Commission of the European Communities

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Implementing the Community Lisbon programme
Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

laying down the Community Customs Code

(Modernized Customs Code)

(presented by the Commission)

{SEC(2005)1543}
EXPLANATORY MEMORANDUM

1) CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

The present Community Customs Code, Council Regulation (EEC) No. 2913/92, is out of date. It has not kept pace with either the radical changes to the environment in which international trade is conducted, particularly the rapid and irreversible growth of the use of information technology and the exchange of electronic data, or with the changing focus of customs work. This compromises efficient customs clearance and risk-based controls within the internal market. One should also take into consideration the Community's trade facilitation agenda in the context of the Doha Development Agenda, as well as the requirements stemming from the need to address emerging security and safety threats by strengthening controls at the external border of the Community. The modernizing of the Customs Code, streamlining of customs procedures and processes and the adaptation of the rules towards common standards for IT systems will

- implement the e-Government initiative in the area of customs;
- fulfil the commitment to the 'better regulation' initiative in this area, by providing less complex and better structured rules and regrouping several Regulations;
- enhance the competitiveness of companies doing business in and with the Community, thus creating economic growth;
- increase security and safety at the external border, once common standards (including those for risk-analysis) are introduced and managed via a common IT framework;
- reduce the risk of fraud;
- contribute to better coherence with other Community policies, such as indirect taxation, agricultural, commercial, environmental, health and consumer protection policy; and
- ensure an effective decision-making process for the adoption of implementing provisions, guidelines and explanatory notes and provide for the Commission to request a national administration to withdraw a decision.

Such extensive changes cannot be achieved by continued amendment of the present Customs Code, but only by a complete overhaul, i.e. its replacement by a modernized Community Customs Code.

- **General context**

The present proposal must be seen in the context of the renewed Lisbon Strategy, whose objectives are to make Europe a more attractive place to invest and work, where growth is led by knowledge and innovation and where policies allow businesses in the
EU to create more and better jobs. The present proposal was also developed to fulfil the objectives of the e-Government initiative, by allowing business, through electronic Customs, to benefit fully from modern technology and the resulting facilitation of trade.

The Commission proposals to create a simple and paperless environment for customs and trade were welcomed and supported in the Council Resolution of December 2003, which endorsed the Commission proposals for the modernization of customs rules and procedures and to establish a regulatory framework in support of reformed customs procedures in a computerised context.

No general revision has been made of the present Code since it was adopted in 1992, only limited changes addressing specific problems. It still bases procedures upon paper transactions and, although the use of electronic customs clearance through national computerized systems is now the rule rather than the exception, there is still no obligation under Community law to use such systems. Community-wide IT applications for customs clearance do not generally exist, yet the new computerized transit system, NCTS, has successfully demonstrated the feasibility of such systems and opens new opportunities for similar applications in other customs regimes.

Furthermore, the role of customs is shifting away from the collection of customs duties, which have declined dramatically over the past 20 years, towards the application of non-tariff measures, including, in particular, those related to security and safety, to the fight against counterfeit goods, money laundering and drugs, and the application of sanitary, health, environmental and consumer protection measures, as well as the collection of VAT and excise duties on importation or the exemption from such taxes on exportation.

The Customs Code has to be adapted to fit, but also to govern, the electronic environment for customs and trade. Moreover, economic operators and administrations have all favoured taking this opportunity to carry out a major overhaul of the customs rules in order to make them simpler and better structured.

Not least, radical changes in the Code are needed, in an enlarged Community and an electronic trading environment, to provide for the collection of taxes at the most appropriate place, which is at the place where the trader is established (centralized clearance). At the same time, it is essential to safeguard common standards, including those for risk-analysis and customs penalties. The latter can only be achieved through a common Community framework, for which the Commission will table a proposal soon. It is also necessary to improve coherence with other Community policies, such as those related to indirect taxation, agricultural, commercial, environmental, health and consumer protection policy. This requires a revised division of tasks between border and inland customs offices.

Failure to make these changes to the Code will prevent companies doing business in Europe from taking full advantage of more modern conditions for performing their international trade duties, which will affect their performance in an increasingly competitive environment. Outdated procedures, processes and other customs rules that were developed for a paper-based environment will also increase the risk of fraud, compromise safety and security at the external border and weaken the role of customs as the principal agency for border protection and supervision in respect of the
international movement of goods.

- **Existing provisions in the area of the proposal**


The proposal and its implementing provisions will replace these Regulations, together with the following Regulations and their implementing provisions, which are incorporated in the new Code:

- Council Regulation (EEC) No 918/83 of 28 March 1983 setting up a Community system of reliefs from customs duties,

- Council Regulation (EEC) No 3925/91 of 19 December 1991 concerning the elimination of controls and formalities applicable to the cabin and hold baggage of persons taking an intra-Community flight and the baggage of persons making an intra-Community sea crossing,

- Council Regulation (EC) No 82/2001 of 5 December 2000 concerning the definition of the concept of "originating products" and methods of administrative co-operation in trade between the customs territory of the Community and Ceuta and Melilla,

- Council Regulation (EC) No 1207/2001 of 11 June 2001 on procedures to facilitate the issue of movement certificates EUR.1, the making-out of invoice declarations and forms EUR.2 and the issue of certain approved exporter authorizations under the provisions governing preferential trade between the European Community and certain countries.

- **Consistency with the other policies and objectives of the Union**

Consistent with the renewed Lisbon strategy and the e-Government initiative.

2) **Consultation of interested parties and impact assessment**

- **Consultation of interested parties**

*Consultation methods, main sectors targeted and general profile of respondents*

Progressive versions of the draft modernized Customs Code have been discussed with Member States' customs administrations, in the Customs Code Committee, and with European trade federations, in Trade Contact Group meetings, since May 2004. An open consultation was carried out on the Internet during the summer of 2004.

The numerous comments received from various economic operators, Member States, and third countries were then taken into account in the drafting of a revised version, which was presented to these stakeholders at a major seminar in Budapest in April 2005.
Furthermore, a questionnaire was sent to European trade federations and customs administrations in order to provide feedback on the probable costs and benefits of implementation of the modernized Customs Code.

*Summary of responses and how they have been taken into account*

The reactions to the Commission proposal received from these consultations and at the Budapest conference were largely favourable; however, some specific comments have been taken into account in the final drafting of the proposal.

Responses were received to the impact questionnaire and the results have been collated in an impact assessment accompanying this draft proposal.

An open consultation was conducted over the internet from 01/07/2004 to 15/09/2004. The Commission received 56 responses. The results, including the Commission's responses as to how the comments have been taken into account, are available on [http://europa.eu.int/comm/taxation_customs/resources/documents/CustomsCodes_tables.pdf](http://europa.eu.int/comm/taxation_customs/resources/documents/CustomsCodes_tables.pdf).

- **Collection and use of expertise**

  There was no need for external expertise.

- **Impact assessment**

  No further legal changes: Under this option, the current Customs Code, as recently amended, but which was conceived in the eighties and entered into force in the nineties, would continue to apply. Paper based transactions will continue to be defined as the standard procedure. Customs procedures and processes will continue to be unnecessarily complex and the rules will not reflect the economic reality, making it increasingly difficult for both customs administrations and traders to apply these outdated rules in a modern environment. The recently published security amendment to the Customs Code could lead to an increase in compliance costs of approximately 1,200 million €, which may be reduced in part by some national IT initiatives, plus an increase in investment of 50 to 60 million €/year for the Commission and the Member States for the implementation of the necessary IT infrastructure.

  Member States could still commit themselves, without re-engineering of the customs business, to computerizing customs rules and procedures within the existing legal framework and create inter-operable customs systems, both within the same Member State and with regard to other Member States. This would, however, not allow for a change over to a fully electronic environment, as traders would keep the option of submitting paper based instead of electronic customs declarations. Inter-operability is also likely to be limited to customs administrations, as there would be no legal obligation in the Customs Code for the implementation of a ‘single window’. Accessibility for traders would be limited to the present situation where only national, non-harmonized interfaces for traders exist. Service providers and administrations could be encouraged to create single access points, whereby traders could submit declarations to the competent customs authorities via their existing interface, thus avoiding multiplication of costly investments, but there would be no legal obligation.
for Member States to invest in such systems. This would restrict the opportunity for traders to be able to benefit from simplifications such as centralized clearance and 'single window' and from Community wide decisions. Only by further harmonization of the rules and procedures at EC level will we be able to reap full benefits from the new electronic customs regime in the context of new business and commercial realities. Without that harmonization, the development of pan-European strategies and processes, including common software packages would also be hampered. Multi-national companies would often have to continue using the services of national agents or establish branches in all Member States where they are operating, even if they are able to use electronic customs procedures. This could decrease the above mentioned security related compliance costs by about 15%, but additional costs of around 40 to 50 million €/year are likely to be incurred.

Modernization of the Customs Code: Under this option, an appropriate legal framework is put in place and the work of achieving electronic customs will be dramatically simplified. Electronic customs under this option is mainly 'efficient customs', with an in-depth re-engineering of the customs business into a coherent business package. This is a low risk strategy from an IT perspective, since the initiation of any significant action and investment, either at Community or at national level, is based on solid legal foundations. This option would allow for reduced legislative complexity, a level playing field for economic operators, the withdrawal of restrictions for customs agents and the development of a customs information portal, inter-operable and accessible automated customs systems, single access points, a 'single window' and a 'one stop shop' for control of goods by all authorities involved in the movement of goods across Community borders. This option would not only significantly reduce the risk of fraud, but also facilitate trade. The full objectives in terms of modernization, streamlining and a fully electronic environment for customs and trade can be attained. Companies would be able to benefit from a much improved authorization programme, leading both to better facilitation and greater simplification. They will be able to use, under certain conditions, centralized clearance, which provides them with the benefit of dealing with a single customs office in the EU. Information would be more easily accessible, via common customs information portals, and all interactions with different competent administrations could be channelled through a Single Window. The costs for such an 'efficient customs' solution would obviously be higher than the previous option, a likely additional investment of 40 to 50 million € per year, until 2013, for the Commission and the Member States together. Benefits, however, could be as high as 2,500 million € per year when the system is fully operational, which, at the earliest, would be in 2009. The break even point of this option will be reached in 2010.


3) LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

To replace the existing Community Customs Code, and the related Regulations listed under point 1, with a modernized Customs Code that streamlines customs procedures and lays the foundations for accessible, inter-operable customs clearance systems at
EU level.

- **Legal basis**

Articles 26, 95, 133 and 135 of the EC Treaty

- **Subsidiarity principle**

The proposal falls under the exclusive competence of the Community. The subsidiarity principle therefore does not apply.

- **Proportionality principle**

The proposal complies with the proportionality principle for the following reasons.

The modernized Customs Code contained in the proposal has been made as simple as possible, with the aim of ensuring, in conjunction with implementing provisions, guidelines and explanatory notes, its uniform application throughout the Community. A directive could not achieve this objective.

