

## **Act**

### **on Amendments to the Customs Act, No. 88/2005, and the Act on Foreign Exchange, No. 87/1992, as subsequently amended**

#### **CHAPTER I**

##### **Amendment to the Customs Act, No. 88/2005, as subsequently amended.**

###### **Article 1**

A new Temporary Provision shall be added the Act, which shall read as follows:

Until 30 November 2010 prices for goods transactions shall be recorded in a foreign currency on export declarations, cf. Temporary Provision II of Act No. 87/1992, on Foreign Exchange, as subsequently amended. The record shall be based on the currency indicated on the exporter's sales invoice; however, an ISK figure may not be used. If the currency of the transaction is not evident from the sales invoice, the transaction shall be recorded in EUR or USD on the export declaration.

#### **CHAPTER II**

##### **Amendment to Act No. 87/1992, on Foreign Exchange, as subsequently amended.**

###### **Article 2**

A new paragraph shall be added to Article 7 of the Act which shall read as follows:

In assessing requests for exemptions, the Central Bank of Iceland shall have regard for the consequences which restrictions on capital movements have for the applicant, for the objectives behind the restrictions and the impact which an exemption will have on exchange rate and monetary stability. A refusal of an exemption may be referred to the Minister of Commerce.

###### **Article 3**

A new Temporary Provision shall be added the Act, which shall read as follows:

Notwithstanding the provisions of Article 2, payment made for exports of goods and services must, until 30 November 2010, be made in a foreign currency.

If export transactions are concluded between connected parties, they must be based on normal terms and customs of business ("arm's length transactions").

The Minister may, in a Regulation, set detailed rules on the implementation of this provision, including rules on arm's length transactions. Furthermore, the Minister may instruct connected parties to submit on a regular basis reports of their export transactions, the disposal of the sales value and other aspects concerning exports.

A violation of this provision may be liable to administrative fines and punishment as provided for in Articles 15a-15d, 16, 16a and 16b.

### **CHAPTER III**

#### **Entry into force**

##### **Article 4**

This Act shall enter into force at once. Notwithstanding the provision of the second paragraph of Article 8 of the Act on the Official Journal of Iceland (*Stjórnartíðindi*) and the Legal Gazette (*Lögbirtingablað*), upon publication this Act shall be binding on all parties.

*Adopted by the Icelandic parliament Althingi on 31 March 2009*