certificate
5	Certified copy, stamped by the Commercial Register, and not withstanding one (1) month period of the: a. Company Bylaws with all amendments; b. Incorporation Certificate; c. Company Formation Deed; d. Commercial Circular; e. Minutes of meeting for the nomination of the General Director, in case of a Limited Liability Company; and f. Minutes of meeting for the nomination of the Chairman, Board of Directors and the General Director, in case of a Joint Stock Company.
6	Copy of the identity card of the person authorized to sign on behalf of the company.
7	Copy of the company registration certificate at the ministry of Finance.
8	Copy of the purchase contract of the land as registered at the Real Estate Directorate.

Table 3

Products Subject to Maximum Price Controls

HS or CPC	Description of goods	Set prices	Ministry or Authority	Laws and Legal Acts
	Chicken:			
02.07.11 02.07.12	Cleaned slaughtered chicken, raw, no limbs	Max. LBP 3,800/kg	Ministry of Economy and Trade	Decision No. 209/1/AT 1 August 2001
01.05	Live Chicken (price at farm)	Max. LBP 2,265/kg	Ministry of Economy and Trade	Decision No. 209/1/AT 1 August 2001
01.05	Live chicken (delivered to retail store)	Max. LBP 2,600/kg	Ministry of Economy and Trade	Decision No. 209/1/AT 1 August 2001
01.05	Live Chicken (at retail)	Max. LBP 3,100/kg	Ministry of Economy and Trade	Decision No. 209/1/AT 1 August 2001
19.05	"Pita" bread parcel	Max. LBP 1500/1500 g LBP 1000/1000 g	Ministry of Economy and Trade	Decision No. 64/1/AT 20 March 2001. Applies only to domestically produced bread b.
27.11	Liquid Gas: (please see note on the following page)	Variable	Ministry of Energy and Water	Changes by weekly Decision
27.11.12	Propane	Variable	Ministry of Energy and Water	Changes by weekly Decision
27.11.13	Butane:	Variable	Ministry of Energy and Water	Changes by weekly Decision
27.10.19	Fuel	Variable	Ministry of Energy and Water	Changes by weekly Decision
27.10.19.10	Kerosene	Variable	Ministry of Energy and Water	Changes by weekly Decision
27.10	Diesel	Variable	Ministry of Energy and Water	Changes by weekly Decision
	Gasoline:		Ministry of Energy and Water	
27.10.11	98 octane	Approximately LBP 23,000/20Ltrs	Ministry of Energy and Water	Changes by weekly Decision
27.10.11	92 octane	Approximately LBP 21,700/20Ltrs	Ministry of Energy and Water	Changes by weekly Decision
27.10.11	Unleaded 95 octane	Approximately LBP 22,100/20Ltrs	Ministry of Energy and Water	Changes by weekly Decision
24.03	Nargila Tobacco	Fixed For 1,000g: US\$14 x current exchange rate/0.933 For 500g: US\$15 x current exchange rate/0.933 For 100g: US\$18 x current exchange rate/0.933	Regie des Tabacs et Tombacs	Decision No. 769/1 21 July 2001

HS or CPC	Description of goods	Set prices	Ministry or Authority	Laws and Legal Acts
30.04	Pharmaceuticals	Max. Prices are set on a case-by-case basis.	Ministry of Public Health	Decision No. 426/1 5 July 2001; Decision No. 208/1 3 May 1983.
Government Service	Water	Fixed Around an Annual rate of LBP200,000/meter. ³	Ministry of Energy and Water	Decision No. 1/28 of 24 September 1998; Ministry of Finance Approval No. 1493/16 S of 23 November 1998; and Ministry of Energy and Water Approval No. 1598/4879/6S of 29 November 1998.
Government Service	Electricity	Fixed Starting at LBP 35 per 100 KW to LBP 200 per 100 KW depending on the level of consumption.	Electricite Du Liban	Decree No. 4869 of 15 February 1982 grants EDL the right to set electricity rates through Decisions issued by its BOD and endorsed by Ministry of Finance. Last amended August 2004.
Government Service	Local and International Telephony	Fixed telephony rates.	Ministry of Telecommunications	

Note: The price of petroleum and oil derivatives is subject to change on a weekly basis accordingly to the international prices of oil and oil derivatives.

Table 4

Mark-up of Pharmaceuticals Distributed Between Importers and Pharmacists
(Decision of the Ministry of Health No. 306/1 of 2 June 2005)

Category of pharmaceutical	Approved basic FOB price for the imported pharmaceutical	Approved basic CIF price for the imported pharmaceutical	Profit Margin of Importer/Local Distributor	Profit Margin of Pharmacist
Category A	\$0 < Price < \$10	\$0 < Price < \$10.60	10.00 %	30.00 %
Category B	\$10 < Price < \$50	\$10.60 < Price < \$52.25	10.00 %	30.00 %
Category C	\$50 < Price < \$100	\$52.25 < Price < \$103.50	9.00 %	27.00 %
Category D	\$100 and above > Price	\$103.50 and above > Price	8.00 %	24.00 %

Table 5

Commercial Registration Requirements

Trader/Company	Documents Required	Fees
Lebanese traders	<ul style="list-style-type: none"> - Registration Application at the Register of Commerce; - Copy of ID (identification card); and - Copy of a title deed or a lease (certified by the municipality) if the trader is a commercial representative. 	LBP 1,200,000
Foreign traders	<ul style="list-style-type: none"> - Registration Application at the Register of Commerce; and - Copy of Passport. 	LBP 1,200,000
Commercial establishment (Stock in Trade)	<ul style="list-style-type: none"> - An application shall be submitted by the person concerned to the Secretariat of the commercial register in order to register the business firm; - A copy of the individual civil status or of the identity card; - The applicant shall fill a declaration form and submit it to the Central Administration of Statistics; - A lease deed specifying the type of business or a title deed; - A real estate attestation proving that the applicant is the owner. Whenever the application is submitted by the leaseholder, it should be mentioned that owner is the lessor; - A quietus obtained from the National Social Security Fund valid for the registration of a business firm; - A commercial register (Trader); and - A power of attorney delivered by a public notary whenever the application is not submitted by the person concerned. 	<p>LBP 2,454,250</p> <p>+ Fee of LBP 2,000 for each true certified copy (stamp fee).</p>
Partnership	<ul style="list-style-type: none"> - An application shall be submitted by the person concerned or by his/her agent to the Secretariat of the commercial register in order to register the business firm; - A copy of the individual civil status or of the identity card of applicants; - Applicants shall fill a declaration form (a registration form of a new company) and submit it to the Central Administration of Statistics; and - The articles of association signed before a notary public or before the secretary of the commercial register. 	<p>LBP 1,129,000</p> <p>+ 3 per thousand of the company's capital</p> <p>+ 1.5 per thousand of the company's capital fees for the mutuality of judges</p> <p>+ 1 per thousand of the company's capital fees for the bar association.</p> <p>+ Notary public fees</p> <p>+ Fee of LBP 2,000 for each true certified copy</p>

Limited liability companies	<ul style="list-style-type: none"> - An application shall be submitted by the person concerned or by his/her agent to the Secretariat of the commercial register in order to register the business firm; - A copy of the individual civil status or of the identity card of applicants; - Applicants shall fill a declaration form (a registration form of a new company) and submit it to the Central Administration of Statistics; - The articles of association signed before a notary public or before the secretary of the commercial register; and - A bank deposit equal to the capital of the company. 	<p style="text-align: center;">LBP 1,500,000</p> <p>+ 3 per thousand of the company's capital + 1.5 per thousand of the company's capital fees for the mutuality of judges + 1 per thousand of the company's capital fees for the bar association + Notary public fees</p> <p>+ Fee of LBP 2,000 for each true certified copy</p>
Holding, Offshore & Joint Stock Companies	<ul style="list-style-type: none"> - An application shall be submitted by the person concerned to the Secretariat of the commercial register in order to register the company. In holding and offshore, the exact text of the articles of association must be respected; in addition holding and offshore companies must be exclusively registered in Beirut; - A copy of the individual civil status or of the identity card; - Applicants shall fill a declaration form (a registration form of a new company) and submit it to the Central Administration of Statistics; - The articles of association signed by the notary public of the region where the company is established, or before the secretary of the commercial register; - The minutes of the constituent assembly; - A Circular; - The minutes of the Board of Directors, during which the chairman was elected, signed by the shareholders; and - For offshore companies, in addition to above mentioned documents, an amount of LBP 100,000 must be deposited as a bank Guarantee. 	<p style="text-align: center;">LBP 1,504,000</p> <p>+ 1.5 per thousand of the company's capital fees for the mutuality of judges + 1 per thousand of the company's capital fees for the bar association + Notary public fees</p> <p>+ Fee of LBP 2,000 for each true certified copy</p>

Subsidiaries or Representation Offices of Foreign Companies	<ul style="list-style-type: none"> - The minutes of a general meeting during which, a decision is made concerning the opening of subsidiary or a representation office of a foreign company. The decision of opening must include the designation of the manager along with his authorities; - However the decision shall be signed and translated by the Consulate and the Ministry of Foreign Affairs; - A copy of the articles of association of the foreign company, certified by the Consulate and the Ministry of Economy and Trade; and - Acknowledgement receipt from the Ministry of Economy and Trade. 	<p>LBP 2,750,000</p> <p>+ Registration fee of the minutes of the Company</p>
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Note: All foreign documents submitted to government institutions other than customs documentation must be certified and translated as deemed appropriate (Sworn translator, embassy, Ministry of Foreign Affairs, Ministry of Economy to get an attestation of fact).

Table 6

Fees Imposed on Work Permits

	Category 1	Category 2	Category 3	Category 4
Work Permit Fees	LBP 1,800,000	LBP 960,000	LBP 480,000	LBP 240,000
Description	Foreign individual business owners or partners or representatives of foreign companies, Board of Director Members or foreign professionals like doctors, engineers, pharmacists, etc. Foreign individuals with salaries exceeding three times the minimum wage. Foreign individuals working as consultants, directors or director-generals.	Foreign individual business owners or partners that do not fall under the definition of Category 1. Foreign individuals with salaries between two times the minimum wage and three times the minimum wage. Media & Press correspondents and all technical staff regardless of salary.	Foreign individuals with salaries between minimum wage and two times the minimum wage.	Household help and other individuals with salaries below minimum wage.