The simplification of procedures is crucial to the successful passage to the electronic customs environment. It will also reduce the burden on customs administrations and economic operators who, as a consequence of recent amendments to the present Code, already need to invest in electronic systems, for security purposes.

- **Choice of instruments**

Proposed instruments: Regulation.

Other means would not be adequate for the following reason(s).

As there is exclusive Community competence with regard to external trade, only a Regulation can ensure uniform application of customs legislation.

4) **Budgetary implication**

Member States and traders will have to invest in accessible, inter-operable customs clearance systems. The financial implications for the Commission are set out in a financial statement attached to the proposal.

5) **Additional information**

- **Simplification**

The proposal provides for simplification of legislation, simplification of administrative procedures for public authorities (EU or national) and simplification of administrative procedures for private parties.

In addition to a simpler structure and more coherent terminology, with fewer Articles and simpler rules, the new Code takes a client-oriented approach, using commonly understood definitions of activities such as import, export, movement, storage, processing or use of goods. It also adopts a process-oriented approach, grouping
together similar procedures under common rules with fewer exceptions; some procedures are to be abolished and others merged or aligned, reducing the existing thirteen different customs approved treatments or uses to just three basic procedures, import, export and special procedures, all with consistent rules, notably for authorizations, guarantees and customs debt.

As a result, more than two thirds of the 258 Articles in the present Code have been amended, integrated or transferred to the implementing provisions. This modernized Code, which will be followed by consolidated and simpler implementing provisions, as well as explanatory notes and guidelines, will further ensure consistent interpretation and application of the customs rules by Member States, which will be of great benefit to economic operators.

The merger or alignment of related procedures means that fewer specialists will be needed to manage them, which will allow for the re-allocation of human resources to risk areas, thus increasing security and reducing the risk of irregularity. Administrations who are in the process of reducing their staff or have done this already will benefit from such an approach.

A simpler structure and a maximum of common elements across different arrangements will mean easier access to the rules and less programming efforts for compliance with the customs rules.

The proposal is included in the Commission's Work and Legislative Programme under the reference 2004/TAXUD-015.

- **Repeal of existing legislation**

The adoption of the proposal will lead to the repeal of existing legislation.

- **Detailed explanation of the proposal**

**TITLE I: GENERAL PROVISIONS**

The new text includes a mission statement describing the role and objectives of the customs administrations and specifies that customs legislation includes the Customs Tariff, an omission from the previous Code that needed rectifying.

The principle of electronic declarations and electronic data exchange between customs administrations is introduced, in full respect of the provisions on protection of data, together with a legal basis for the voluntary exchange of additional information between economic operators and customs authorities.

The rules on representatives have been changed, with former restrictions being withdrawn as they are neither compatible with an electronic environment nor with the principles of the Single Market. This revision is also in line with a general approach under which all empowerments for special national provisions have been removed from the Code, except where they apply to the organization of customs controls.

The provisions of the Code are in conformity with the Charter of Fundamental Rights, which requires that every person has a right to be heard before any decision is taken which would adversely affect him, including decisions on post-clearance recovery and rejections of repayment or remission claims.

It has been clarified that several persons may request and be covered by a decision and that decisions are valid throughout the Community, unless otherwise specified, and that the rules on decisions also apply where an appeal is dealt with by the customs authorities.

The proposal foresees that Member State shall provide for effective, proportionate and dissuasive customs penalties. In order to reinforce consistency throughout the Internal Market, a common framework for penalties in respect of infringements of the Community customs rules will be proposed to the Council and the European Parliament at a later stage.

The inclusion of exceptions to controls or formalities in this Chapter allows the repeal of Council Regulation (EEC) No 3925/91 of 19 December 1991.

All situations where customs administrations may recover costs or charge fees are brought together under one Article, instead of several. Fees for the granting of deferred payment have been abolished.

The provisions for currency conversion have been consolidated and aligned with Regulation (EEC, Euratom) No 1182/71; the detailed rules are now to be laid down in the Customs Code Implementing Provisions (CCIP).

TITLE II: FACTORS ON THE BASIS OF WHICH IMPORT OR EXPORT DUTIES AND OTHER MEASURES PRESCRIBED IN RESPECT OF TRADE IN GOODS ARE APPLIED

The new provisions are aligned with Article 3 of the 1994 Marrakesh Agreement on Rules of Origin. This will allow, once international harmonization work is completed, the incorporation of the new rules of origin into the CCIP. In addition, it is made clear that non-preferential rules of origin are also relevant to the application of Community measures not related to tariff or trade. All autonomous origin rules applicable in preferential regimes, including Ceuta and Melilla, but apart from those applicable to the overseas countries and territories listed in Annex II of the EC Treaty, are also to be adopted under the committee procedure.

Articles with general coverage of valuation issues are grouped together to provide a general legal basis for the adoption of implementing rules, notably when the EU accepts commitments and obligations in relation to the application of the WTO Agreement on Customs Valuation, including Decisions of the WTO Customs Valuation Committee.

TITLE III: CUSTOMS DEBT AND GUARANTEES

The modernization and simplification of the rules on the customs debt require major changes, as whether or not a customs debt is incurred should depend on objective circumstances and not on the degree of negligence on the part of the person concerned.
This is in line with the Kyoto Convention stipulating that duties shall be repaid where it is established that they have been overcharged as a result of an error in their assessment (General Annex, Chapter 4, Standard 18). Administrative penalties are a more appropriate response to infringements of the customs rules in cases where the customs authorities are in a position to establish that a customs procedure has ended or been discharged in accordance with the customs rules.

In the context of the proposed new division of responsibilities between border and inland customs offices, it is proposed that a customs debt is normally incurred at the place where the holder of a procedure or an authorization is established, except where the holder is not established in the Community customs territory or in the case of infringements, in which case the residual rules shall apply as at present.

Chapter 4 of the General Annex of the Kyoto Convention leaves the determination of the factors, the conditions and the point in time for the determination of duties and taxes to national or Community legislation, so there is no requirement to maintain the present complicated rules for the determination of a customs debt in the context of suspensive procedures, free zones and free warehouses.

The provisions of Title III relating to “customs debt and guarantees” establish a balanced approach between the interests of the trade, notably the general possibility to reduce the amount of the guarantee in case of potential debts and the extension of the cases in which the customs debt may be extinguished, and the protection of the financial interests of the Community and of the Member States, improved by the extension of the coverage of the guarantee provided to secure the amount of the customs debt. The functioning of the Internal Market will be improved through the harmonization of measures such as time limits for notification of the amount of the customs debt where the acts which led to the incurrence of the debt are liable to give rise to criminal court proceedings, and the rules on the collection of interest on arrears.

TITLE IV: ARRIVAL OF GOODS IN THE CUSTOMS TERRITORY OF THE COMMUNITY

This Title incorporates the security-related changes to the Customs Code introduced by Regulation (EC) No 648/2005 and further integrates and consolidate these changes, taking into account the general introduction of electronic declarations, electronic exchange of data between customs authorities, notably the Import Control System (ICS), and the creation of common portals and a Single Window.

The exemption of free zones from customs supervision, a security loophole, has been withdrawn; free zones become a customs procedure and are subjected to customs controls at entry and with regard to records.

The rules on the presentation of goods have been re-drafted in order to clarify the obligations and the person(s) responsible for notifying customs of the arrival of the goods and making them available for controls. The deadlines for assigning the goods to a customs procedure are removed as temporary storage will itself be a special procedure.

TITLE V: GENERAL RULES ON CUSTOMS STATUS AND CUSTOMS PROCEDURE
The major changes concern the electronic declaration being the normal form of a customs declaration, and the alignment of the former variants of simplified declaration procedures, including local clearance.

The basic principles for the presumption, and loss, of the status of Community goods have been transferred to the Code from the CCIP. The detailed rules will continue to be laid down in the CCIP.

With certain exceptions, e.g. Carnets TIR or ATA, where a customs declaration is required, electronic declarations shall become the rule. Whereas it has been clarified that free zones will, in future, become a customs procedure, the existing waiver of the obligation to make a customs declaration is to be maintained.

Where authorized, access to the declarant’s electronic system may replace the transmission of the electronic declaration. Supporting documents may also be lodged in electronic form; documents need not ‘accompany’ the declaration, provided they are ‘available to the customs authorities’.

In line with the principles of the Kyoto Convention, the new Code provides for the lodging, registering and checking of the goods declaration prior to the arrival of the goods and for the dissociation of the place where the declaration is submitted from the place where the goods are physically located. There is also provision for release of goods at a place other than that where the customs declaration has been accepted, which together with the merger of the former simplified declaration and local clearance procedure provides for the implementation of ‘centralized clearance’. Under this system, an authorized economic operator can lodge his summary and/or customs declaration in electronic form from his premises, irrespective of the Member State in which the goods are entering into or leaving the Community, so allowing companies to conduct all of their EU business with one customs office.

**TITLE VI: RELEASE FOR FREE CIRCULATION AND RELIEF FROM IMPORT DUTIES**

As release for free circulation is one of the most important customs procedures it is considered appropriate to devote a separate Chapter to this procedure, despite its brevity.

This Title also deals with goods released for free circulation under special circumstances, except for goods placed under the end-use provisions covered by Title VII (Special procedures) and includes the legal basis for provisions of former Council Regulation (EEC) No 918/83, setting up a Community system of reliefs from customs duty, to be laid down in the CCIP. This is a more transparent approach than laying down some provisions in a separate Council/Parliament Regulation.

**TITLE VII: SPECIAL PROCEDURES**

The former suspensive procedures have been grouped together and aligned with other similar customs approved treatments and uses within four special procedures: transit (external transit, internal transit); storage (temporary storage, customs warehousing, free zones); specific use (temporary admission, end-use); and processing (inward and outward processing). This alignment has made it possible to merge the inward
processing suspension system with processing under customs control and to abandon the inward processing drawback system, given that the intention of re-exportation is no longer necessary.

Common rules will govern all special procedures, such as those applicable to guarantee, application and authorization, and use of equivalent goods, with special rules for an individual procedure maintained only where there are duly justified economic reasons.

Clarifications have been inserted in respect of the suspension of VAT at importation and excise duty, as provided for under Articles 7 (3) and 10 (3) of the 6th VAT Directive and Article 5 (2) of Directive 92/12/EEC.

Special rules for agricultural products are laid down in agricultural legislation, not the CCIP, and a reference to these special rules is no longer necessary because they are directly applicable.

TITLE VIII: DEPARTURE OF GOODS FROM THE CUSTOMS TERRITORY OF THE COMMUNITY

Further amendment is made to the requirements for pre-departure declarations introduced under Regulation No 648/2005, taking into account the general introduction of electronic declarations, electronic exchange of data between customs authorities, notably the Export Control System (ECS), and the future creation of common portals/single windows.

Specific provision is made for re-export of non-Community goods destined to leave the Community although these will be subject to the same rules as for the export Community goods, apart from the fact that a re-export notification will be required instead of a customs declaration. Summary declarations will be required only when neither a customs declaration nor a re-export notification are required, e.g. for transshipments and re-exports from free zones and from temporary storage at ports/airports etc.

