

# Customs & Trade in Israel

## A Legal Newsletter

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### **The Court: The Customs Authority Accepted the Importer's Position and will Pay the Importer's Expenses**

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#### **Case Facts:**

An importer imported two-wheeled vehicles with an electric motor ("the goods"). In light of a dispute between the importer and the Customs Authority regarding the classification of the goods, and as the forfeiture of the goods by the Customs Authority, the importer filed an originating motion before the Magistrate Court. The importer sought declaratory relief regarding the goods' classification, and the return of the goods.

In response, the Customs Authority accepted the importer's position regarding the classification of the goods, and returned the goods to the importer. In addition, the Customs Authority asked the court to drop the case with no order for expenses, as the continuation of the case would be redundant at this stage.

#### **Parties' Arguments:**

The importer argued that the Customs Authority should cover the costs of the proceeding, as it was forced to turn to legal proceedings solely due to the shortcomings of the Customs Authority in handling the various requests regarding the importation of the goods. The importer further requested that the court grant it leave to split remedies, so that the importer may file a monetary damage claim in the future.

The Customs Authority argued that the court should drop the case with no order for expenses, due to lack of good faith by the importer in its conduct before the government authorities prior to the legal proceeding.

#### **The Court's Ruling:**

The court determined that the continuation of the case is redundant, as the importer achieved the declared goals of the proceeding - the classification of the goods according to its position and the return of the goods.

The court ruled that the Customs Authority must cover the importer's legal expenses, taking into account that the legal proceeding ended in its preliminary stages and without requiring a judicial decision.

As for the importer's request for leave to split remedies, the court determined that the case is similar to other precedents in which the party was not required to receive leave from the court. Even so, in light of the unique circumstances of the proceeding, including the fact that it was discontinued prior to a hearing due to actions undertaken by the Customs Authority and without a judicial decision, the court granted the importer leave to split remedies.

The proceeding was therefore discontinued, and the court ordered the Customs Authority to pay the importer's legal expenses of 17,550 ILS, granting the importer leave to split remedies in case it chooses to pursue monetary damages in the future.

**The above review is a summary. The information presented is for informative purposes only,  
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