Table 7

Products Subject to an Import Licence by the Ministry of Telecommunications
and prior Registration at the Chamber of Commerce

HS Code	Product
88.02.06	Satellites
851711	Line telephone sets including wireless telephone sets
851721	Facsimile machines (Fax)
851722	Telex/ teleprinters
8525	Transmission apparatus including wireless transmission apparatus incorporating reception apparatus and transmission with infra-red
852910	Sophisticated television aerials
851719	Line telephone sets

Table 8

Fees of Registration at Chambers of Commerce

Types of Membership	Fees according to categories (in thousands of LBP)					
	Premium	1 st Cat	2 nd Cat	3 rd Cat	4 th Cat	5 th Cat
Subscription	350* (180)**	200 (150)	150 (120)	100 (75)	80 (60)	50 (50)
Annual Membership renewals	300 (180)	150 (130)	100 (80)	75 (60)	60 (45)	50 (30)
Certificate of membership	25 (25)	20 (20)	15 (14)	12 (12)	10 (10)	10 (10)
Membership ID	50 (30)	45 (25)	30 (15)	25 (13)	20 (12)	20 (8)
Subscription in the Chamber's annual magazine	50 (40)	50 (40)	40 (30)	25(25)	15 (15)	10 (10)

Notes:

* Fees of the CCIA of Beirut; last amended by Decree No. 13152 of 3 October 1998.

** Fees of the CCIA of Tripoli, Sidon and Zahle; last amended by Decree No. 8552 of 29 August 2002.

Premium, 1st and 2nd categories fees apply on public institutions, banks, large businesses that participate in public tenders and own company vehicles. Category 3, 4, and 5 fees apply on small businesses and traders.

Table 9

Distribution of Applied Rates

Applied <i>ad valorem</i> duties %	% of Items at HS8	% value of total imports in 2003
0	38.31%	44.06%
5	49.02%	38.84%
10	2.19%	1.76%
15	2.87%	5.79%
20	2.97%	5.16%
23	0.02%	0.00%
25	1.42%	1.46%
30	0.72%	0.90%
35	0.41%	1.07%
40	0.38%	0.16%
45	0.02%	0.00%
50	0.02%	0.01%
70	1.64%	0.73%
75	0.03%	0.08%

Table 10 (a)

Trade-Related Fees Charged by Customs for Services Rendered
(according to the 2000 Decree Law on Customs and its Amendments)

Items	Fees		
Wages	Categories: Category II Category III Category IV Category V	Overtime (Day Shift) LBP 4,000/HOUR LBP 3,500/HOUR LBP 2,500/HOUR LBP 2,000/HOUR	Overtime (Night Shift) LBP 5,500/HOUR LBP 4,500/HOUR LBP 3,500/HOUR LBP 3,000/HOUR
Customs Declaration (import, export, and transit)	LBP 50,000 Stamp Duty (according to Law No. 676 of 1 March 1998)		
Storage Fees Collected by Customs (Beirut Airport and Masnaa) (see note 2 below)	<p>Free the first 5 days LBP 2,000/100kg/week and should be paid in advance (charges are half of this rate for storage in open space areas) Any fraction of 100 Kg is considered as 100 Kg Should storage exceed 30 days, an extra charge is added as follows: Airport: From day 31 to 60: LBP 2,000/100kg/day From day 61 and above: LBP 4,000/100kg/day Other Customs Areas: From day 31 to 60: LBP 8/100kg/day From day 61 to 90: LBP 16/100kg/day From day 91 to 120: LBP 24/100kg/day From day 120 and above: LBP 32/100kg/day Merchandise that have been impounded or are under judicial guardianship, due to an order other than that of customs, have their fees set by the authority that has ordered the detention of these merchandise taking into account the fees charged by customs. Items that are exempt from storage fees are: Packages that have been accidentally unloaded over and above the required amount such as those that were destined to be re-exported as mentioned in the manifest Packages that have been impounded by a decision taken by customs Damaged items Personal effects of any traveller who is not a trader. Regular storage fees will be charged for a period exceeding 60 days Merchandise that could not be removed for reasons beyond control, as deemed by customs Items that have been misplaced/lost or were difficult to move due to congestion at customs Items that are set for re-export are exempt for the first 15 days Items that are in-transit are exempt for first 30 days Items that are under dispute between importer and exporter and that are destined to be re-exported to the country of origin are subject to fees not exceeding 90 days Last but not least, storage fees should not exceed 50 per cent of the value of goods stored</p>		

Notes:

1. Other customs-related fees included fees charged by authorities administering the entry/exit port (e.g. Beirut Seaport Authority) such as port fees, storage fees, loading/unloading fees, port entry fee, and parking fees. These were set by the port authority and may vary from one port to another.
2. Fees are different at other ports of entry. Fees are controlled there by respective port authorities.

Table 10 (b)

Other Fees and Charges for Services Rendered

Item	Fee
Fee charged by Ministries on the issuance of import/export licenses on certain products subject to licensing (LBP 25,000, i.e. US\$16.5, for each of the three required copies – 1999 Budget Law).	Cancelled in the 2007 Budget Law
Stamp fee for the copy of the issuing State body.	LBP 10,000
Stamp fee for the customs copy, charged on license applications submitted by any person to any public administration in Lebanon (Decree Law No. 67 of 1967 and Table 9 of the 1993 Budget – licence requirements applied to less than 2 per cent of total traded products).	LBP 1,000
Annual fee charged for the registration of a commercial representation or exclusive agency contract at the Ministry of Economy and Trade.	LBP 500,000
Fees on issuing Certificates of Origin by the Chambers of Commerce.	These fees were amended in December 2006 from an ad-valorem fee to a fixed fee. LBP 50,000

Table 10 (c)

Fees for Services Connected with Trade
and Customs-Related Transactions Charged by Laboratories

Laboratory Name	Tests undertaken	Fees Charged
The Laboratory of Public Health	Water, drugs, pharmaceuticals and food products	Has a special budget from the Ministry of Public Health and is directly controlled; therefore charges no fees. Only performs tests referred to it by the Ministry of Public Health.
Industrial Research Institute	All sorts of testing	Depends on the test. Between LBP 7,000 and LBP 1.5 million. ¹
Agricultural Research Institute of Lebanon	Food products of animal and plant origin, pesticides, and fertilizers	This laboratory falls under the supervision of the Ministry of Agriculture but has a separate budget from the Ministry. Fees charged constitute only the cost of material used to perform the necessary tests: <ul style="list-style-type: none"> - Simple Chemical Tests² range between LBP 15,000 and LBP 30,000; - Microbiological Tests³ cost around LBP 45,000 and more advanced; - HPLC tests⁴ costs LBP 90,000.
Kfarshima Laboratory (Plant Resources Directorate- Ministry of Agriculture)	Testing Pesticides	No Fees charged.

Notes:

1. Fees are subsidized by the GOL.
2. Chemical tests are performed to determine the composition of certain products.
3. Microbiological tests are performed for the detection of fungi and bacteria.
4. HPLC (high pressure liquid chromatography) are performed to detect minute contaminants such as pesticides.

Table 11
Goods Subject to Excise Taxes

Tariff Code	Description	Excise Rate on Domestic Goods	Excise Rate on Imported Goods
2203.00	Beer made from malt	LBP 60/LTR	same as for domestic products
2204.10	Champagne and Sparkling wine	LBP 400/LTR	LBP 200/LTR
2204.21	Wine (not sparkling) in containers holding 2l or less	LBP 200/LTR	same as for domestic products
2204.29	Wine (not sparkling) in containers holding 2l or more	LBP 200/LTR	same as for domestic products
2204.30	Other grape must	LBP 400/LTR	LBP 200/LTR
2205	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances		
2205.10	In containers holding 2l or less	LBP 400/LTR	LBP 200/LTR
2205.90	Other	LBP 400/LTR	LBP 200/LTR
2206.00	Other fermented beverages (for example, cider, perry, mead); mixture of fermented beverages, not elsewhere specified or included	LBP 400/LTR	LBP 200/LTR
2207.10	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol. or higher		
2207.10.10	Of an alcoholic strength by volume of 98% (322)	LBP 200/LTR	same as for domestic products
2207.10.90	Other	LBP 200/LTR	same as for domestic products
2207.20	Ethyl alcohol and other spirits, denatured, of any strength (322)	LBP 150/LTR	same as for domestic products
2208.20	Spirits obtained by distilling grape wine or grape marc (cognac)	LBP 750/LTR	LBP 200/LTR
2208.30	Whiskies		
2208.30.10	Of an alcoholic strength of 50 or more put up for retail sale in bottles, flasks or the like, holding not more than 5 litres	LBP 400/LTR (under 12 years old)	same as for domestic products
2208.30.20	Of an alcoholic strength of 60 or more, in containers holding 200 litres or more (322)	LBP 750/LTR (12 years old and above)	LBP 400/LTR
2208.30.90	Other	LBP 400/LTR	same as for domestic products
2208.40	Rum and tafia	LBP 400/LTR	same as for domestic products
2208.50	Gin and Geneva	LBP 400/LTR	same as for domestic products
2208.60	Vodka	LBP 400/LTR	same as for domestic products
2208.70	Liqueurs and cordials	LBP 400/LTR	same as for domestic products
2208.90.10	Ethyl alcohol	LBP 200/LTR	same as for domestic products
2208.90.20	Arrack obtained from grapes	LBP 200/LTR	same as for domestic products
2208.90.90	Other	LBP 400/LTR	same as for domestic products
24.01.10	Tobacco, not stemmed/stripped		48%
24.01.20	Tobacco, partly or wholly stemmed/stripped		48%

Tariff Code	Description	Excise Rate on Domestic Goods	Excise Rate on Imported Goods
24.01.30	Tobacco refuse		48%
24.02.10	Cigars, cheroots and cigarillos, containing tobacco		48%
24.02.20	Cigarettes containing tobacco		48%
24.02.90	Other		48%
24.03.10	Smoking tobacco, whether or not containing tobacco substitutes in any proportion		48%
24.03.91	"Homogenized" or "reconstituted" tobacco		48%
24.03.99	Other		48%
27.10.11	Light oils and preparations		
27.10.11.11	Motor spirit (gasoline) unleaded, more than 95 Octane		LBP 355/Litre
27.10.11.12	Motor spirit (gasoline) unleaded, more than 90 Octane		LBP 355/Litre
27.10.11.20	Motor spirit (gasoline) leaded, 92 octane or more but less than 98 octane		LBP 455/Litre
27.10.11.30	Motor spirit (gasoline) leaded, 98 octane or more		LBP 455/Litre
27.10.11.40	Motor spirit (gasoline) including aviation spirit		LBP 255/Litre
87.03.10.00 ₁	Vehicles specially designed for travelling on snow; golf cars and similar vehicles		15%
8703.21.20 ²	Racing small cars, type Karting		15%
8703.21.90 ³ 8703.22.90 8703.23.90 8703.24.90 8703.31.90 8703.32.90 8703.33.90 8703.90.90	8703: NEW 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		First Bracket Less than LBP 20 million: 15% Second Bracket Above LBP 20 million: 45%
8703.21.30 ⁴ 8703.22.10 8703.23.10 8703.24.10 8703.31.10 8703.32.10 8703.33.10 8703.90.10	8703: USED 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		First Bracket Less than LBP 20 million: LBP 4,500,000 Second Bracket Above LBP 20 million: 45%