This Title also includes the provisions for exportation and relief from export duty on account of special circumstances, which, as with import duties should be determined in accordance with the committee procedure, rather than by an autonomous Regulation. The provisions relating to outward processing are now covered by Title VII.

A new Article covers certain cases of temporary export (notably under the ATA carnet system) which are dealt with in the CCIP but without a formal basis in the present Code

TITLE IX: CUSTOMS CODE COMMITTEE AND FINAL PROVISIONS

The committee procedure (consultative committee) is extended to the adoption of explanatory notes and guidelines, which will make national instructions interpreting the Community customs rules unnecessary.

In order to optimise the efficiency of the Customs Code Committee in cases where implementing provisions are to be voted on before they are adopted by the
Commission, this regulatory committee is transformed into a management committee and the period necessary for Council adoption of the CCIP is reduced from three months to one month.

The above mentioned repealed Regulations are incorporated in the Customs Code.

The date of applicability of the new Community Customs Code must take into account the need of amending the existing CCIP. This will require a period of approximately one year from the time that the date of the final version of the new Customs Code can be safely predicted. Only at this time can the date of applicability be laid down definitively.
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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 26, 95, 133 and 135 thereof,

Having regard to Protocol 2 to the Act of Accession of Spain and Portugal, concerning the Canary Islands and Ceuta and Melilla, and in particular Article 9 (1) thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Economic and Social Committee²,

Acting in accordance with the procedure laid down in Article 251 of the Treaty³,

Whereas:

(1) The Community is based upon a customs union. It is advisable, in the interests both of economic operators and the customs authorities in the Community, to assemble current customs legislation in a Community Customs Code (hereinafter called ‘the Code’). Based on the concept of an internal market, the Code should contain the general rules and procedures which ensure the implementation of the tariff and other common policy measures introduced at Community level in connection with trade in goods between the Community and countries or territories outside the customs territory of the Community, taking into account the requirements of those common policies. This should be without prejudice to specific provisions laid down in other fields as may exist or be introduced in the context, inter alia, of legislation relating to agriculture, the environment, the common commercial policy, statistics or own resources. Customs legislation should be better aligned on the provisions relating to the collection, suspension or reimbursement of Value Added Tax (VAT) and excise duties, without change to the scope of the tax provisions in force.

¹ OJ C […], […], p. […]
² OJ C […], […], p. […]
(2) In accordance with the Communication from the Commission concerning the protection of the Community’s financial interests and the Action Plan for 2004-2005\(^4\), it is appropriate to adapt the legal framework for the protection of the financial interests of the Community.

(3) Council Regulation (EEC) No 2913/92 of 12 October 1992, establishing the Community Customs Code\(^5\), was based upon integration of the customs procedures applied separately in the Member States during the 1980s. That Regulation has been repeatedly and substantially amended since its introduction, in order to address specific problems such as the protection of good faith or the taking into account of security requirements. Further amendments to the Code are necessary as a consequence of the important legal changes which have occurred in recent years, both at Community and international level, such as the expiry of the Treaty establishing the European Coal and Steel Community and the entry into force of the Act of Accession on 1 May 2004, as well as the Amendment to the International Convention on the simplification and harmonization of customs procedures (hereinafter referred to as the 'Kyoto Convention'), the Accession of the Community to which was approved by Council Decision 2003/231/EC\(^6\). The time has now come to streamline customs procedures and to take into account the fact that electronic declarations and processing are the rule and paper-based declarations and processing the exception. For all of these reasons, further amendment of the present Code is not sufficient; a complete overhaul is necessary.

(4) The facilitation of legitimate trade and the fight against fraud require simple, rapid and standard customs procedures and processes. It is therefore appropriate, in line with the Communication from the Commission on a simple and paperless environment for customs and trade\(^7\), to simplify customs legislation, so as to allow the use of modern tools and technology and to promote further the uniform application of customs legislation, thus contributing to ensuring the basis for efficient and simple clearance procedures. Customs procedures should be merged or aligned and the number of procedures reduced to those that are economically justified, with a view to increasing the competitiveness of business.

(5) The completion of the internal market, the reduction of barriers to international trade and investment and the reinforced need to ensure security and safety at the external borders of the Community have transformed the role of customs, making them a central part of the globalization process and, in the monitoring and management of international trade, a catalyst to the competitiveness of countries and companies. Customs legislation should therefore reflect the new economic reality and the new role and mission of customs.

(6) The use of Information and Communication Technology (hereinafter referred to as 'IT') is a key element in ensuring trade facilitation and, at the same time, the effectiveness of customs controls, thus reducing costs for business and risk for society. It is therefore necessary to establish the legal principle that all customs and trade


\(^6\) OJ L 86, 3.4.2003, p. 21.

transactions are to be handled electronically and that IT systems for customs operations offer, in each Member State, the same facilities to economic operators.

(7) In the interests of facilitating business, while at the same time providing for the proper levels of control of goods brought into or out of the customs territory of the Community, it is appropriate that the information provided by economic operators is shared, taking account of the relevant data protection provisions, between customs authorities and with other agencies involved in that control, such as police, border guards, veterinary and environmental authorities, so that the economic operator need give the information only once ('single window') and that the goods are controlled by those authorities at the same time and at the same place ('one stop shop').

(8) In the interests of facilitating business, economic operators should have the right to appoint a representative in their dealings with the customs authorities.

(9) Compliant and trustworthy economic operators should, as 'Authorized Economic Operators', be able to take maximum advantage of widespread use of simplification and, taking account of security and safety aspects, benefit from reduced levels of customs control.

(10) All decisions, that is official acts by the customs authorities pertaining to customs legislation and having legal effect on one or more persons, including binding information issued by those authorities, should be covered by the same rules. Any such decisions should be valid throughout the Community and be able to be annulled, amended except where stipulated, or revoked where they do not conform to the customs legislation or its interpretation.

(11) In accordance with the Charter of Fundamental Rights, it is necessary, in addition to the right of appeal against any decision taken by the customs authorities, to provide for the right of every person to be heard before any decision is taken which would adversely affect him. Such a provision within the Code should also apply to cases of post-clearance recovery and to decisions on repayment or remission claims.

(12) The streamlining of customs procedures within an electronic environment requires the sharing of responsibilities between the customs authorities of different Member States. It is necessary to ensure an appropriate level of effective, dissuasive and proportionate sanctions throughout the Internal Market in order to discourage any serious infringements of the customs rules and thus reduce the risk of fraud, of threats to safety and security, and to protect the financial interests of the Community. This can only be achieved through a common Community framework, which allocates jurisdiction for the imposition of penalties and delimits those penalties, in full respect of the Charter of Fundamental Rights.

(13) In order to secure a balance between, on the one hand, the need for customs authorities to ensure the correct application of customs legislation and, on the other, the right of economic operators to be treated fairly, the customs authorities should be granted extensive powers of control and economic operators a right of appeal.

(14) In order to minimize the occurrence of risk to the Community, its citizens and its trading partners, the harmonized application of customs controls by the Member States should be based upon a common risk management framework and an electronic
system for its implementation. The establishment of a risk management framework common to all Member States should not prevent them from controlling goods by random checks.

(15) It is necessary to establish the factors on the basis of which import or export duties and other measures in respect of trade in goods are applied. It is also appropriate to lay down clear provisions for issuing proofs of origin in the Community, where the exigencies of trade so require.

(16) As regards the rules on preferential origin, it is appropriate, in order to expedite the decision-making process within the Community, to confer on the Commission powers for the adoption of these rules in the case of goods benefiting from preferential measures applicable to trade between the customs territory of the Community and Ceuta and Melilla.

(17) It is desirable to group together all cases of incurrence of a customs debt on importation, other than following the submission of a customs declaration for release for free circulation or temporary admission with partial relief, in order to avoid difficulties in determining the legal basis on which the customs debt was incurred. The same should apply in case of incurrence of a customs debt on exportation.

(18) Since the new role of customs authorities implies the sharing of responsibilities and co-operation between inland and border customs offices, the customs debt should, in most cases, be incurred at the place where the debtor is established, as the customs office competent for this place can best supervise the activities of the person concerned.

(19) Furthermore, in line with the Kyoto Convention, it is appropriate to provide for a reduced number of cases where administrative co-operation between Member States is required in order to establish the place where the customs debt was incurred and to recover the duties.

(20) The rules for special procedures should allow for the use of a single guarantee for all categories of special procedures and for that guarantee to be comprehensive, covering a number of transactions.

(21) In order to ensure better protection of the financial interests of the Community and of the Member States, a guarantee should cover non-declared or incorrectly declared goods included in a consignment or a declaration for which it is provided. For the same reason, the undertaking of the guarantor should also cover amounts of duties which fall to be paid following post-release controls.

(22) In order to safeguard the financial interests of the Community and of the Member States and to curb fraudulent practices, arrangements involving graduated measures for the application of a comprehensive guarantee are advisable. Where there is an increased risk of fraud it should be possible to prohibit temporarily the application of the comprehensive guarantee, taking account of the particular situation of the economic operators.
(23) It is appropriate to take account of the good faith of the person concerned in cases where a customs debt is incurred through non-compliance with customs legislation and to minimize the impact of negligence on the part of the debtor.

(24) It is necessary to lay down the principle of how to determine the status of Community goods, the circumstances pertaining to the loss of such status, and to provide a basis for determining when this status remains unaltered in cases where goods temporarily leave the customs territory of the Community.

(25) It is appropriate, where an economic operator has provided, in advance, the information necessary for risk-based controls on the admissibility of the goods, to ensure that quick release of goods is then the rule. Fiscal and trade policy controls should primarily be performed by the customs office responsible for the premises of the economic operator.

(26) The rules for customs declarations should be modernized and streamlined, in particular requiring that customs declarations are, as a rule, made electronically and providing for only one type of simplified declaration.

(27) Since the Kyoto Convention favours the lodging, registering and checking of the customs declaration prior to the arrival of the goods and, furthermore, the dissociation of the place where the declaration is lodged from the place where the goods are physically located, it is appropriate to provide for centralized clearance at the place where the economic operator is established. Centralized clearance should include the facility for the use of simplified declarations, deferment of the date of the submission of a complete declaration and required documents, periodic declaration and deferred payment.

(28) In order to contribute to ensuring neutral conditions for competition throughout the Community it is appropriate to lay down at Community level the rules governing the destruction or disposal otherwise of goods by the customs authorities, which have previously required national legislation.

(29) It is appropriate to provide common and simple rules for the special procedures (transit, storage, specific use and processing), supplemented by a small set of rules for each category of special procedure, in order to make the choice for the operator of the right procedure simple, to avoid errors and to reduce the number of post-release recoveries and repayments.

(30) The granting of authorizations for several special procedures with a single guarantee and a single supervising customs office should be facilitated and there should be simple rules on the incurrence of a customs debt in these cases. The basic principle should be that goods placed under a special procedure, or the products made from them, are assessed at the time the customs debt is incurred. However, it should also be possible, where economically justified, to assess the goods at the time they were placed under a special procedure. The same principles should apply to usual forms of handling.

(31) In view of the increased security-related measures introduced into the Code under Regulation (EC) No 648/2005, the placing of goods into free zones should become a
customs procedure and the goods should be subject to customs controls at entry and with regard to records.

(32) For goods placed under a specific use, a basic legal framework should be established relating to the suspension of excise duty, provided for under Council Directive 92/12/EEC of 25th February 1992, on the General Arrangements for products subject to excise duty and on the holding, movement and monitoring of such products, VAT at importation provided for under Articles 7(3) and 10(3) of Council Directive 77/388/EEC of 17 May 1977 on the harmonization of the laws of the Member States relating to turnover taxes – Common system of value added tax; uniform basis of assessment9, and commercial policy measures.

(33) Given that the intention of re-exportation is no longer necessary, the inward processing suspension procedure should be merged with processing under customs control and the inward processing drawback procedure abandoned. This one inward processing procedure should also cover destruction, except where destruction is carried out by, or under the supervision of, customs.

(34) Security-related measures relating to Community goods brought out of the customs territory of the Community should apply equally to the re-export of non-Community goods. The same basic rules should apply to all types of goods, with the possibility of exceptions where necessary, such as for goods only transiting through the customs territory of the Community.

(35) It is appropriate, in order to ensure an effective decision-making process and uniformity, to streamline mechanisms for the adoption of implementing measures, explanatory notes, guidelines and decisions of the Commission requesting the withdrawal of a decision taken by the customs authorities, as well as for the preparation of a common position in committees, working groups and panels introduced by or under international agreements dealing with customs legislation. The management procedure is most appropriate for the adoption of implementing provisions, and the consultative procedure most appropriate for the adoption of guidelines and explanatory notes.

(36) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 January 1999 laying down the procedure for the exercise of implementing powers conferred on the Commission10.

(37) It is appropriate to provide empowerment for the adoption of implementing provisions, notably where the Community accepts commitments and obligations in relation to international agreements which require the adaptation of provisions of the Code.

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In order to simplify and rationalize customs legislation, a number of provisions presently contained in autonomous Community acts have, for the sake of transparency been incorporated into the Code.

The following Regulations, together with Regulation (EEC) No 2913/92, should therefore be repealed:

– Council Regulation (EEC) No 918/83 of 28 March 1983 setting up a Community system of reliefs from customs duties,

– Council Regulation (EEC) No 3925/91 of 19 December 1991 concerning the elimination of controls and formalities applicable to the cabin and hold baggage of persons taking an intra-Community flight and the baggage of persons making an intra-Community sea crossing,

– Council Regulation (EC) No 82/2001 of 5 December 2000 concerning the definition of the concept of "originating products" and methods of administrative co-operation in trade between the customs territory of the Community and Ceuta and Melilla,

– Council Regulation (EC) No 1207/2001 of 11 June 2001 on procedures to facilitate the issue of movement certificates EUR.1, the making-out of invoice declarations and forms EUR.2 and the issue of certain approved exporter authorizations under the provisions governing preferential trade between the European Community and certain countries.

In accordance with the principle of proportionality, it is necessary, and appropriate for the effective functioning of the Customs Union as a central pillar of the internal market, to lay down rules and procedures applicable to goods brought into or out of the customs territory of the Community. This Regulation does not go beyond what is necessary in order to achieve the objectives pursued, in accordance with the third paragraph of Article 5 of the Treaty,

HAVE ADOPTED THIS REGULATION:

TITLE I

GENERAL PROVISIONS

CHAPTER 1

SCOPE OF CUSTOMS LEGISLATION, MISSION OF CUSTOMS AND DEFINITIONS

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Article 1

Subject matter and scope

This regulation establishes the Community Customs Code, hereinafter 'the Code', laying down the general rules and procedures applicable to goods brought into or out of the customs territory of the Community.

The Code shall apply uniformly throughout the customs territory of the Community without prejudice to legislation in other fields pertaining to such trade.

Article 2

Mission of customs authorities

Customs authorities shall be responsible for administering international trade at the Community's external borders, thereby contributing to open trade, to the implementation of the external aspects of the internal market and of common Community policies with a bearing on trade, as well as to overall supply chain security. These tasks shall include the following:

(a) protecting the financial interests of the Community and its Member States;
(b) protecting the Community from unfair and illegal trade while supporting legitimate business activity;
(c) ensuring the security and safety of citizens, and the environment, where appropriate in close co-operation with other authorities;
(d) facilitating international trade.

Article 3

Customs territory

1. The customs territory of the Community shall comprise the following territories, including their territorial waters, internal waters and airspace:

   – the territory of the Kingdom of Belgium;
   – the territory of the Czech Republic;
   – the territory of the Kingdom of Denmark, except the Faeroe Islands and Greenland;
   – the territory of the Federal Republic of Germany, except the Island of Heligoland and the territory of Buesingen (Treaty of 23 November 1964 between the Federal Republic of Germany and the Swiss Confederation);
   – the territory of the Republic of Estonia;
   – the territory of the Hellenic Republic;
   – the territory of the Kingdom of Spain, except Ceuta and Melilla;
– the territory of the French Republic, except New Caledonia, Mayotte, Saint-Pierre and Miquelon, Wallis and Futuna Islands and French Polynesia;
– the territory of Ireland;
– the territory of the Italian Republic, except the municipalities of Livigno and Campione d'Italia and the national waters of Lake Lugano which are between the bank and the political frontier of the area between Ponte Tresa and Porto Ceresio;
– the territory of the Republic of Cyprus, in accordance with the provisions of the Act of Accession;
– the territory of the Republic of Latvia;
– the territory of the Republic of Lithuania;
– the territory of the Grand Duchy of Luxembourg;
– the territory of the Republic of Hungary;
– the territory of the Republic of Malta;
– the territory of the Kingdom of the Netherlands in Europe;
– the territory of the Republic of Austria;
– the territory of the Republic of Poland;
– the territory of the Portuguese Republic;
– the territory of the Republic of Slovenia;
– the territory of the Slovak Republic;
– the territory of the Republic of Finland;
– the territory of the Kingdom of Sweden;
– the territory of the United Kingdom of Great Britain and Northern Ireland and of the Channel Islands and the Isle of Man.

2. The following territories, including their territorial waters, internal waters and airspace, situated outside the territory of the Member States shall, taking the conventions and treaties applicable to them into account, be considered to be part of the customs territory of the Community:

(a) FRANCE

The territory of Monaco as defined in the Customs Convention signed in Paris on 18 May 1963 (Official Journal of the French Republic of 27 September 1963, p. 8679);

(b) CYPRUS

3. Certain provisions of the customs legislation may apply outside the customs territory of the Community within the framework of legislation governing specific fields or of international conventions.
Article 4

Definitions

For the purposes of the Code, the following definitions shall apply:

(1) 'Customs authorities' means the customs administrations of the Member States responsible for applying the customs legislation and any other authorities empowered under national law to apply certain customs legislation.

(2) 'Customs legislation' means the body of legislation made up of the following:
   (a) the Code and the provisions adopted at Community level and, where appropriate, at national level, to implement it;
   (b) the Common Customs Tariff;
   (c) international agreements containing customs provisions, in so far as they are applicable in the Community.

(3) 'Person' means natural persons, legal persons, and any association of persons which is not a legal person but which is recognized under Community or national law as having the capacity to perform legal acts.

(4) 'Economic operator' means a person who is professionally involved in the import or export of goods to or from the customs territory of the Community.

(5) 'Risk' means the likelihood of an event that may occur, with regard to the entry, exit, transit, transfer or end-use of goods moved between the customs territory of the Community and countries or territories outside that territory and to the presence of goods which do not have Community status, which would have any of the following results:
   (a) it would prevent the correct application of Community or national measures;
   (b) it would compromise the financial interests of the Community and its Member States;
   (c) it would pose a threat to the security and safety of the Community and its citizens, to human, animal or plant health, to the environment or to consumers.

(6) 'Customs controls' means specific acts performed by the customs authorities pursuant to Articles 27 to 30.

(7) 'Summary declaration' means a declaration to be made before goods are brought into or out of the customs territory of the Community.

(8) 'Customs declaration' means the act whereby a person indicates in the prescribed form and manner a wish to place goods under a given customs procedure, with an indication, where appropriate, of the specific arrangement to be applied.
(9) 'Customs procedure' means any of the following procedures under which goods may be placed in accordance with this Code:

(a) release for free circulation;

(b) special procedures;

(c) export.

(10) 'Import duties' means customs duties as laid down in the Common Customs Tariff, payable on the importation of goods.

(11) 'Export duties' means customs duties as laid down in the Common Customs Tariff, payable on the exportation of goods.

(12) 'Non-Community goods' means goods other than those referred to in point (20) or which have lost their status as Community goods.

(13) 'Risk management' means the systematic identification of risk and the implementation of all measures necessary for limiting exposure to risk.

(14) 'Release of goods' means the act whereby the customs authorities make goods available for the purposes specified for the customs procedure under which they are placed.

(15) 'Customs supervision' means action taken in general by the customs authorities with a view to ensuring that customs legislation and, where appropriate, other provisions applicable to goods subject to such action are observed.

(16) 'Drawback' means the repayment or remission of import duties on goods released for free circulation if such goods are exported from the customs territory of the Community in an unaltered state or in the form of processed products.

(17) 'Processed products' means goods placed under a processing procedure which have undergone processing operations.

(18) 'Person established in the customs territory of the Community' means:

(a) in the case of a natural person, any person who has his habitual residence in the customs territory of the Community;

(b) in the case of a legal person or an association of persons, any person who has his registered office, central headquarters or a permanent business establishment in the customs territory of the Community.

(19) 'Customs status' means the status of goods as Community or non-Community goods.

(20) 'Community goods' means goods which fall into any of the following categories:

(a) goods wholly obtained in the customs territory of the Community and not incorporating goods imported from countries or territories outside of the customs territory of the Community;
(b) goods imported from countries or territories outside of the customs territory of the Community and released for free circulation;

(c) goods obtained or produced in the customs territory of the Community, either solely from goods referred to in point (b) or from goods referred to in points (a) and (b).

(21) 'Presentation of goods to customs' means the notification to the customs authorities of the arrival of goods at the customs office or at any other place designated or approved by the customs authorities and the availability of those goods for customs controls.

(22) 'Holder of the goods' means the person who is the owner of the goods or who has a similar right of disposal over them or who has physical control of them.

(23) 'Holder of the procedure' means the person who makes the declaration, or on whose behalf the customs declaration is made, or the person to whom the rights and obligations of that person in respect of a customs procedure have been transferred.

(24) 'Commercial policy measures' means non-tariff measures established, as part of the common commercial policy, in the form of Community provisions governing the import and export of goods.

(25) 'Processing operations' means any of the following:

(a) the working of goods, including erecting or assembling them or fitting them to other goods;

(b) the processing of goods;

(c) the destruction of goods;

(d) the repair of goods, including restoring them and putting them in order;

(e) the use of goods which are not to be found in the processed products, but which allow or facilitate the production of those products, even if they are entirely or partially used up in the process (production accessories).