Notes:

1. Lebanon does not produce such products currently.
2. Idem.
3. Idem.
4. Idem.

Table 12

Banned Veterinary Drugs and Vaccines, and Pesticides
(Prohibition on the Importation, Manufacturing and Marketing)

HS Number	Product
Banned Veterinary Drugs and Vaccines*	
	Veterinary Drugs: - Chloramphenicol - Norfloxacin - Dimetridzole Ronidazole Nitrofurans Furazolidone Dapsone
	Growth Promoters: - Avoparcine - Zinc Bacitracin - Tylosine Phosphate - Spiramcyn - Virginiamycin
	All the Parasiticides that are dissolved by Benzene
	All the vaccines for disease not proven to exist in Lebanon, or cease to exist
Banned Pesticides (Decision No. 1/94 of 20 May 1998)	
38.08	1. 1,2 Dibromo-Ethane 2. Dichloro-Ethane 3. 2,3,4,5- Bis (2-Butylene) terrhydro-2-furaldehyde [Repellen-1] 4. 2,4,5- Trichlorophenoxyacetic Acid (2,4,5-T) 5. Acrolein 6. Acrylonitrille 7. Aldicarb 8. Aldrin 9. All compounds containing Arsentic salts 10. Amionocarb 11. arantine 12. Arsenious Oxide 13. BHC Technical (nit Gramma HCH-Lindrane) 14. Binapacryl 15. Butocboxim 16. Butoxycboxim 17. Cadminate 18. Cadmium Calcium Copper Zinc Chromate complex 19. Cadmium compounds 20. Calcium Arsenate 21. Calcium Arsenite 22. Calcium Cyanide 23. Captafol 24. Carbon Tetrachloride 25. Carbonphenothion 26. Chloranil 27. Chlodane 28. Chlordecone 29. Chlordimefon 30. Chlorinatee Cemphene (Taxaphene) 31. Chlormephos 32. Cloromethoxypropylmercuric (CMPA) 33. Chlorthiophos

HS Number	Product
	34. Copper Acetoarsenite
	35. Copper Arsenate
	36. Coppr Arsenite
	37. Crimidine
	38. Crotoxyphos
	39. Cyanothoate
	40. Cycloheximide
	41. DBCP (Dibromo Chloro Propane)
	42. DDT
	*[Chlordecone]
	43. Dechlorane
	44. Demephion-O
	45. Demephion-S
	46. Diamidafos
	47. Dibromochloropropane
	48. Dicrotophos
	49. Dieldrin
	50. Dimefox
	51. Dimetilan
	52. Dinoterb salts
	53. Dinoseb salts
	54. Dioxathion
	55. Edifenphos
	56. Endothion
	57. Endrin
	58. EPN (Ethyl (p-nitrophenyl) thio benzene phosphonate)
	59. Erbon
	60. Ethylan
	61. Ethyl Parathion
	62. Ethylene Dibromide (EDB)
	63. Ethylene oxide
	64. Fensulfothion
	65. Fluoroacetamide
	66. Fosthietan
	67. HCH containing less than 99.0% of gamma isomer
	68. Heptachlore
	69. IFSP=Aphidan
	70. Isobenzane
	71. Isodrin
	72. Isothioate
	73. Isoxathion
	74. Kepon
	75. Lead arsenate
	76. Leptophos
	77. Isazophos
	78. Maleic hydrazine and its salts, other than salts of choline potassium and sodium
	79. Medinoterb acetate
	80. Mercuric chloride
	81. Mercuric compounds (Organic and inorganic)
	82. Mirex
	83. Nitrofen
	84. OMPA [Schradan]
	85. Oxydeprofos
	*Parathion Ethyl
	86. Phenazine
	87. Phenylmercuric oleate (PMO)
	88. Phenylmercury acetate (PMA)

HS Number	Product
	89. Phospholan
	90. Potassium 2,3,5-trichlorophenate (2,4,5,-TCP)
	91. Pyriminil [vacor]
	*Repellent-11
	92. Safrole
	93. Salithion
	*Schradan
	94. Silvex
	95. Sodium arsenate
	96. Sodium arsenite
	97. Sodium Cyanide
	98. Sodium fluoroacetate
	99. Sodium pentachloro-phenoxy (Sodium pentachlorophenate)
	*Strobane
	100. TDE (1,1-Dichloro-2, 2- bis (p-chlorophenyl) Ethane
	101. TEPP (Tetra ethyl diphosphate or tetra ethyl pyrophosphate or Etyl Pyrophosphate)
	102. Terpene polychlorinates
	[Strobane]
	103. Thallium sulfate
	104. Thionazin
	*Toxaphene
	105. Triamiphos
	106. Trichloronate
	107. Trysben
	*Vactor
	108. Vinyl chloride
	109. Wipeout

Note: *This list is subject to changes depending on scientific developments. Administration: Ministry of Agriculture, Animal Resources Directorate.

Table 13

Imported Products Subject to a TBT or SPS Visa
(Table E of document WT/ACC/LBN/16/Add.2)

HS	Description	Legal	Justification	Administration
	Tinner and Turpentine	Ministry of Energy and Water, Decision No. 2 dated 21/1/ 97	To avoid fraud	Ministry of Energy and Water
	Narcotics	Decree No. 2432 dated 2/3/2000	Health Measure	Ministry of Public Health
	Wireless telephone sets	Decree No.3033, dated 12/30/92:Referral No 11826, General Directorate of Customs, dated 8/12/97	Regulate the market of Telecom	Ministry of Post and Telecommunication
	Satellites	Decree No.3033, dated 12/30/92:Referral No 11826, General Directorate of Customs, dated 8/12/97	Regulate the market of Telecom	Ministry of Post and Telecommunication
	Wireless transmission apparatus incorporating reception apparatus	Legislative decree No 126, dated 6/12/59	Regulate the market of Telecom	Ministry of Post and Telecommunication
	Transmission with infra-red	Legislative decree No 126, dated 6/12/59	Regulate the market of Telecom	Ministry of Post and Telecommunication
040210	Milk for infants above six months old in containers of a net content exceeding 500g	Letter of the Ministry of Health No 5007, dated 6/24/97	Health Measure	Ministry of Public Health
04029910	Liquid milk in many flavors	Ministry of Public Health Decision No. 5007 dated 25/2/1993	Sanitary reason	Ministry of Public Health
0404	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
0405	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
040510	Butter	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
040590	Cooking butter	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
040700	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
050100	Human hair waste	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
050210	Waste of pigs', hogs' or boars' bristles and hair	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
050290	Waste of badger hair and other brush making hair	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
050300	Horsehair and horsehair waste, whether or not put up as a layer with or without supporting material	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment

HS	Description	Legal	Justification	Administration
050590	Waste of skins and other parts of birds, with their feathers or down, feathers and parts of feathers (whether or not with trimmed edges) and down, not further worked than cleaned, disinfected or treated for preservation	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
050690	Waste of bones and horn-cores, unworked, defatted, simply prepared (but not cut to shape), treated with acid or degelatinised	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
051191	Fish waste	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
0712	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
0713	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
080122	All items	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
080232	All items	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
0901	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
0902	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1001	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1005	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1006	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1101	Flour of all kinds	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT. Dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1101	Flour of all kinds	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT, dated 9/2/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1102	Flour of all kinds	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and trade No 25/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1103	Flour of all kinds	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT. Dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade

HS	Description	Legal	Justification	Administration
1104	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1106	Flour of all kinds	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT. Dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1109	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1201	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
121300	Straw waste	Decision No.1/71, Ministry of Environment, dated 5/19/97		Ministry of Environment
1501	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
15020090	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
15020090	Fats suitable for human and animal consumption	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
1504	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1504	All items	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
1507	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1508	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1510	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1511	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1511	All items	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
1512	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1512	All items	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
1513	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1513	All items	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
151529	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade

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151550	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1516	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1517	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
152200	Degras, residues resulting from the treatment of fatty substances or animal or vegetable waxes	Decision No.1/71, Ministry of Environment, dated 5/19/97	Health Reasons Consumer Protection	Ministry of Environment
1601	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1603	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1604	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1605	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1701	Sugar	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
1702	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
170230	Syrup	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
170240	Syrup	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
1703	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1704	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1704	Sugar confectionery	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
180200	Cocoa shells, husks, skins and other cocoa waste	Decision No.1/71, Ministry of Environment, dated 5/19/97		Ministry of Environment
1803	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1804	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1805	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
1806	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade

HS	Description	Legal	Justification	Administration
1901	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
190110	Milk for infants above six months old, put up in containers of a net content exceeding 500g	Letter of the Ministry of Health No 5007, dated 6/24/97	Health Reasons Consumer Protection	Ministry of Public Health
1904	Foodstuffs for human consumption	Note of the Ministry of Economy and trade No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2002	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2003	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2004	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2005	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2006	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2007	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2008	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2009	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2009	Juices of all kinds	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
2009	Fruit juices and vegetable juices unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	Legislative decree No 108/83 dated 16/09/83 Ministry of Public Health Decision No. 5007 dated 25/2/1993	Health Reasons Consumer Protection	Ministry of Public Health
2101	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2103	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2104	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2106	Canned food of all kinds	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
210690	Powder and extracts for the manufacture of ice cream and soft drinks	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
21069090	Natural medical products,	Decree Law No 11710 dated 22/01/98	Health Reasons	Ministry of Public Health

HS	Description	Legal	Justification	Administration
	Vitamins, herbs and proteins		Consumer Protection	
2201	Drinking water	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
220110	Mineral waters Aerated waters	Legislative decree No 108/83 dated 16/09/83 Ministry of Public Health Decision No. 5007 dated 25/2/1993	Sanitary reason	Ministry of Public Health
220190	Natural waters	Legislative decree No 108/83 dated 16/09/83 Ministry of Public Health Decision No. 5007 dated 25/2/1993	Sanitary reason	Ministry of Public Health
2202	Beverages and soft drinks	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
220210 220290	Soft drinks	Legislative decree No 108/83 dated 16/09/83 Ministry of Public Health Decision No. 5007 dated 25/2/1993	Sanitary reason	Ministry of Public Health
220300	Beer	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2205	Wines	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2206	Wines	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
220710	Alcoholic beverages	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2208	Alcoholic beverages	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
220900	Vinegar	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2302	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
2303	Foodstuffs for human consumption	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
230700	Wine lees	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
230800	Vegetable materials and vegetable waste, vegetable residues and by-products, whether or not in the form of pellets, of a kind used in animal feeding not elsewhere specified pr included	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
230890	Vegetable materials and vegetable waste, vegetable residues and by-products, whether or not in the form of pellets, of a kind used in animal feeding not elsewhere specified pr included	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment

HS	Description	Legal	Justification	Administration
230990	Cells constituting fungi, non active, resulting from the manufacture of penicillin and intended for animal feeding	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
2501	Salt	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT	Health Reasons Consumer Protection	Ministry of Economy and Trade
25010090	Table salt	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
250300	Sulphur	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
252400	Asbestos Crysotile Blanc, Cas N.12001-29-5	Decision No. 174/1 dated November 2, 1998 (issued jointly by Ministry of Public Health and the Ministry of Environment)	Environmental Reasons	Ministry of Environment
252530	Mica waste	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
252910	Felspar waste	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
252921	Fluorspar waste (containing by weight 97% or less of calcium fluoride)	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
252922	Fluorspar waste (containing by weight 97% or less of calcium fluoride)	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
252930	Waste of leucite; nepheline and nepheline syenite	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
25309010	Waste of mineral substances not elsewhere specified or included	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
261800	Granulated slag (slag sand) from the manufacture of iron or steel	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
261900	Slag from the manufacture of iron or steel	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
262011	Hard zinc spelter (containing mainly zinc); Zinc foam and parts	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
262030	Slag from the treatment of copper	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
262040	Residues from the removal of aluminum foam	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
262090	Tin slag containing tantalum and less than 0.5% of tin; crystalline waste and residues containing lithium and tantalum or lithium and niobium	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
262100	Slag from copper mining	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment

HS	Description	Legal	Justification	Administration
27100011	Motor spirit gasoline, unleaded	Ministry of Energy and Water, Decision No. 40 dated 12/4/2001	To avoid fraud	Ministry of Energy and Water
27100012	Motor spirit, gasoline leaded 92 octane or more but less than 98 octane	Ministry of Energy and Water, Decision No. 40 dated 12/4/2001	To avoid fraud	Ministry of Energy and Water
27100013	Motor spirit, gasoline leaded 98 octane or more.	Ministry of Energy and Water, Decision No. 40 dated 12/4/2001	To avoid fraud	Ministry of Energy and Water
27100014	Motor spirit (gasoline), including aviation spirit	Ministry of Energy and Water, Decision No. 1/384, dated 10/5/61	To avoid fraud	Ministry of Energy and Water
27100020	Spirit type (gasoline type jet fuel)	Ministry of Energy and Water, Decision No. 1/384, dated 10/5/61	To avoid fraud	Ministry of Energy and Water
2711	Liquid Petroleum gases and other gaseous hydrocarbons.	Ministry of Economy, Decision 1/620 dated 5/10/64	To avoid fraud	Ministry of Energy and Water
271112	Propane	Ministry of Energy and Water, Decision No 40 dated 12/4/2001	To avoid fraud	Ministry of Energy and Water
271113	Butane	Ministry of Energy and Water, Decision No 40 dated 12/4/2001	To avoid fraud	Ministry of Energy and Water
271114	Mixture of Propane and Butane	Ministry of Energy and Water, Decision No 40 dated 12/4/2001	To avoid fraud	Ministry of Energy and Water
271311	Petroleum coke not calcined	Ministry of Energy and Water, Decision No. 37 dated 3/ 12/93	To avoid fraud	Ministry of Energy and Water
271312	Petroleum coke calcined	Ministry of Energy and Water, Decision No. 37 dated 3/ 12/93	To avoid fraud	Ministry of Energy and Water
27150010	Asphalt for road surfacing	Ministry of Economy, Decision 1/116 dated 7/3/72	To avoid fraud	Ministry of Energy and Water
27150010	Bituminous mixtures based on natural asphalt	Ministry of Energy and Water, Decision No. 76 dated 4/9/97	To avoid fraud	Ministry of Energy and Water
2716	Asphalt	Ministry of Economy, Decision 1/116 dated 7/3/1972	To avoid fraud	Ministry of Energy and Water
280200	Sulphur	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
280461	Silicon waste containing exceeding 99.9% of silicon	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
280469	Other silicon waste	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
280530	Waste and scrap of rare-earth	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
280700	Sulphuric acid	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
280800	Nitric acid	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
28289020	Sodium hypochlorite ("eau de Javel")	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
282911	Sodium chlorates	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
282919	Potassium chlorates	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
28299090	Potassium perchlorates; Ammonium perchlorates	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
283429	Ammoniac nitrates containing more than 34.5% of azotes	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
283429	Sodium nitrates; Barium nitrates	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
28380010	Mercury fulminates	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
2844	Radioactive elements	Legislative Decree 105/83 dated 16/09/83 Ministry of Public Health Decision No. 5007 dated 25/2/1993	Sanitary reason	Ministry of Public Health

HS	Description	Legal	Justification	Administration
2844	Radioactive chemical preparations used as reagents	Letter of the Ministry of Health No 5007, dated 6/24/97	Health Measure	Ministry of Public Health
284430	Waste and scrap of thorium	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
28500010	Azides, other than sodium azides	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
28500010	Lead azoture	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
29029090	Tetracene	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
290313	Chloroform	Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health
29042090	other	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
292159	R.D.X	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
293100	Organic mercury compounds	Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health
293369	Hexogen	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
2936	Vitamins	Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health
2937	Hormones	Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health
2941	Antibiotics (All items of this sub heading)	Letter No 3188-203-16, Ministry of Public Health, dated 5/27/72 Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health
3001	Glands and other organs for organo-therapeutic uses, dried, whether or not powdered (All items of this sub heading)	Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health
3002	Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera and other blood fractions and modified immunological products. (All items of this sub heading)	Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health
3003	Veterinary medicaments (All items of this sub heading)	Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94 Letter No.2351 Ministry of Agriculture, dated 5/5/96; Letter of the Ministry of Health No 5007, dated 6/24/97	Health Measure	Ministry of Public Health
3003	Medicaments for human medicines consisting of two or more constituents, which have been mixed together for therapeutic or prophylactic uses, not put up in measured doses or in forms or packing for retail sale. (All items of this sub heading)	Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health

HS	Description	Legal	Justification	Administration
3004	Veterinary medicaments (All items of this sub heading)	Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94 Letter No.2351 Ministry of Agriculture, dated 5/5/96;Letter of the Ministry of Health No 5007, dated 6/24/97	Health Measure	Ministry of Public Health
3004	Medicaments for human medicines consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses or in forms or packing for retail sale. (All items of this sub heading)	Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health
3005	Wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale for medical, surgical, dental or veterinary purposes. (All items of this sub heading)	Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health
3006	Pharmaceutical goods (All items of this sub heading)	Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health
31.01.00	Fertilizers: Animal or vegetable fertilizers, whether or not mixed together or chemically treated; fertilizers produced by the mixing or chemical treatment of animal or vegetable products *	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
31.02	Mineral or chemical fertilizers, nitrogenous*	Ministry of Agriculture and Defense Decision No. 1/90 dated 5/4/2000	Security Reasons	Ministry of Defense
310230	Ammonium nitrates containing more than 34.5% of azote	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
310250	Sodium nitrates containing more than 15.5% of azote	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
31.03	Mineral or chemical fertilizers, phosphatic	Ministry of Agriculture and Defense Decision No. 1/90 dated 5/4/2000	Security Reasons	Ministry of Defense
31.04	Mineral or chemical fertilizers, potassic	Ministry of Agriculture and Defense Decision No. 1/90 dated 5/4/2000	Security Reasons	Ministry of Defense

HS	Description	Legal	Justification	Administration
31.05	Mineral or chemical fertilizers containing two or three of the fertilizing elements, nitrogen, phosphorous and potassium; other fertilisers	Ministry of Agriculture and Defense Decision No. 1/90 dated 5/4/2000	Security Reasons	Ministry of Defense
320412	Artificial coloring matter for food and beverages	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT. Dated 9/2/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
320412	Artificial coloring matter for foodstuffs and beverages	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT, dated 9/2/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
3304	All items	Note of the Ministry of Economy and Trade No 9/1/T, dated 3/4/98	Health Reasons Consumer Protection	Ministry of Economy and Trade
3304	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations. (All items of this sub heading)	Letter of the Higher Council of Customs No 274, dated 1/24/52 Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health
3305	All items (excluding items intended for industrial purposes)	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96; Note of the Ministry of Economy and Trade, dated 9/1/AT, dated 3/4/98; Letter of the Ministry of Economy and Trade No 263, dated 1/13/97	Health Reasons Consumer Protection	Ministry of Economy and Trade
3305	Preparations for use on the hair. (All items of this sub heading)	Letter of the Ministry of Health No 5007, dated 6/24/97	Health Measure	Ministry of Public Health
33069010	Mouth washes and oral perfumes	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
3307	Pre-shave, shaving or after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorisers, whether or not perfumed or having disinfectant properties. (All items of this sub heading)	Letter of the Ministry of Health No 5007, dated 6/24/97 Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health

HS	Description	Legal	Justification	Administration
3401	Soap for household purposes (other than industrial purposes)	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96; Letter of the Ministry of Economy and Trade No 263, dated 1/13/97	Health Reasons Consumer Protection	Ministry of Economy and Trade
34021190	Washing and cleaning preparations put up for retail sale, including bleaching powders	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
34021290	Washing and cleaning preparations put up for retail sale, including bleaching powders	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
34021390	Washing and cleaning preparations put up for retail sale, including bleaching powders	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
34021990	Washing and cleaning preparations put up for retail sale, including bleaching powders	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
340220	Washing and cleaning preparations put up for retail sale, including bleaching powders	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
34029090	Washing and cleaning preparations put up for retail sale, including bleaching powders	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
340540	Scouring pastes and powders	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
350790	Enzymes	Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health
36010010	Blasting powder for use in mining	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
36010090	All items of this sub heading	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
360200	Prepared explosives, other than propellant powders	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
360200	Prepared explosives, other than propellant powders	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
360300	Safety fuses	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
360410	Fireworks	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
360490	other	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
3704	Photographic plates, film, paper, paperboard and textiles, exposed but not developed	Decree No 2873, dated 16/12/59	Security Reasons	Ministry of Interior

HS	Description	Legal	Justification	Administration
3705	Photographic plates and film, exposed and developed, other than cinematographic film	Decree No 2873, dated 16/12/59	Security Reasons	Ministry of Interior
3706	Cinematographic film, exposed and developed, whether or not incorporating sound track or consisting only of sound track	Decree No 2873, dated 16/12/59	Security Reasons	Ministry of Interior
3808	Insecticides	Decree No 5100 dated 12/04/82 Ministry of Public Health Decision No. 5007 dated 25/2/1993	Sanitary reason	Ministry of Public Health
38084010	Disinfectants for domestic use put up in containers not exceeding 5 liters	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96; Letter of the Ministry of Economy and Trade No 31/1/AT, dated 1/13/97	Health Reasons Consumer Protection	Ministry of Economy and Trade
38084090	Disinfectants for domestic use put up in containers not exceeding 5 liters	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96; Letter of the Ministry of Economy and Trade No 31/1/AT, dated 1/13/97	Health Reasons Consumer Protection	Ministry of Economy and Trade
382100	Prepared culture media for development of micro-organisms	Law No 367 (Law on Practicing of the profession of Pharmacy), dated 8/1/94	Health Measure	Ministry of Public Health
382490	Curb 60 Jet Stream	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
391510	Waste, parings and scrap of polymers of ethylene	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
391520	Waste, parings and scrap of polymers of styrene	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
391530	Waste, parings and scrap of polymers of vinyl chloride	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
391590	1- waste, parings and scrap, of other plastics and resins other than those specified in list no 2 2- photographic apparatus used for one time without batteries; Waste of photographic support and photographic film not containing silver	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
400400	Waste, parings and scrap of rubber (other than hard rubber) and powders and granules obtained therefrom	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
401700	Waste and scrap of hard rubber	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment

HS	Description	Legal	Justification	Administration
411000	Parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder and flour	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
4202	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
440130	Sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
450190	Waste of crushed, granulated or ground cork	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
470710	Waste and scrap of unbleached kraft paper or paperboard or corrugated paper or paperboard	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
470720	Waste and scrap of other paper or paperboard made mainly of bleached chemical pulps, not colored in the mass	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
470730	Waste and scrap of paper and paperboard made mainly of mechanical pulp (for example, newspaper, journals and similar printed matters)	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
470790	Waste and scrap of other paper and paperboard including unsorted waste and scrap	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
48030010	Toilet paper for domestic use	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96; Letter of the Ministry of Economy and Trade No 263, dated 1/13/97	Health Reasons Consumer Protection	Ministry of Economy and Trade
48053090	Printed packing containers for foodstuffs and beauty preparations	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT, dated 9/2/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
48053090	Printed packing containers for foodstuffs and beauty preparations	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT, dated 9/2/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
480610	Printed packing containers for foodstuffs and beauty preparations	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT, dated 9/2/96	Health Reasons Consumer Protection	Ministry of Economy and Trade

HS	Description	Legal	Justification	Administration
48195090	Record sleeves	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT, dated 9/2/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
482110	Printed packing containers for foodstuffs and beauty preparations	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT. Dated 9/2/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
482110	Printed packing containers for foodstuffs and beauty preparations	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT, dated 9/2/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
4901	Printed books, brochures, leaflets and similar printed matter, whether or not in single sheets	Decree No 2873, dated 16/12/59	Security Reasons	Ministry of Interior
4902	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material.	Decree No 2873, dated 16/12/59	Security Reasons	Ministry of Interior
49059910	Geographic Maps	Legislative decree No 53, dated 5/8/67	Security Reasons	Ministry of Defense
4910	Calendars of any kind, printed, including calendar blocks	Decree No 2873, dated 16/12/59	Security Reasons	Ministry of Interior
500310	Silk waste (including silk- worm cocoons not unsuitable for reeling, yarn waste and garneted stock)	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
500390	Silk waste (including silk- worm cocoons not unsuitable for reeling, yarn waste and garneted stock)	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
510310	No.ils of wool or of fine animal hair	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
510320	Other waste of wool or of fine animal hair	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
510330	Waste of coarse animal hair	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
520210	Waste of cotton yarn	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
520291	Cotton garneted stock waste	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
520299	Waste of other cotton	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
530130	Flax tow and waste (including yarn waste and garneted stock)	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
530290	True hemp waste and scrap	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
530390	No.ils and waste of jute and other textile bast fibers (excluding flax, true hemp and ramie), including yarn waste and garneted stock	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment

HS	Description	Legal	Justification	Administration
530490	No.ils and waste sisal and other textile fibers of the genus <i>Agav</i> , including yarn waste and garneted stock	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
530519	No.ils and waste of coconut fibers, including yarn waste and garneted stock	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
530529	No.ils and waste of abaca, including yarn waste and garneted stock	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
530599	No.ils and waste of ramie and other vegetable textile fibers, not elsewhere specified or included, including yarn waste and garneted stock	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
550510	Waste of artificial fibers (including noils, yarn waste and garneted stock)	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
550520	Waste of artificial fibers (including noils and yarn waste and garneted stock)	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
560110	Sanitary towels and napkin liners for babies, of wadding	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
6101	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6102	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6103	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6104	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6105	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6106	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6109	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6110	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6112	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6113	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6114	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense

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6115	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6116	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6117	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6201	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6202	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6203	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6204	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6205	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6206	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6210	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6211	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6214	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6215	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6216	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6217	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6304	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
6306	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6307	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
630790	Bullet-proof jackets	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
63090	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense
631010	Worn out articles of twine, cordage, rope or cables, of textile materials, sorted	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
631090	Worn out articles of rags, twine, cordage and rope	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment

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6401	Camouflaged garments with chevron	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6402	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6403	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6404	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6405	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
6406	Camouflaged garments with chevrons	Decision of the Commander of the Army No 1775/AA, dated 11/6/97	Security Reasons	Ministry of Defense
680610	Wool based on ceramics	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
700100	Cullet and other waste and scrap of glass (excluding waste of negative electrode tubes and waste of activated glass); waste of glass wool	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
711210	Waste and scrap of gold including metal clad with gold but excluding sweepings containing other precious metals	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
711220	Waste and scrap of platinum including metal clad with platinum but excluding sweepings containing other precious metals	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
711290	Slag from the treatment of precious metals (excluding mercury); waste and scrap of other precious materials (excluding mercury)	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
720221	Ferro-silicon	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
720229	Ferro-silicon	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
720410	Waste and scrap of cast iron	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
720421	Waste and scrap of stainless steel	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
720429	Other waste and scrap of steel mixtures	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
720430	Waste and scrap of tinned iron or steel	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
720449	Other waste and scrap of iron	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
720450	Remelting scrap ingots	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
730210	Used rails of iron or steel	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment

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7311	Containers for liquefied gas	Letter of the Ministry of Economy No 1766/91/AT, dated 2/8/92; Letter of the Ministry of Economy No 2719/AT, dated 12/12/92; Note of the Minister of Economy and Trade No 25/1/AT, dated 9/2/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
740400	Copper waste and scrap	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
750300	Nickel waste and scrap	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
760200	Aluminum waste and scrap	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
760310	Aluminum powder	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
760320	Aluminum powder	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
790200	Zinc waste and scrap	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
800200	Tin waste and scrap	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
810191	Waste and scrap of tungsten	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
810291	Waste and scrap of molybdenum	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
810310	Waste and scrap of tantalum	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
810420	Waste and scrap of magnesium	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
810510	Waste and scrap of cobalt	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
81060010	Waste and scrap of bismuth	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
810810	Waste and scrap of titanium	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
810910	Waste and scrap of zirconium	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
81110010	Waste and scrap of manganese	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
81123010	Waste and scrap of germanium	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
81124010	Waste and scrap of vanadium	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
811291	Waste and scrap of gallium, hafnium, indium, niobium, rhenium and gallium	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
81130010	Waste and scrap; cermets	Decision No.1/71, Ministry of Environment, dated 5/19/97	Environmental Reasons	Ministry of Environment
821220	Razor blades	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Measure Conformity to Lebanese Standards	Ministry of Economy and Trade
847090	Machines for sorting or folding mail or for inserting mail in envelopes or bands, machines for opening, closing or sealing mail and machines for affixing or canceling postage stamps	Legislative decree No.126, dated 6/12/95; Ministry of Post and Telecommunication Decision No.239	Regulate the market of Telecom.	Ministry of Post and Telecommunication
8506	Primary cells for domestic and personal use	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade

HS	Description	Legal	Justification	Administration
8507	Primary cells for domestic and personal use	Note of the Ministry of Economy No 31/1/AT, dated 11/11/96	Health Reasons Consumer Protection	Ministry of Economy and Trade
851711	Line telephone sets	Decree No.3033, dated 12/30/92:Referral No 11826, General Directorate of Customs, dated 8/12/97	Regulate the market of Telecom	Ministry of Post and Telecommunication
851719	Line telephone sets	Decree No.3033, dated 12/30/92:Referral No 11826, General Directorate of Customs, dated 8/12/97	Regulate the market of Telecom	Ministry of Post and Telecommunication
851721	Facsimile machines (Fax)	Decree No.3033, dated 12/30/92:Referral No 11826, General Directorate of Customs, dated 8/12/97	Regulate the market of Telecom	Ministry of Post and Telecommunication
851722	Telex/ teleprinters	Decree No.3033, dated 12/30/92:Referral No 11826, General Directorate of Customs, dated 8/12/97	Regulate the market of Telecom	Ministry of Post and Telecommunication
852410	Gramophone records	Decree No 2873, dated 16/12/59	Security Reasons	Ministry of Interior
852431	For reproducing phenomena other than Sound or image	Decree No 2873, dated 16/12/59	Security Reasons	Ministry of Interior
852432	For reproducing Sound only	Decree No 2873, dated 16/12/59	Security Reasons	Ministry of Interior
852439	Other		Security Reasons	Ministry of Interior
852440	Magnetic tapes For reproducing phenomena Other than Sound or image	Decree No 2873, dated 16/12/59	Security Reasons	Ministry of Interior
852451	Other magnetic tapes : of a width not exceeding 4 mm	Decree No 2873, dated 16/12/59	Security Reasons	Ministry of Interior
852452	Other magnetic tapes : of a width exceeding 4 mm but not exceeding 6.5 mm	Decree No 2873, dated 16/12/59	Security Reasons	Ministry of Interior
852453	Other magnetic tapes : of a width exceeding 6.5 mm :	Decree No 2873, dated 16/12/59	Security Reasons	Ministry of Interior
852491	For reproducing phenomena other than Sound or image	Decree No 2873, dated 16/12/59	Security Reasons	Ministry of Interior
852510	Transmission apparatus	Legislative decree No 126, dated 6/12/59	Regulate the market of Telecommunication	Ministry of Post and Telecommunication
852510	Wireless telephone sets	Legislative decree No 126, dated 6/12/59	Security Reasons	Ministry of Defense
852510	Wireless transmission apparatus incorporating reception apparatus	Legislative decree No 126, dated 6/12/59	Security Reasons	Ministry of Defense
852910	Sophisticated television aerials	Letter of the General Director of the Ministry of Post and Telecommunication dated 2/12/92	Regulate the market of Telecommunication	Ministry of Post and Telecommunication
85438990	Electric explosives	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
871000	For military purposes	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
880211	For military purposes	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
880212	For military purposes	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
880230	For military purposes	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
880240	For military purposes	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
880260	For military purposes	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
880310	Parts of items designed for military purposes	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense

HS	Description	Legal	Justification	Administration
880320	Parts of items designed for military purposes	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
880330	Parts of items designed for military purposes	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
880390	Parts of items designed for military purposes	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
880510	For military purposes	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
890600	For military purposes	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
9018	New medical apparatus	Ministry of Public Health Decision No. 5007 dated 25/2/1993	Sanitary reason	Ministry of Public Health
901831	Non-sterilized medical apparatus for personal use	Ministry of Public Health Decision No. 5007 dated 25/2/1993	Sanitary reason	Ministry of Public Health
902000	Protective masks used in war	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
9022	Radiography apparatus	Legislative Decree 105/83 dated 16/09/83 Ministry of Public Health Decision No. 5007 dated 25/2/1993	Sanitary reason	Ministry of Public Health
902810	Gas meters	Decision No 10258 Ministry of Economy, dated 1/3/58	Health Reasons Consumer Protection	Ministry of Economy and Trade
930100	Military weapons, other than revolvers, pistols and the arms of heading No. 93.07	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
930200	Revolvers and pistols, other than those of heading No. 93.03 or 93.04	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
930310	Muzzle-loading firearms	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
930320	Other sporting, hunting or target-shooting shotguns, including combination shotgun-rifles	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
930330	Other sporting, hunting or target-shooting rifles	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
930400	Other arms (for example, spring, air or gas guns and pistols, truncheons), excluding those of heading No. 93.07	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
930510	For items of heading No 9302	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
930510	revolvers or pistols	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
93059010	For items of heading No 9301	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
930610	Cartridges for riveting or similar tools or for captive-bolt humane killers	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Interior
930630	Other cartridges and parts thereof	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
930690	other	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense

HS	Description	Legal	Justification	Administration
930700	Swords, cutlasses, bayonets, lances and similar arms and parts thereof and scabbards and sheaths thereof	Legislative Decree No 137, dated, 12/6/59	Security Reasons	Ministry of Defense
9404	Camouflaged garments with chevrons	Decision of the Commander of the Army No. 1755/AA dated 11/6/97	Security Reasons	Ministry of Defense

Table 14

Arrangements under Bilateral Agreements Relating to Import Licensing

Country	Signature	Provision
Algeria	20 April 1967	Both contracting parties shall grant as expeditiously as possible import and export licenses as prescribed in their laws and regulations.
Armenia	1 May 1995	Each contracting party shall grant the other party's products non discretionary treatment with respect to the application of quantitative restrictions and the granting of import and export licenses.
Australia	11 March 1997	No prohibition or restriction on the import or export of any product, whether the prohibition or restriction is in the form of quotas, import or export Licence or any other measure unless it is imposed on all other countries.
Azerbaijan	11 February 1998	Both contracting parties shall take all the necessary measures for fast and easy implementation of the signed contracts, by accelerating the process of issuance of import and export licenses.
Cameroon	19 October 1962	Both contracting parties shall grant, without any delay, import and export licenses for two lists of goods.
Chile	26 November 1997	Each contracting party shall grant the other party MFN treatment for trade in goods and services regarding the regulations and all the procedures related to imports and exports.
China	13 June 1996	Each contracting party shall grant the other party MFN treatment with regard to the granting of import and export licenses when necessary.
Cuba	11 March 1998	Each contracting party shall grant the other party MFN treatment in all matters related to the trade of goods and services including issuance of import and export licenses.
Czech Republic	7 October 1994	The Contracting Parties agree that import and export licenses shall be issued when required in accordance with their laws and regulations on terms and conditions not less favourable than those granted to any other third country.
Egypt	10 September 1998	A specific list of Egyptians products attached to the agreement is subject to import licenses prior to their import.
Iran	27 October 1997	Each contracting party shall grant the other contracting party MFN treatment (no less favourable than the one granted to any other third country) with regard to import and export procedures.
Iraq	9 April 1967	Both contracting parties shall commit to facilitate trade between them, by issuing import and export licenses for their traded products, in accordance with their laws and regulations. Goods and personal effects shall not be subject to any impeding restrictions (transit).
Jordan	1 October 1992	Fruits and vegetables are exempt from import Licence taking into account the agricultural calendar applicable in both countries.
Nigeria	29 March 1968	Both contracting parties shall engage in the issuance of import and export licenses to facilitate trade in goods between them according to their laws and regulations.
Pakistan	9 January 2001	The contracting parties undertake to grant import/export licenses where necessary in accordance with their respective laws and regulations.
Poland	27 May 1993	Each contracting party shall grant the other party MFN treatment regarding all the procedures related to the import and export of goods between them.
Russia	31 March 1995	Both contracting parties shall commit to the principle of equal treatment on the import or export of their products regarding the

Country	Signature	Provision
		application of quantitative restrictions and the issuance of licenses.
Saudi Arabia	11 November 1971	Both contracting parties shall exempt products exchanged between the two countries and stated in the tables attached to this agreement from import and export licenses.
Senegal	29 May 1963	Both contracting parties shall commit, upon request, to presenting all the necessary information related to the issuance of import and export licenses.
Sudan	21 April 1969	Both contracting parties shall commit to facilitate trade between them, by issuing import and export licenses for their traded goods.
Syria	16 September 1993	Aim toward removing trade restrictions. Import licenses imposed upon national industrial products stated in Article 4 of the economic agreement of 1953 and the amendments thereto shall be removed and replaced with statistical application forms. The said application forms shall be subject to the same financial and customs provisions applied to import licenses.
Ukraine	25 March 1996	Each contracting party shall grant the products imported from or exported to the other party, non-discriminatory treatment regarding the application of quantitative restrictions and the issuance of licenses.
United Arab Emirates	15 April 2000	This agreement shall provide a free-trade area between both contracting parties, according, among other things, to the elimination of non tariff restrictions (barriers) imposed on the goods traded directly between the two countries. No new restrictions can be introduced by either country once this agreement is implemented.
Yemen	25 November 1999	Each contracting party shall grant the other party MFN treatment regarding customs duties, regulations and procedures related to imports and exports.

Table 15

Export Prohibitions
(Table B of document WT/ACC/LBN/16/Add.2)

HS	Description	Legal	Justification	Conditions	Administration
	Medicinal plant 1. Serula hermonensis	MOA Decision No. 1/177 dated 26/8/98 Biodiversity study prepared by the MOA	Biodiversity conservation		Ministry of Agriculture
	Forest Products: Lebanese Coal, timber, wood, populus ...	MOA Decision No. 1/38 dated 7/4/82	Forest conservation		Ministry of Agriculture
	Medicinal and Aromatic plants (such as organy, chamomile, myrtle...)	MOA Decision No. 1/92 dated 28/2/96	Ecological reason (feed for bees, prevent the drift of soil) Biodiversity conservation		Ministry of Agriculture
	Dangerous Narcotics	Decree No. 2432 dated 2/3/2000	Health Measure	There is a list of banned narcotics (List MPH 1)	Ministry of Public Health
01.02	Live bovine animals	MOA Decision No. 1/397 dated 18/12/73	For the conservation of the local breeds		Ministry of Agriculture
01.04	Live sheep and goats	MOA Decision No. 1/397 dated 18/12/73	For the conservation of the local breeds		Ministry of Agriculture

Table 16
Product Subject to Export Licenses
(Table D of document WT/ACC/LBN/16/Add.2)

HS	Description	Legal	Justification	Conditions	Administration
	Endangered species	Following international guidelines	To protect endangered species from extinction.		Ministry of Agriculture
	Rose Mary, Thyme	MOA Decision No. 1/340 dated 1/8/96	Biodiversity conservation		Ministry of Agriculture
	Narcotics	Decree No.2432 dated 2/3/2000	Health Measure	Only on a list of Narcotics (see list MPH 2)	Ministry of Public Health
2308	Vegetable materials and vegetable waste, vegetable residues and by-products, whether or not in the form of pellets, of a kind used in animal feeding, not elsewhere specified or included	MOA Decision No, 1/98 dated 29/2/96	Health Measure		Ministry of Agriculture
2309	Preparations of a kind used in animal feeding	MOA Decision No, 1/98 dated 29/2/96	Health Measure	Export not exceeding 30% of animal feed; this animal feed should be locally produced or imported within the last six months before its export	Ministry of Agriculture
250300	Sulphur	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
2709	Petroleum oils and oils obtained from bituminous minerals, crude	Ministry of Economy ,Decision No.10152 dated 24/9/1957	To meet local consumption needs	Except: - Quantities extracted from the refinery of Tripoli and Zahrani - Quantities prepared for supplying the airplanes in the Lebanese airports	Ministry of Energy and Water
2710	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations	Ministry of Economy, Decision No. 10827 dated 9/10/1959	To meet local consumption needs	Except: - Quantities extracted from the refinery of Tripoli and Zahrani - Quantities prepared for supplying the airplanes in the Lebanese airports	Ministry of Energy and Water
	Tinner	Ministry of Energy and Water, Decision No. 2 dated 21/1/ 97	To meet local consumption needs		Ministry of Energy and Water

HS	Description	Legal	Justification	Conditions	Administration
2711	Liquid Petroleum gases and other gaseous hydrocarbons	Ministry of Economy, Decision 1/620 dated 5/10/64	To meet local consumption needs	Except liquid petroleum gas packed in tiny tubes prepared for lighters.	Ministry of Energy and Water
271112	Propane	Ministry of Energy and Water, Decision No. 76 dated 27/4/1981	To meet local consumption needs		Ministry of Energy and Water
271113	Butane	Ministry of Energy and Water, Decision No. 76 dated 27/4/1981	To meet local consumption needs		Ministry of Energy and Water
271114	Mixture of Propane and Butane	Ministry of Energy and Water, Decision No. 76 dated 27/4/1981	To meet local consumption needs		Ministry of Energy and Water
271311	Petroleum coke not calcined	Ministry of Energy and Water, Decision No. 37 dated 3/ 12/93	To meet local consumption needs		Ministry of Energy and Water
271312	Petroleum coke calcined	Ministry of Energy and Water, Decision No. 37 dated 3/ 12/93	To meet local consumption needs		Ministry of Energy and Water
2714	Asphalt	Ministry of Economy, Decision 1/116 dated 7/3/1972	To meet local consumption needs	If exported by land in trucks should be equipped with a heating set	Ministry of Energy and Water
27150010	Asphalt for road surfacing	Ministry of Economy, Decision 1/116 dated 7/3/72	To meet local consumption needs	If exported by land in trucks should be equipped with a heating set	Ministry of Energy and Water
271520	Bituminous mixtures based on natural asphalt	Ministry of Energy and Water, Decision No. 76 dated 4/9/97	To meet local consumption needs	If exported by land in trucks should be equipped with a heating set	Ministry of Energy and Water
280200	Sulphur	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
280700	Sulphuric acid	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
280800	Nitric acid	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
282911	Sodium chlorates	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
282919	Potassium chlorates	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
28299090	Potassium perchlorates; Ammonium perchlorates	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
283429	Ammoniac nitrates containing more than 34.5% of azotes	Law No 347, dated 6/16/94	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
283429	Sodium nitrates; Barium nitrates	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
28380010	Mercury fulminates	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
28500010	Azides, other than sodium azides	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
28500010	Lead azoture	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
29029090	Tetracene	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade

HS	Description	Legal	Justification	Conditions	Administration
29042010	Trinitrotoluene	Legislative decree No 137, dated 6/12/59	Security reasons	Ministry of Economy upon approval of the Ministry of Interior	Ministry of Economy and Trade
29042090	other	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
290890	other	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Interior	Ministry of Economy and Trade
290919	Nitro-ether	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Interior	Ministry of Economy and Trade
290920	Nitro-ether	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Interior	Ministry of Economy and Trade
290930	Nitro-ether	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Interior	Ministry of Economy and Trade
292090	Nitroglycerine	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Interior	Ministry of Economy and Trade
292149	other	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Interior	Ministry of Economy and Trade
292159	R.D.X	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Defense	Ministry of Economy and Trade
292520	Nitroguanidine	Legislative decree No 137, dated 6/12/59	Security reasons	Ministry of Economy upon approval of the Ministry of Interior	Ministry of Economy and Trade
293369	Hexogen	Legislative decree No 137, dated 6/12/59	Security reasons	Ministry of Economy upon approval of the Ministry of Interior	Ministry of Economy and Trade
310230	Ammonium nitrates containing more than 34.5% of azote	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
310250	Sodium nitrates containing more than 15.5% of azote	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
36010010	Blasting powder for use in mining	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
36010090	All items of this sub heading	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
360200	Prepared explosives, other than propellant powders.	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
360200	Prepared explosives, other than propellant powders.	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
360300	Safety fuses	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
360410	Fireworks	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
360490	other	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade

HS	Description	Legal	Justification	Conditions	Administration
382490	Curb 60 Jet Stream	Legislative decree No 137, dated 6/12/59; Letter of the Army Command No 2/2507; Subject of referral, Higher Council of Customs No 3800, dated 68/11/12	Security reasons	Upon the approval of the Ministry of Interior	Ministry of Economy and Trade
39122090	Cellulose nitrates with 11% or more of nitrogen-(Gun Cotton) collodions-perocellulose with 11%or more of nitrogene-peroxylyene with 11% or more of nitrogen	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Interior	Ministry of Economy and Trade
470710 470720 470730 470790	Paper and paper board waste	Decision No /6397/MM, Ministry of Industry, dated 12/27/81	Provide the needed raw materials for the local industry (Recycle)		Ministry of Industry
630790	Bullet-proof jackets	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
720221	Ferro-silicon	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Interior	Ministry of Economy and Trade
720229	Ferro-silicon	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Interior	Ministry of Economy and Trade
73110010	Gas cylinders, bottles	Decision No 512/1, Ministry of Economy, dated/ 4/9/64	Provide the needs of the country		Ministry of Industry
760310	Aluminum powder	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Interior	Ministry of Economy and Trade
760320	Aluminum powder	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense	Ministry of Economy and Trade
810430	Magnesium powder	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
85438990	Electric explosives	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Defense	Ministry of Economy and Trade
871000	For military purposes	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
880211	For military purposes	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
880212	For military purposes	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
880220	For military purposes	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers Council of Ministers	Ministry of Economy and Trade

HS	Description	Legal	Justification	Conditions	Administration
880230	For military purposes	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
880240	For military purposes	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
880260	For military purposes	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers Council of Ministers	Ministry of Economy and Trade
880310	Parts of items designed for military purposes	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
880320	Parts of items designed for military purposes	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
880330	Parts of items designed for military purposes	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
880390	Parts of items designed for military purposes	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
880510	For military purposes	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
890600	For military purposes	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
902000	Protective masks used in war	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
930100	Military weapons, other than revolvers, pistols and the arms of heading No. 93.07	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers Council of Ministers	Ministry of Economy and Trade
930200	Revolvers and pistols, other than those of heading No. 93.03 or 93.04	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers Council of Ministers	Ministry of Economy and Trade
930261	Revolvers and pistols, other than those of heading Nos 93.01 ad 93.04	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
930310	Muzzle-loading firearms	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade

HS	Description	Legal	Justification	Conditions	Administration
930320	Other sporting, hunting or target-shooting shotguns, including combination shotgun-rifles	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers Council of Ministers	Ministry of Economy and Trade
930330	Other sporting, hunting or target-shooting rifles	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers Council of Ministers	Ministry of Economy and Trade
930390	Other	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers Council of Ministers	Ministry of Economy and Trade
930400	Other arms (for example, spring, air or gas guns and pistols, truncheons), excluding those of heading No. 93.07	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers Council of Ministers	Ministry of Economy and Trade
930510	revolvers or pistols	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
930510	For items of heading No 9302	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
930521	Shotgun barrels	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
930529	other	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
93059010	For items of heading No 9304	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Interior	Ministry of Economy and Trade
93059010	For items of heading No 9301	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
93059090	Suitable solely for use with arms of headings Nos. 93.01 and 93.04	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
930610	Cartridges for riveting or similar tools or for captive-bolt humane killers	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
930629	Other	Legislative decree No 137, dated 6/12/59	Security reasons	Upon approval of the Ministry of Interior	Ministry of Economy and Trade
930630	Other cartridges and parts thereof	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade
930690	other	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade

HS	Description	Legal	Justification	Conditions	Administration
930700	Swords, cutlasses, bayonets, lances and similar arms and parts thereof and scabbards and sheaths thereof	Legislative decree No 137, dated 6/12/59	Security reasons	Upon the approval of the Ministry of Defense and the Council of Ministers	Ministry of Economy and Trade

Table 17 (a)

Minimum Value of Investment Required under Decree No. 9326

Sector	Minimum Investment required (US\$)
Industry	10,000,000
Agriculture	2,000,000
Agro-Industry	3,000,000
Tourism	15,000,000
Information, Communication, Technology, or Media/Advertising	400,000

Table 17 (b)

Minimum Job Creation Criteria under Decree No. 9326

Sector	Minimum Job Creation
Industry	100
Agriculture	50
Agro-Industry	60
Tourism	200
Information, Communication, Technology, or Media/Advertising	25

Table 18

SPS Measures for Animal Feed

HS	Description	Legal Decision	Justification	Conditions
23.01	Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, mollusks or other aquatic invertebrates, unfit for human consumption; greaves.	MOA Decision 1/98 dated 29/2/96. MOA Decision 1/86 dated 30/6/99.	Health Measure.	If exceeding specific concentrations of arsenic, antimony, hormones and chemical pesticides, according to international norms and regulations (Codex and OIE).
23.02	Bran, sharps and other residues, whether or not in the form of pellets, derived from the sifting, milling or other working of cereals or of leguminous plants.	MOA Decision 1/98 dated 29/2/96. MOA Decision 1/86 dated 30/6/99.	Health Measure.	If exceeding specific concentrations of arsenic, antimony, hormones and chemical pesticides, according to international norms and regulations (Codex and OIE).
23.03	Residues of starch manufacture and similar residues, beet-pulp, bagasse and other waste of sugar manufacture, brewing or distilling dregs and waste, whether or not in the form of pellets.	MOA Decision 1/98 dated 29/2/96. MOA Decision 1/86 dated 30/6/99.	Health Measure.	If exceeding specific concentrations of arsenic, antimony, hormones and chemical pesticides, according to international norms and regulations (Codex and OIE).
23.04	Oil cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soyabean oil.	MOA Decision 1/98 dated 29/2/96. MOA Decision 1/86 dated 30/6/99.	Health Measure.	If exceeding specific concentrations of arsenic, antimony, hormones and chemical pesticides, according to international norms and regulations (Codex and OIE).
23.06	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats or oils.	MOA Decision 1/98 dated 29/2/96. MOA Decision 1/86 dated 30/6/99.	Health Measure.	If exceeding specific concentrations of arsenic, antimony, hormones and chemical pesticides, according to international norms and regulations (Codex and OIE).
23.08	Vegetable materials and vegetable waste vegetable residues and by products, whether or not in the form of pellets, of a kind used in animal feeding, not elsewhere specified or included.	MOA Decision 1/98 dated 29/2/96. MOA Decision 1/86 dated 30/6/99.	Health Measure.	If exceeding specific concentrations of arsenic, antimony, hormones and chemical pesticides, according to international norms and regulations (Codex and OIE).
23.09	Preparations of a kind used in animal feeding.	MOA Decision No 1/278 dated 7/12/2000.	Health Measure.	Except fish meal imported for fish feeding.

Table 19

State Trading Enterprises

Name of Entity	Type of Business	Description	Legal Basis
Regie Libanaise des Tabacs et Tombacs (Regie)	Import and Export of Tobacco and Tobacco products	The Regie has the exclusive right to (i) import tobacco leaves and tobacco products, (ii) export tobacco leaves and tombac leaves, and (iii) produce tobacco products in Lebanon.	Ministry of Finance Decision No. 10412/1 dated 27 September 1994.
Ministry of Energy and Water: General Directorate of Oil	Import and Diesel	Exclusive right for the Ministry of Energy and Water to Import Gas Oil starting 24/8/1995 .On 19 July 2000, however, the Council of Ministers issued Decision No. 7 authorizing industrialist to import fuel for their own use after approval of the Lebanese Industrialists Association and obtaining Licence from the Ministry of Energy and Water.	Legislative Decree No. 79 dated 27/6/1977; Ministry of Energy and Water notification dated 28 June 1997.
Electricite du Liban	Distribution and Transmission of Electricity	Exclusive right through concession to produce, transmit and distribute electricity in Lebanon. Ownership: 100% state owned Exclusive right to import and export electricity.	Decree No. 16878 dated 10 July 1964. The multilateral agreement relating to electrical Connection signed among: Syria, Lebanon, Iraq, Jordan, Egypt and Turkey dated 13 June 1993.