(26) 'Rate of yield' means the quantity or percentage of processed products obtained from the processing of a given quantity of goods placed under a processing procedure.
CHAPTER 2

RIGHTS AND OBLIGATIONS OF PERSONS WITH REGARD TO CUSTOMS LEGISLATION

Section 1

Provision of information

Article 5

Exchange of data

1. All required exchanges of data, accompanying documents, decisions and notifications between customs authorities and between economic operators and customs authorities shall be made using electronic data processing techniques.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down exceptions to the first subparagraph of this paragraph.

2. Save where otherwise specifically provided, the Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the following:

(a) the rules defining and governing the messages to be exchanged between customs offices, as required for the application of the customs legislation;

(b) a common data set and format of the data messages to be exchanged under the customs legislation.

The data referred to in point (b) of the first subparagraph shall contain the particulars necessary for risk analysis and the proper application of customs controls, using, where appropriate, international standards and commercial practices.

The systems necessary for the electronic exchange of data between customs offices in accordance with paragraph 1 shall be in place by 30 June 2009, at the latest.

Article 6

Data protection

1. All information acquired by the customs authorities in the course of performing their duties which is by its nature confidential or which is provided on a confidential basis shall be covered by the obligation of professional secrecy. Except for the purposes of customs controls as provided for under Article 28(2), such information shall not be disclosed by the competent authorities without the express permission of the person or authority who provided it.
Such information may, however, be disclosed without permission where the competent authorities are obliged or authorized to do so pursuant to the provisions in force, particularly in respect of data protection, or in connection with legal proceedings.

2. Communication of confidential data to the customs administrations and other bodies of countries or territories outside the customs territory of the Community shall be permitted only in the framework of an international agreement, ensuring an equivalent level of data protection.

The disclosure or communication of information shall take place in full compliance with data protection provisions in force.

*Article 7*

**Exchange of additional information between customs authorities and economic operators**

1. Customs authorities and economic operators may exchange any information not specifically required under the customs legislation, for the purpose of mutual co-operation in the identification and counteraction of risk. That exchange may take place under a written agreement and may include access to the computer systems of economic operators by the customs authorities.

2. Any information provided by one party to the other in the course of the co-operation referred to in paragraph 1 shall be confidential unless both parties agree otherwise.

*Article 8*

**Provision of information by the customs authorities**

1. Any person may request information concerning the application of customs legislation from the customs authorities. Such a request may be refused where it does not relate to an import or export operation actually envisaged.

2. Customs administrations shall maintain a regular dialogue with economic operators and other authorities involved in international trade in goods. They shall promote transparency by making the legislation, administrative rulings and application forms pertaining to international trade in goods available to economic operators free of charge and, wherever practical, through the Internet.

*Article 9*

**Provision of information to the customs authorities**

1. Any person directly or indirectly involved in the accomplishment of customs formalities shall provide the customs authorities with all the requisite documents and information, irrespective of the medium used, and all the requisite assistance, at the request of the customs authorities and within any time limit specified.
2. Without prejudice to the possible application of administrative or criminal penalties, the lodging of a summary declaration or customs declaration, including a simplified declaration, or notification, or the submission of an application for an authorization or any other decision, shall render the person concerned responsible for the following:

(a) the accuracy of the information given in the declaration, notification or application, or in any other relevant form;

(b) the authenticity of any documents lodged or made available;

(c) where applicable, compliance with all of the obligations relating to the placing of the goods in question under the procedure concerned, or to the conduct of the authorized operations.

The first subparagraph shall apply also to the provision of any information required by the customs authorities.

Where the declaration or notification is lodged, the application is submitted or requested information is provided by a representative of the person concerned, the representative shall also be bound by the obligations set out in first subparagraph.

*Article 10*

**Common data system**

Member States shall co-operate with the Commission with a view to developing, maintaining and employing an electronic system for the common registration and maintenance of records of the following:

(a) all persons directly or indirectly involved in the accomplishment of customs formalities;

(b) any authorization concerning a customs procedure or the status of Authorized Economic Operator.

The data shall be accessible to the customs administrations of the Member States in the course of their duties and, in accordance with the rules referred to in the third paragraph, to economic operators.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the standard form and content of the data to be registered and the rules for access to that data.
Section 2

Customs representation

Article 11

Customs representative

1. Any person may appoint a representative in his dealings with the customs authorities to perform the acts and formalities laid down in the customs legislation, hereinafter a 'customs representative'.

Such customs representation may be either direct, in which case the customs representative shall act in the name of and on behalf of another person, or indirect, in which case the customs representative shall act in his own name but on behalf of another person.

2. A customs representative must be established within the customs territory of the Community.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the conditions under which the requirement referred to in the first subparagraph of this paragraph may be waived.

Article 12

Empowerment

1. When dealing with the customs authorities, a customs representative shall state that he is acting on behalf of the person represented and specify whether the customs representation is direct or indirect.

A person who fails to state that he is acting in the name of or on behalf of another person or who states that he is acting in the name of or on behalf of another person without being empowered to do so shall be deemed to be acting in his own name and on his own behalf.

2. The customs authorities may require any person stating that he is acting in the name of or on behalf of another person to produce evidence of his powers to act as a customs representative, except where a person belongs to a category of persons entitled to act on behalf of another person.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures identifying the categories of persons referred to in the first subparagraph of this paragraph.
Article 13

Representation in special cases

1. Where a person acts as a customs representative on a regular and commercial basis, he may be granted the status of 'authorized economic operator' in accordance with Article 14.

2. A customs representative may act as a fiscal representative, as provided for under value added tax, hereinafter 'VAT', and excise provisions in force.

Section 3

Authorized Economic Operator

Article 14

Application and authorization

1. A person who is established in the customs territory of the Community and who meets the conditions set out in Articles 15 and 16 may request the status of authorized economic operator.

The customs authorities shall, if necessary following consultation with other competent authorities, grant that status, which shall be subject to periodic review.

2. An authorized economic operator may benefit from facilitations with regard to customs controls relating to security and safety or from simplifications provided for in accordance with this Code or its implementing provisions.

3. The status of authorized economic operator shall, subject to Articles 15 and 16, be recognized by the customs authorities in all Member States, without prejudice to customs controls. However, subject to the conditions laid down pursuant to point (g) of Article 16, the applicant may request that the status referred to in paragraph 1 of this Article may be limited to one or more specified Member States.

4. Customs authorities shall, on the basis of the recognition of the status of authorized economic operator and provided that the requirements related to a specific type of simplification provided for in Community customs legislation are fulfilled, authorize the operator to benefit from that simplification.

5. The status of authorized economic operator may be suspended or withdrawn in accordance with the conditions laid down pursuant to point (h) of Article 16.

6. The authorized economic operator shall notify the customs authorities of all factors arising after that status was granted which may influence its continuation or content.
Article 15

Granting of status

The criteria for the granting of the status of authorized economic operator shall be at least the following:

(a) an appropriate record of compliance with customs requirements;
(b) a satisfactory system of managing commercial and, where appropriate, transport records, which allows appropriate customs controls;
(c) where appropriate, proven financial solvency;
(d) where appropriate, practical standards of competence or professional qualifications directly related to the activity carried out;
(e) where applicable, appropriate security and safety standards.

Article 16

Implementing measures

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures governing the following matters:

(a) the granting of the status of authorized economic operator;
(b) the frequency of review of the status of authorized economic operator;
(c) the granting of authorizations for the use of simplifications;
(d) identification of the customs authority competent for the granting of such status and authorizations;
(e) the type and extent of facilitations that may be granted in respect of customs controls relating to security and safety, taking into account the rules adopted pursuant to Article 27(3);
(f) consultation with and provision of information to other customs authorities;
(g) the conditions under which a request made by the applicant for an authorization may be limited to one or more Member States;
(h) the conditions under which the status of authorized economic operator may be suspended or revoked;
(i) the conditions under which the requirement of being established in the Community may be waived for specific categories of authorized economic operators, taking into account, in particular, international agreements.
Section 4
Decisions relating to the application of customs legislation

Article 17
General provisions

1. Where a person requests that the customs authorities take a decision, that person shall supply all the information required by those authorities in order for them to be able to take that decision.

A decision may also be requested by, and taken with regard to, several persons.

2. A decision as referred to in paragraph 1 shall be taken, and the applicant notified, at the latest within two months of the date on which the request is received by the customs authorities, except where otherwise provided for in the customs legislation.

However, where the customs authorities are unable to comply with those time limits, they shall inform the applicant of that fact before the expiry of those time limits, stating the reasons and indicating the further period of time which they consider necessary in order to give a decision on the request.

3. Unless otherwise specified in the decision or in the customs legislation, the decision shall take effect from the date on which the applicant receives the decision, or is deemed to have received it. Except in the cases provided for in Article 25(2), decisions adopted shall be enforceable by the customs authorities from that date.

4. Before taking a decision which would adversely affect the person or persons to whom it is addressed, the customs authorities shall communicate their objections to the latter, stating the grounds on which they base those objections. The person concerned shall be given the opportunity to express his point of view, within a period from the date on which the objections were sent.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the period referred to in the first subparagraph of this paragraph.

Upon expiry of this period, the person concerned shall be notified, in the appropriate form, of the decision, which shall set out the grounds on which it is based.

The requirement to communicate objections before a decision is taken which would adversely affect the person to whom it is addressed, shall also apply to decisions taken by the customs authorities without prior request from the person concerned and in particular to the notification of a customs debt as set out in Article 72(3).

The decision shall refer to the right of appeal provided for in Article 24.

5. Without prejudice to provisions laid down in other fields which specify the cases in which, and the conditions under which, decisions are invalid or become null and void, the customs authorities who issued a decision may annul, amend or revoke it
where it does not conform with the customs legislation or with guidelines or explanatory notes for its interpretation.

Article 18

Community-wide validity of decisions

Unless otherwise requested or specified, decisions taken by the customs authorities shall be valid throughout the customs territory of the Community.

Article 19

Annulment of favourable decisions

1. The customs authorities shall annul a decision favourable to the person to whom it is addressed if all the following conditions are satisfied:
   
   (a) the decision was issued on the basis of incorrect or incomplete information;
   
   (b) the applicant knew or ought reasonably to have known that the information was incorrect or incomplete;
   
   (c) if the information had been correct and complete, the decision would have been different.

2. The person to whom the decision was addressed shall be notified of its annulment.

3. Annulment shall take effect from the date on which the initial decision took effect, unless otherwise specified.

4. The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of paragraphs 1, 2 and 3 of this Article, in particular in respect of decisions addressed to several persons.

Article 20

Revocation and amendment of favourable decisions

1. A favourable decision shall be revoked or amended where, in cases other than those referred to in Article 19, one or more of the conditions laid down for its issue were not or are no longer fulfilled.

2. Unless otherwise specified in the customs legislation, a favourable decision addressed to several persons may be revoked only in respect of a person who fails to fulfil an obligation imposed under that decision.

3. The person to whom the decision was addressed shall be notified of its revocation or amendment.
4. The revocation or amendment of the decision shall take effect from the date on which the notification of the revocation or amendment is received, or is deemed to have been received, by the person to whom it was addressed.

However, in exceptional cases where the legitimate interests of the person to whom the decision was addressed so require, the customs authorities may defer the date on which revocation or amendment takes effect.

5. The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of paragraphs 1 to 4 of this Article, in particular in respect of decisions addressed to several persons.

Article 21

Special decisions

1. The customs authorities shall, on request, issue decisions specifying binding tariff information, hereinafter 'BTI decisions', or decisions specifying binding origin information, hereinafter 'BOI decisions'.

Such a request may be refused where it does not relate to any customs procedure actually envisaged.

2. BTI or BOI decisions shall be binding only in respect of the tariff classification or determination of the origin of goods.

They shall be binding on the customs authorities, as against the person to whom the decision was addressed, only in respect of goods for which customs formalities are completed after the date of the decision.

They shall be binding on the person addressed, as against the customs authorities, only with effect from the date on which he receives, or is deemed to have received, notification of the decision.

3. BTI or BOI decisions shall be valid for a period of three years from the date specified in the decision.

4. For the application of a BTI or BOI decision in the context of a particular customs procedure, the person to whom that decision is addressed must be able to prove that:

(a) in the case of a BTI decision, the goods declared correspond in every respect to those described in the decision;

(b) in the case of a BOI decision, the goods in question and the circumstances determining the acquisition of origin correspond in every respect to the goods and the circumstances described in the decision.

5. By way of derogation from Article 17(5) and Article 19, BTI or BOI decisions shall be annulled where they are based on inaccurate or incomplete information from the applicants.
6. BTI or BOI decisions shall be revoked in accordance with Article 17(5) and Article 20.

They may not be amended.

7. Notwithstanding Article 20, the Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the following:

(a) the conditions under which, and the moment when, the BTI or BOI decision ceases to be valid;

(b) the conditions under which, and the period of time for which, a decision as referred to in point (a) may still be used in respect of binding contracts based upon the decision and concluded before the expiry of its validity.

8. The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the conditions under which other special decisions are to be issued.

Section 5

Customs penalties

Article 22

Customs penalties

1. Each Member State shall provide for administrative and criminal penalties for failure to comply with Community customs legislation. Such penalties shall be effective, proportionate and dissuasive.

2. Administrative penalties shall take one of the following forms, or both:

(a) a pecuniary charge by the customs authorities, including a settlement applied in place of and in lieu of a criminal penalty;

(b) the withdrawal, suspension or amendment of any authorization held by the person concerned.

Where administrative penalties are combined with criminal penalties, on the basis of the same facts, aggregation of such penalties shall be proportionate.

Section 6

Appeals

Article 23

Decisions taken by a judicial authority
Articles 24, 25 and 26 shall not apply to appeals lodged with a view to the annulment, revocation or amendment of a decision taken by a judicial authority.

Article 24

Right of appeal

1. Any person shall have the right to appeal against any decision taken by the customs authorities which concerns him directly and individually.

Any person who has applied to the customs authorities for a decision and has not obtained a decision on that request within the time limits referred to in Article 17(2) shall also be entitled to exercise the right of appeal.

2. The right of appeal may be exercised in at least two steps:

   (a) initially, before the customs authorities or another body which may be a judicial authority or an equivalent specialized body designated for that purpose by the Member States;

   (b) subsequently, before a higher independent body, which may be a judicial authority or an equivalent specialized body, according to the provisions in force in the Member States.

3. The appeal must be lodged in electronic or written form in the Member State where the decision has been taken or applied for.

Article 25

Suspension of implementation

1. The submission of an appeal shall not cause implementation of the disputed decision to be suspended.

2. By way of derogation from paragraph 1, where irreparable damage may be caused to the person who lodged the appeal, the customs authorities shall suspend implementation of the disputed decision, in whole or in part.

The customs authorities may suspend implementation of the disputed decision, in whole or in part, where they have good reason to suspect that it is inconsistent with the customs legislation.

3. Where the disputed decision has the effect of causing import duties or export duties to be payable, suspension of that decision shall be conditional upon the provision of a guarantee, unless such a guarantee would be likely to cause the debtor serious economic or social difficulties.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of the first subparagraph of this paragraph.
**Article 26**

**Decision on the appeal**

Article 17 shall apply with regard to decisions by the customs authorities on appeals.

Member States shall ensure that the appeals procedure enables the prompt correction of decisions taken by the customs authorities.

**Section 7**

**Control of goods**

**Article 27**

**Customs controls**

1. The customs authorities may carry out all of the controls they deem necessary to ensure the correct application of customs legislation and other legislation governing the entry, exit, transit, transfer and end-use of goods moved between the customs territory of the Community and other territories, and the presence of non-Community goods.

Those controls, hereinafter 'customs controls', may consist in examining goods, verifying declaration data and the existence and authenticity of electronic or written documents, examining the accounts of undertakings and other records, inspecting means of transport, inspecting luggage and other goods carried by or on persons.

Customs controls may be carried out outside the customs territory of the Community where an international agreement provides for this.

2. Customs controls, other than random checks, shall be based on risk analysis using electronic data processing techniques, with the purpose of identifying and evaluating the risks and developing the necessary measures to counter the risks, on the basis of criteria developed at national, Community and, where available, international level.

Member States, in co-operation with the Commission, shall develop, maintain and employ an electronic system for the implementation of risk management, by 30 June 2009 at the latest.

3. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the following:

(a) rules for a common risk management framework;

(b) rules for establishing common criteria and priority control areas;

(c) rules governing the exchange of risk information and analysis between customs administrations.
Article 28

Co-operation between authorities

1. Where, in respect of the same goods, controls other than customs controls are performed by competent authorities other than the customs authorities, such controls shall be performed in close co-operation with the customs authorities, wherever possible at the same time and place (one-stop-shop).

2. In the framework of the controls referred to in this Section, customs and other competent authorities may, where necessary for the purposes of minimising risk, exchange data received, in the context of the entry, exit, transit, transfer and end-use of goods moved between the customs territory of the Community and other territories, and the presence of non-Community goods, with each other, with the customs authorities of other Member States and with the Commission.

Article 29

Post-release verification

The customs authorities may, after releasing the goods and in order to satisfy themselves as to the accuracy of the particulars contained in the summary or customs declaration, inspect the commercial documents and data relating to the operations in respect of the goods in question or to subsequent commercial operations involving those goods.

Such inspections may be carried out at the premises of the declarant or his representative, of any other person directly or indirectly involved in those operations in a business capacity or of any other person in possession of that document and data for business purposes. Those authorities may also examine the goods where it is still possible for them to be presented.

Article 30

Exceptions

1. No customs controls or formalities shall be carried out in respect of either of the following:

   (a) the cabin and hold baggage of persons taking an intra-Community flight;

   (b) the baggage of persons making an intra-Community sea crossing.

2. Paragraph 1 shall apply without prejudice to either of the following:

   (a) the security and safety checks carried out on baggage by the authorities of the Member States, port or airport authorities or carriers;

   (b) checks linked to prohibitions or restrictions laid down by the Member States, provided that such prohibitions or restrictions are compatible with the Treaty.

Section 8
Keeping of documents and other information; fees and costs

Article 31

Keeping of documents and other information

1. The person concerned shall keep the documents and information referred to in Article 9(1) for the purposes of customs controls, for the period laid down in the provisions in force and for at least three calendar years, irrespective of the medium used.

In the case of goods released for free circulation in circumstances other than those referred to in the third subparagraph, or goods declared for export, that period shall run from the end of the year in which the declarations for release for free circulation or export are accepted.

In the case of goods released for free circulation duty-free or at a reduced rate of import duty on account of their end-use, that period shall run from the end of the year in which they cease to be subject to customs supervision.

In the case of goods placed under another customs procedure, that period shall run from the end of the year in which the customs procedure concerned has ended.

2. Without prejudice to Article 73(4), where a customs control carried out by the customs authorities in respect of a customs debt shows that the relevant entry in the accounts has to be corrected and the person concerned has been notified of this, the documents shall be kept for three years beyond the time limit provided for in paragraph 1 of this Article.

Where an appeal has been lodged, the documents must be kept until the procedure is terminated.

Article 32

Fees and costs

1. No fees shall be charged by customs authorities for the performance of customs controls or any other application of the customs legislation during the normal opening hours of their competent customs offices.

However, the customs authorities may charge fees or recover costs where specific services are rendered.

2. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of the second subparagraph of paragraph 1 and, in particular, the following:

(a) attendance, where requested, by customs staff outside normal office hours or at premises other than customs premises;
(b) analyses or expert reports on goods and postal fees for the return of goods to an applicant, particularly in respect of decisions taken pursuant to Article 21 or the provision of information in accordance with Article 8(1);

(c) the examination or sampling of goods for verification purposes, or the destruction of goods, where costs other than that of using customs staff are involved;

(d) exceptional control measures, where these are necessary due to the nature of the goods or to potential risk.

CHAPTER 3

CURRENCY CONVERSION, TIME LIMITS AND SIMPLIFICATION

Article 33

Currency conversion

1. Where the conversion of currency is necessary for one of the following reasons, the rate of exchange applicable shall be that published, or made available on the Internet, by the competent authorities:

(a) because factors used to determine the customs value of goods are expressed in a currency other than that of the Member State where the customs value is determined;

(b) because the value of the euro is required in national currencies for the purposes of determining the tariff classification of goods, value thresholds and the amount of import or export duties.

The rate of exchange shall reflect, as effectively as possible, the current value of the converted currency in terms of the currency of the Member State.

2. Where the conversion of currency is necessary for reasons other than those referred to in paragraph 1, the value of the euro in national currencies to be applied within the framework of the customs legislation shall be fixed once a year.

3. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of paragraphs 1 and 2 of this Article.

Article 34

Time limits

1. Where a period, date or time limit is laid down in the customs legislation, such period shall not be extended and such date or time limit shall not be deferred unless specific provision is made in the provisions concerned.
2. The rules applicable to periods, dates and time limits set out in Council Regulation (EEC, Euratom) No 1182/71\textsuperscript{15} shall apply to time limits set within the customs legislation, except where other specific provisions apply.

\textit{Article 35}

\textbf{Simplification}

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down in which cases, and under which conditions, the application of this Code may be simplified.

\textsuperscript{15} OJ L 124, 8. 6.1971, p.1.
TITLE II

FACTORS ON THE BASIS OF WHICH IMPORT OR EXPORT DUTIES AND OTHER MEASURES IN RESPECT OF TRADE IN GOODS ARE APPLIED

CHAPTER 1

COMMON CUSTOMS TARIFF AND TARIFF CLASSIFICATION OF GOODS

Article 36

Common Customs Tariff

1. Import and export duties shall be based on the Common Customs Tariff. Other measures prescribed by Community provisions governing specific fields relating to trade in goods shall, where appropriate, be applied according to the tariff classification of those goods.