Table 20

Regimes Applicable to Goods Exiting the Free Zone

	Foreign Products	Lebanese Products	Products Made in the Free Zone
Exported to foreign countries through land and to warehouses within Lebanon	Transit regime applies	Transit regime applies	Transit regime applies
Exported to foreign countries through the sea	Re-Export procedure	Re-Export Procedure	Normal Export Procedure
Exported to other free zones within Lebanon	Guarantees are required	Guarantees are required	Guarantees are required
Exported into Lebanon for domestic consumption	Subject to applicable import duties and procedures in Lebanon	Subject to applicable import duties and procedures in Lebanon	Subject to applicable import duties and procedures in Lebanon
Temporary admission into Lebanon	Subject to the temporary admission regime	Subject to the temporary admission regime	Subject to the temporary admission regime

Table 21

Fees Charged for the Protection of Certain Intellectual Property Rights

Service	Fee (LBP)
PATENT FEES	
Annual instalments for invention certificates:	
- Deposit Fees	50,000
- First Year	100,000
- Second Year	150,000
- Third Year	200,000
- Fourth Year	250,000
- Fifth Year	300,000
- Sixth Year	350,000
- Seventh Year	400,000
- Eighth Year	450,000
- Ninth Year	500,000
- Tenth Year	550,000
- Eleventh Year	600,000
- Twelfth Year	650,000
- Thirteenth Year	700,000
- Fourteenth Year	750,000
- Fifteenth Year	800,000
- Sixteenth Year	850,000
- Seventeenth Year	900,000
- Eighteenth Year	950,000
- Nineteenth Year	1,000,000
- Twentieth Year	1,050,000
Certified copy of minutes of filing	25,000
Certified copy of patent	50,000
Registration of sale or transfer	90,000
Photocopy of sale registration, hachuring sale, or certification of no such sale or hachuring with respect to a certificate of invention	32,000
Surtax for late payment of annual instalment	100,000
Publication in the Official Gazette	LBP 5,000/six word with other specific for formatting
Temporary protection for patentable inventions in public fairs and exhibitions	Set in 1973 Budget, but never applied
Fee for exhibitor's registration certificate	Set in 1973 Budget, but never applied
INDUSTRIAL DRAWING AND DESIGN FEES	
Registration of:	
- 1 to 100 drawings or samples	200,000
- Each additional hundred or fraction of a hundred drawings or samples	100,000
- Each additional drawing or sample deposited as part of the first hundred	9,000
- Each additional drawing or sample deposited as part of the second hundred	4,800
- Each additional drawing or sample deposited as part of the third hundred	3,200
Opening or classifying deposited drawings and samples:	3,200
- Application to open drawings or samples during the first five years after deposit	200,000
- Additional fee for each of the first fifty drawings or samples	17,000
- Additional fee for each drawing or sample over fifty	9,000
- Application to open or classify a deposit at the termination of the	200,000

second five-year term following the first deposit	
- Additional fee for each drawing or sample	50,000
Extensions of deposits:	
Application for extension of deposit for an additional 25 years	300,000
Additional fee for each drawing	100,000
Photocopy of each drawing or sample deposited	32,000
Publication in the Official Gazette	LBP 5,000/six word with other specific for formatting
Revenue stamp for each registration certificate	100,000
Temporary protection for drawings and designs in public fairs and exhibitions	Set in 1973 Budget, but never applied
Fee for exhibitor's registration certificate	Set in 1973 Budget, but never applied
TRADEMARK FEES	
Registration (for each class) of:	
Individual Trademarks	
- For 15 years	250,000
- For 30 years	500,000
- For 45 years	750,000
- For 60 years	1,000,000
- Renewal of filing every 15 years	250,000
Collective Trademarks	
- For 40 years	250,000
- For 45 years	280,000
- For 60 years	340,000
- Renewed filings every 15 years	520,000
Registration of transfer of trademark ownership	90,000
Surtax for late registration of transfer of trademark ownership	50,000 (for each 2 month period)
Other copies or certificates	32,000
Temporary protection for trademarks in public fairs and exhibitions	Set in 1973 Budget, but never applied
Fee for exhibitor's registration certificate	Set in 1973 Budget, but never applied
Publication in the Official Gazette	LBP 5,000/six word with other specific for formatting
COPYRIGHT AND RELATED WORK FEES	
Registration of:	
- Published works	50,000
- Cinematographic works, videos and audio recordings	175,000
- Daily or other periodical publications (for one year)	75,000
- Photocopies of maps, postcards, or photographs	25,000
- Daily or other periodical publications (1 item)	
- All other works	50,000
Registration of a contract related to a deposited work	50,000
Photocopy of a registration certificate	25,000
Publication in the Official Gazette	LBP 5,000/six word with other specific for formatting
Revenue stamp for each registration certificate	100,000

Table 22

State and non-State Bodies Having a Regulatory Role in the Conduct of Service Activities

Body	Role
STATE BODIES	
Banque Du Liban	Licensing for banking and financial related activities (except insurance).
Banking Control Commission (BCC)	Control, audit and supervision of banks and financial institutions.
Council of Ministers	Licensing and classification of tourism projects.
Higher Accounting Council	Supervision of the implementation of accounting norms and rules, modernization of rules and norms.
Higher Banking Commission (HBC)	Setting and applying penalties in connection with banks, financial institutions, and banks' auditors.
Higher Customs Council	Licensing of customs brokers.
Ministry of Agriculture	Supervision, inspection, control, licensing and issuance of permits.
Ministry of Economy and Trade	IP protection, pricing, profitability control, inspection, sales regulation, registration, declaration of activity, licensing and control.
Ministry of Energy and Water	Pricing, licensing and supervision.
Ministry of Environment	Setting environmental conditions and classification.
Ministry of Finance	Tax imposition, collection, auditing, registration, licensing, issuance of permits, notification and supervision.
Ministry of Information	Licensing and setting standards.
Ministry of Interior	Licensing and issuance of permits.
Ministry of Labour	Issuance of work permits and declarations.
Ministry of Education and Higher Education	Issuance of permits.
Ministry of Telecommunications	Licensing and setting telecommunications and postal tariff rates.
Ministry of Public Health	Issuance of approvals for compliance with health standards, licensing, issuance of permits, supervision, and inspection.
Ministry of Public Works and Transport	Licensing, issuance of permits, supervision, setting transport tariffs and fees, and registration.
Ministry of Tourism	Licensing, controlling prices, supervision, inspection, classification, setting standards, and registration.
Mouhafez	Licensing and pre-approvals for licenses.
Municipalities	Licensing and declarations.
The National Establishment for Guarantee of Investments (linked to the Ministry of Finance)	Mandatory insurance provider against political and other risks.
The National Institute for Guarantee of Deposits	Bank deposit insurance.
NON-STATE BODIES	
American University of Beirut (AUB)	Approval for website address.
The Bar Association	Registration.
Beirut Stock Exchange	Acceptances, supervision, and organization.
International Union of Telecommunications	Registration of TV channels before its operation.
The Social Security Fund (under the custody of the Ministry of Labour)	Receiving declarations and providing quietus.
The Lebanese Association of certified public Accountants	Registration.
The Order of Dental Prostheses	Registration.
The Lebanese Dental Association	Registration.
The Order of Engineers	Registration.

The Order of Medical Doctors	Registration.
The Order of Pharmacists	Registration.
The Order of Topographers	Registration.
The Order of Veterinarians	Registration.

Table 23

Service Monopolies and Exclusive Service Suppliers

Service Monopoly	Type of Business	Description	Laws and Legal Acts
Casino Du Liban	Gambling and Entertainment	Monopoly status for 30 years starting 1995 Ownership: Banque Du Liban through Intra Investment Company (51.87%); 48.13% private.	Law No. 417 dated 15 May 1995; Decree No. 6919 dated 29 June 1995.
Phone Directorate under the Ministry of Telecommunications	Telecommunication Services	Exclusive right for providing telecommunications services except: <ul style="list-style-type: none"> - mobile services; - internet services (internet service providers are not permitted to provide voice services); - wireless data services; - Ownership: public entity under the Ministry of Telecommunications; - Telecommunication services in Lebanon are in the process of privatisation and liberalisation. 	Article 189 of Decree Law No. 126 dated 12 June 1959; Law No 431 dated 23 July 2002.
Ogero	Connection of telephone subscribers, maintenance of the PSTN, and billing	Right conferred by Law and Decrees to Ogero Ownership: public entity under the Ministry of Telecommunications Telecommunication services in Lebanon are in the process of privatisation and liberalisation.	Law No. 21/72 dated 27 December 1972; Decree No. 9519 dated 15 January 1975; Decree No. 5613 dated 5 September 1994; Law No 431 dated 23 July 2002.
Detecon	Mobile services	Management contract for the existing mobile phone network for a four-year period starting on 1 June 2004.	Law No. 393 dated 1 June 2002.
Mobile Telecom Company	Mobile services	Management contract for the existing mobile phone network for a four-year period starting on 1 June 2004.	Law No. 393 dated 1 June 2002.

Service Monopoly	Type of Business	Description	Laws and Legal Acts
Midclear	Settlement and Clearing	Exclusive clearing for regulated stock markets in Lebanon in the Beirut Stock Exchange Ownership: 99.86% Banque Du Liban.	Law No. 139 dated 26 October 1999.
The Arab Clearing House	Settlement of stock operations between Arab financial markets as well as with other financial markets	Ownership: - Beirut Stock Exchange; - Midclear; - The Union of Arab Stock Exchanges & Securities Commission; - Kuwait Stock Exchange; - Misr for Clearing, Settlement & Depository; - Kuwait Clearing Company.	Law No. 138 dated 26 October 1999.
Middle East Airline	Air transport – Passengers	20-year monopoly expiring 16 September 2012; Ownership: 99.37% owned by Banque Du Liban; 0.63% by private sector.	Decision of Council of Ministers dated 16 September 1992.
Liban Post	Postal services	15-year monopoly for regular postal services expiring Mid 2014 granted in the form of BOT contract Ownership: 33.33% Lebanese private investment; 66.66% Canadian private investment.	Decree No. 126, 1959.
Office of Railroad and Public Transport of Beirut and Suburbs	Railroad and public transport	Manages and exploits the rail road lines Ownership: Public entity under the Ministry of Public Works and Transport.	Decree No. 6479 dated 14 April 1961.
Trans-Mediterranean Airlines	Air Transport – Cargo	TMA is, <i>de facto</i> , the only Lebanese company for transport of Cargo. Many foreign companies have the right to transport cargo to/from Lebanon. Ownership: 100% private.	

Service Monopoly	Type of Business	Description	Laws and Legal Acts
Electricite du Liban	Distribution and Transmission of Electricity	Exclusive right through concession to produce, transmit and distribute electricity in Lebanon Ownership: 100% state-owned.	Decree No. 16878 dated 10 July 1964.

Table 24

Registration Fees Charged by Professional Orders

Registration/Annual Subscription (LBP 1,000)	Lebanese	Arabs	Non-Arabs	Legal References
Pharmacists	500/300	75,000/650	150,000/2000	General Assembly dated 26 November 2000.
Topographers	800/250	5 times Lebanese	10 times Lebanese	Article 63/a of Internal Regulation of Order of Topographers dated 7 November 1996 and its amendments in 14/11/2001.
Engineers	400/380	10 times Lebanese	10 times Lebanese	Article 10/1 of Internal Regulation of Order of Engineers No. 396 dated 11 February 1998.
Dentists	300/30	25,000/10,000	25,000/10,000	Budget Set by Order dated 28 November 1997 General Assembly dated 26 November 1989 .
Doctors	150	500,000	500,000	General Assembly dated 21 March 1999.