2. The Common Customs Tariff shall comprise the following:

(a) the Combined Nomenclature of goods as laid down in Council Regulation (EEC) No 2658/87\(^\text{16}\);

(b) any other nomenclature which is wholly or partly based on the Combined Nomenclature or which provides for further subdivisions to it, and which is established by Community provisions governing specific fields with a view to the application of tariff measures relating to trade in goods;

(c) the conventional or normal autonomous import duties applicable to goods covered by the Combined Nomenclature;

(d) the preferential tariff measures contained in agreements which the Community has concluded with certain countries or territories outside the customs territory of the Community or groups of such countries or territories;

(e) preferential tariff measures adopted unilaterally by the Community in respect of certain countries or territories outside the customs territory of the Community or groups of such countries or territories;

(f) autonomous measures providing for a reduction in or exemption from import duties on certain goods;

(g) favourable tariff treatment specified for certain goods, by reason of their nature or end-use, in the framework of measures referred to under points (c) to (f) or (h);

(h) other tariff measures provided for by agricultural, or commercial, or other Community legislation.

3. Where the goods concerned fulfil the conditions laid down in points (d) to (g) of paragraph 2, the measures referred to in those provisions shall apply, at the request of the declarant, instead of those provided for in point (c) of that paragraph. Such application may be made retrospectively, provided that the time limits and conditions laid down in the relevant measure or in the Code are complied with.

4. Where application of the measures referred to in points (d) to (g) of paragraph 2, or the exemption from measures referred to in point (h) thereof, is restricted to a certain volume of imports or exports, such application or exemption shall, in the case of tariff quotas, cease as soon as the specified volume of imports or exports is reached.

In the case of tariff ceilings such application shall cease by virtue of a legal act of the Community.

Article 37

Tariff classification of goods

For the application of the Common Customs Tariff, 'tariff classification' of goods shall consist in the determination of one of the subheadings or further subdivisions of the Combined Nomenclature under which those goods are to be classified.

For the application of non-tariff measures, 'tariff classification' of goods shall consist in the determination of one of the subheadings or further subdivisions of the Combined Nomenclature, or of any other nomenclature which is established by Community provisions and which is wholly or partly based on the Combined Nomenclature or which provides for further subdivisions to it, under which those goods are to be classified.

The subheading or further subdivision determined in accordance with the first or the second paragraph shall be used for the purpose of applying the measures attached to that subheading.

CHAPTER 2

ORIGIN OF GOODS

Section 1

Non-preferential origin

Article 38

Scope

Articles 39, 40 and 41 lay down rules for the determination of the non-preferential origin of goods for the purposes of applying the following:
(a) the Common Customs Tariff with the exception of the measures referred to in points (d) and (e) of Article 36(2);

(b) measures, other than tariff measures, established by Community provisions governing specific fields relating to trade in goods;

(c) other Community measures relating to the origin of goods.

Article 39

Acquisition of origin

1. Goods wholly obtained in a single country or territory shall be regarded as having their origin in that country or territory.

2. Goods the production of which involved more than one country or territory shall be deemed to originate in the country or territory where they underwent their last substantial transformation.

Article 40

Proof of origin

1. Where an origin has been indicated in the customs declaration pursuant to customs legislation, the customs authorities may require the declarant to prove the origin of the goods.

2. Where proof of origin of goods is provided pursuant to customs legislation or other Community legislation governing specific fields, the customs authorities may, in the event of reasonable doubt, require any additional evidence to ensure that the indication of origin does comply with the rules laid down by the relevant Community legislation.

3. A document proving origin may be issued in the Community where the exigencies of trade so require.

Article 41

Implementing measures

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of Articles 39 and 40.
Section 2

Preferential origin

Article 42

Preferential origin of goods

1. In order to benefit from the measures referred to in points (d) or (e) of Article 36(2) or from non-tariff preferential measures, goods shall comply with the rules on preferential origin referred to in paragraphs 2, 3 and 4 of this Article.

2. In the case of goods benefiting from preferential measures contained in agreements which the Community has concluded with certain countries or territories outside the customs territory of the Community or groups of such countries or territories, the rules on preferential origin shall be laid down in those agreements.

3. In the case of goods benefiting from preferential measures adopted unilaterally by the Community in respect of certain countries or territories outside the customs territory of the Community or groups of such countries or territories, other than those referred to in paragraph 5, the Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the rules on preferential origin.

4. In the case of goods benefiting from preferential measures applicable in trade between the customs territory of the Community and Ceuta and Melilla, contained in Protocol 2 to the Act of Accession of Spain and Portugal, the Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the rules on preferential origin.

5. In the case of goods benefiting from preferential measures contained in preferential arrangements in favour of the overseas countries and territories associated with the Community, the rules on preferential origin shall be adopted in accordance with Article 187 of the Treaty.

6. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures necessary for the implementation of the rules referred to in paragraphs 2 to 5 of this Article.
CHAPTER 3
VALUE OF GOODS FOR CUSTOMS PURPOSES

Article 43

Scope

The customs value of goods, for the purposes of applying the Common Customs Tariff and non-tariff measures laid down by Community provisions governing specific fields relating to trade in goods, shall be determined in accordance with Articles 44 to 47.

Article 44

Transaction value

1. The customs value of imported goods shall be the price actually paid or payable for the goods when sold for export to the customs territory of the Community, adjusted, where necessary, in accordance with measures adopted pursuant to paragraph 4, hereinafter 'transaction value'.

   The price actually paid or payable is the total payment made or to be made by the buyer to or for the benefit of the seller for the imported goods and includes all payments made or to be made as a condition of sale of the imported goods by the buyer to the seller, or by the buyer to a third party to satisfy an obligation of the seller. The payment need not necessarily take the form of a transfer of money. Payment may be made by way of letters of credit or negotiable instrument and may be made directly or indirectly.

2. The transaction value shall apply provided that the following conditions are satisfied:

   (a) there are no restrictions as to the disposal or use of the goods by the buyer, other than the following:

      (i) restrictions imposed or required by a law or by the public authorities in the Community;

      (ii) limitations of the geographical area in which the goods may be resold;

      (iii) restrictions which do not substantially affect the value of the goods;

   (b) the sale or price is not subject to some condition or consideration for which a value cannot be determined with respect to the goods being valued;

   (c) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with measures adopted pursuant to paragraph 4;
(d) the buyer and seller are not related, or, where the buyer and seller are related, the transaction value is acceptable for customs purposes under paragraph 3.

3. For the purposes of point (d) of paragraph 2, the fact that the buyer and the seller are related shall not in itself be sufficient grounds for regarding the transaction value as unacceptable. The circumstances surrounding the sale shall, where necessary, be examined and the transaction value shall be accepted provided that the relationship did not influence the price.

If, in the light of information provided by the declarant or otherwise, the customs authorities have grounds for considering that the relationship influenced the price, they shall notify the declarant of their grounds and he shall be given a reasonable opportunity to respond.

4. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the elements which, for the purposes of determining the customs value, must be added to the price actually paid or payable, or which may be excluded.

Article 45

Secondary methods of customs valuation

1. Where the customs value cannot be determined under Article 44, it shall be determined by proceeding sequentially from point (a) to point (d) of paragraph 2 of this Article, until the first point under which the customs value can be determined.

The order of application of points (c) and (d) shall be reversed if the declarant so requests.

2. The customs value, pursuant to paragraph 1, shall be:

(a) the transaction value of identical goods sold for export to the customs territory of the Community and exported at or about the same time as the goods being valued;

(b) the transaction value of similar goods sold for export to the customs territory of the Community and exported at or about the same time as the goods being valued;

(c) the value based on the unit price at which the imported goods, or identical or similar imported goods, are sold within the customs territory of the Community in the greatest aggregate quantity to persons not related to the sellers;

(d) the computed value, consisting of the sum of the following:

(i) the cost or value of materials and manufacture or other processing employed in producing the imported goods;

(ii) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued
which are made by producers in the country of exportation for export to the customs territory of the Community;

(iii) the cost or value of transport of the imported goods to the place of introduction into the customs territory of the Community, of loading and handling charges associated with that transport and of insurance of the goods.

3. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down any further conditions and rules for the application of paragraph 2 of this Article.

Article 46

Fall back method

Where the customs value of imported goods cannot be determined under Articles 44 or 45, it shall be determined, on the basis of data available in the customs territory of the Community, using reasonable means consistent with the principles and general provisions of the following:

(a) the agreement on implementation of Article VII of the General Agreement on Tariffs and Trade;

(b) Article VII of the General Agreement on Tariffs and Trade;

(c) this Chapter.

However, none of the following may be used to determine a customs value under the first paragraph:

(a) the selling price in the customs territory of the Community of goods produced in that territory;

(b) a system which provides for the acceptance for customs purposes of the higher of two alternative values;

(c) the price of goods on the domestic market of the country of exportation;

(d) the cost of production, other than computed values which have been determined for identical or similar goods in accordance with point (d) of Article 45(2);

(e) prices for export to a country not forming part of the customs territory of the Community;

(f) minimum customs values;

(g) arbitrary or fictitious values.
Article 47

Implementing measures

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the rules for the determination of the customs value in specific cases and with regard to goods for which a customs debt is incurred after the use of a special procedure.
CHAPTER 1
INCURRENCE OF A CUSTOMS DEBT

Section 1
General provisions

Article 48
Customs debt
Duty on import or export shall be payable in respect of specific goods under the Common Customs Tariff, and the amount payable shall constitute the customs debt.

Section 2
Customs debt on importation

Article 49
Release for free circulation, temporary admission

1. A customs debt on importation shall be incurred through the placing of non-Community goods under either of the following procedures:
   (a) release for free circulation;
   (b) temporary admission with partial relief from import duties.

2. A customs debt shall be incurred at the time of acceptance of the customs declaration.

3. The declarant shall be the debtor. In the event of indirect representation, the person on whose behalf the customs declaration is made shall also be a debtor.

Where a customs declaration in respect of one of the procedures referred to in paragraph 1 is drawn up on the basis of information which leads to all or part of the import duties not being collected, the person who provided the information required for the declaration shall also be a debtor, if he knew, or ought reasonably to have known, that such information was false.
Article 50

Special provisions relating to non-originating goods

1. Where a prohibition of drawback of, or exemption from, import duties applies to non-originating goods used in the manufacture of products, for which a proof of origin is issued or made out in the framework of a preferential arrangement between the Community and certain countries or territories outside the customs territory of the Community or groups of such countries or territories, a customs debt on importation shall be incurred in respect of these products, through either of the following:

(a) the acceptance of the re-export notification relating to the products in question, obtained under inward processing;

(b) the acceptance of the declaration relating to the goods placed under the inward processing procedure in the case of prior exportation of the processed products in question.

2. Where a customs debt is incurred pursuant to point (a) of paragraph 1, the amount of the import duties shall be determined under the same conditions as in the case of a customs debt resulting from the acceptance, on the same date, of the declaration for release for free circulation of the non-originating goods used in the manufacture of the products in question for the purpose of ending the inward processing procedure.

3. Article 49 (2) and (3) shall apply. However, in the case of non-Community goods as referred to in Article 189, the debtor shall be the person who lodges the re-export notification and, in the event of indirect representation, the person on whose behalf the notification is lodged.

Article 51

Customs debt incurred through non-compliance

1. In cases other than those referred to in Articles 49 and 50, a customs debt on importation shall be incurred through non-compliance with either of the following:

(a) one of the obligations laid down in customs legislation concerning the introduction of non-Community goods into the customs territory of the Community, or for the movement, processing, storage, use or disposal of goods within that territory;

(b) a condition governing the placing of non-Community goods under a customs procedure or the granting, by virtue of the end-use of the goods, of duty exemption or a reduced rate of import duty.

2. The time at which the customs debt is incurred shall be either of the following:

(a) the moment when the obligation the non-fulfilment of which gives rise to the customs debt is not met or ceases to be met;
(b) the moment when the goods are placed under the customs procedure or declared for that purpose where it is established subsequently that a condition governing the placing of the goods under that procedure or the granting of a duty exemption or a reduced rate of import duty by virtue of the end-use of the goods was not in fact fulfilled.

3. In cases referred to under point (a) of paragraph 1, the debtor shall be any of the following:

(a) any person who was required to fulfil the obligations concerned;

(b) any person who was aware or should reasonably have been aware that an obligation under the customs legislation was not fulfilled and who acted on behalf of the person who was obliged to fulfil the obligation, or who participated in the act which led to the non-fulfilment of the obligation;

(c) any person who acquired or held the goods in question and who was aware or should reasonably have been aware at the time of acquiring or receiving the goods that an obligation under the customs legislation was not fulfilled.

In cases referred to under point (b) of paragraph 1, the debtor shall be the person who is required to comply with the conditions governing the placing of the goods under a customs procedure or declaring the goods concerned under that procedure or the granting of a duty exemption or reduced rate of duty by virtue of the end-use of the goods.

Where a customs declaration in respect of one of the procedures referred to in paragraph 1 is drawn up, or any information required under the customs legislation relating to the conditions governing the placing of the goods under a customs procedure is given to the customs authorities, which leads to all or part of the import duties not being collected, the person who provided the information required to draw up the declaration and who knew, or who ought reasonably to have known, that such information was false shall also be a debtor.

**Article 52**

**Deduction of duties already paid**

1. Where a customs debt is incurred, pursuant to Article 51(1), in respect of goods released for free circulation at a reduced rate of import duty on account of their end-use, the amount paid when the goods were released for free circulation shall be deducted from the amount of the customs debt.

The first subparagraph shall apply *mutatis mutandis* where a customs debt is incurred in respect of scrap and waste resulting from the destruction of such goods.

2. Where a customs debt is incurred, pursuant to Article 51(1), in respect of goods placed under temporary admission with partial relief from import duties, the amount paid under partial relief shall be deducted from the amount of the customs debt.
Section 3

Customs debt on exportation

Article 53

Export declaration

1. A customs debt on exportation shall be incurred through the placing of goods liable to export duties under the export procedure.

2. The customs debt shall be incurred at the time of acceptance of the customs declaration.

3. The declarant shall be the debtor. In the event of indirect representation, the person on whose behalf the declaration is made shall also be a debtor.

Where a customs declaration is drawn up on the basis of information which leads to all or part of the export duties not being collected, the person who provided the information required for the declaration and who knew, or who should reasonably have known, that such information was false shall also be a debtor.

Article 54

Customs debt incurred through non-compliance

1. In cases other than those referred to in Article 53, and if the goods are liable to export duties, a customs debt on exportation shall be incurred through non-compliance with either of the following:

   (a) one of the obligations laid down in customs legislation for the exit, movement or disposal of the goods;

   (b) the conditions under which the goods were allowed to leave the customs territory of the Community with total or partial relief from export duties.

2. The time at which the customs debt is incurred shall be one of the following:

   (a) the moment at which the goods actually leave the customs territory of the Community without a customs declaration;

   (b) the moment at which the goods reach a destination other than that for which they were allowed to leave the customs territory of the Community with total or partial relief from export duties;

   (c) should the customs authorities be unable to determine the moment referred in point (b), the expiry of the time limit set for the production of evidence that the conditions entitling the goods to such relief have been fulfilled.
3. Where goods liable to export duties leave the customs territory of the Community without a customs declaration, the debtor shall be any of the following:

(a) any person who was required to fulfil the obligation concerned;

(b) any person who participated in the act which led to the non-fulfilment of the obligation and who was aware or should reasonably have been aware that a customs declaration had not been lodged but should have been.

4. Where a customs debt arises as a consequence of failure to comply with the conditions under which the goods were allowed to leave the customs territory of the Community with total or partial relief from export duties, the debtor shall be any of the following:

(a) the declarant;

(b) in the event of indirect representation, the person on whose behalf the declaration is made.

**Section 4**

**Provisions common to customs debts incurred on importation and exportation**

*Article 55*

**Prohibitions and restrictions**

The customs debt on importation or exportation shall be incurred even if it relates to goods which are subject to measures of prohibition or restriction on importation or exportation of any kind.

However, no customs debt shall be incurred on the unlawful introduction into the customs territory of the Community of counterfeit currency or of narcotic drugs and psychotropic substances which do not enter into the economic circuit strictly supervised by the competent authorities with a view to their use for medical and scientific purposes.

For the purposes of penalties as applicable to customs offences, the customs debt shall nevertheless be deemed to have been incurred where, under the law of a Member State, customs duties or the existence of a customs debt provide the basis for determining penalties.

*Article 56*

**Several debtors**

Where several persons are liable for payment of one customs debt, they shall each be liable for the totality of the debt.

Where one or more of those persons have deliberately infringed the customs legislation, priority shall be given to recovery of the customs debt from those persons.
**Article 57**

**General rules for calculation of the amount of duty**

1. The amount of the import or export duty shall be determined on the basis of those rules for calculation of duty which were applicable to the goods concerned at the time at which the customs debt in respect of them was incurred.

2. Where it is not possible to determine precisely the time at which the customs debt is incurred, that time shall be deemed to be the time at which the customs authorities conclude that the goods are in a situation in which a customs debt has been incurred. However, where the information available to the customs authorities enables them to establish that the customs debt had been incurred prior to the time at which they reached that conclusion, the customs debt shall be deemed to have been incurred at the earliest time that such a situation can be established.

3. Where customs legislation provides for a favourable tariff treatment of goods, relief or total or partial exemption from import or export duties, pursuant to points (d) to (g) of Article 36(2), Articles 136 to 141, 178 and 181 to 184, such favourable tariff treatment, relief or exemption shall also apply in cases where a customs debt is incurred pursuant to Articles 51 or 54, on condition that the behaviour of the person concerned involves no fraudulent dealing.

**Article 58**

**Special rules for calculation of the amount of duty**

1. Where costs for storage or usual forms of handling have been incurred within the customs territory of the Community in respect of goods placed under a customs procedure, such costs or the increase in value shall not be taken into account for the calculation of the amount of import duty where satisfactory proof of these costs is provided by the declarant.

   However, the customs value, nature and origin of non-Community goods used in the operations shall be taken into account for the calculation of the amount of import duties.

2. Where the tariff classification of goods placed under a customs procedure changes as a result of usual forms of handling within the customs territory of the Community, the original tariff classification for the goods placed under the procedure shall be applied at the request of the declarant.

3. Where a customs debt is incurred for processed products resulting from the inward processing procedure, the amount of such debt shall, at the request of the declarant, be determined on the basis of the tariff classification, customs value, nature and origin of the goods placed under the inward processing procedure at the time of acceptance of the declaration relating to these goods.
Article 59

Implementing measures

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the following:

(a) the rules for the calculation of the amount of the import duty or export duty applicable to goods;
(b) further special rules for specific procedures;
(c) derogations from Articles 57 and 58.

Article 60

Place where the customs debt is incurred

1. A customs debt shall be incurred at the place where the customs declaration referred to in Articles 49 and 53 is lodged or, pursuant to Article 128(3), is deemed to have been lodged.

In all other cases, the place where a customs debt is incurred shall be the place where the events from which it arises occur.

If it is not possible to determine that place, the customs debt shall be incurred at the place where the customs authorities conclude that the goods are in a situation in which a customs debt is incurred.

2. If the goods have been entered for a customs procedure which has not been discharged, and the place cannot be determined, pursuant to the second or third subparagraphs of paragraph 1, within a specified period of time, the customs debt shall be incurred at the place where the goods were either placed under the procedure concerned or were introduced into the customs territory of the Community under that procedure.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the period of time referred to in the first subparagraph of this paragraph.

3. Where the information available to the customs authorities enables them to establish that the customs debt may have been incurred in several places, the customs debt shall be deemed to have been incurred at the place where it was first incurred.

4. If a customs authority establishes that a customs debt has been incurred under point (a) of Article 51(1) in another Member State and the amount of that debt is lower than EUR 100 000, the debt shall be deemed to have been incurred in the Member State where the finding was made.
CHAPTER 2

GUARANTEE FOR A POTENTIAL OR EXISTING CUSTOMS DEBT

Article 61

General provisions

1. This Chapter shall apply to guarantees both for customs debts which have been incurred and for those which may be incurred, unless it is otherwise specified.

2. Customs authorities may require the debtor to provide a guarantee in order to ensure payment of a customs debt and of other charges, in particular VAT and excise duty as provided for under VAT and excise provisions in force.

3. Where the customs authorities require a guarantee to be provided, it shall be required from the debtor or the person who may become liable for that debt.

4. The customs authorities shall require only one guarantee to be provided in respect of specific goods or a specific declaration.

The guarantee provided for a specific declaration shall apply to the customs debt in respect of all goods covered by or released against that declaration, whether or not that declaration is correct.

5. The customs authorities shall permit the guarantee to be provided by a person other than the person from whom it is required.

6. At the request of the person referred to in paragraphs 3 or 5 of this Article, the customs authorities may, in accordance with Article 67(1) and (2), authorize the provision of a comprehensive guarantee to cover the customs debt in respect of two or more operations, declarations or procedures.

7. No guarantee shall be required from States, regional and local government authorities or other bodies governed by public law, in respect of the activities in which they engage as public authorities.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down other cases in which no guarantee is to be required or a reduced guarantee is to be required.

8. The customs authorities may waive the requirement for provision of a guarantee where the amount to be secured does not exceed the statistical threshold for declarations laid down in accordance with Article 12 of Council Regulation (EC) No 1172/95\(^{17}\).

\(^{17}\) OJ L 118, 25. 5.1995, p.10.
A guarantee accepted or authorized by the customs authorities shall be valid throughout the customs territory of the Community, for the purposes for which it is given.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down exceptions to the first subparagraph of this paragraph.

**Article 62**

**Compulsory guarantee**

1. Where it is compulsory for a guarantee to be provided, and subject to the rules adopted pursuant to paragraph 3, the customs authorities shall fix the amount of such guarantee at a level equal to the precise amount of the customs debt in question where that amount can be established with certainty at the time when the guarantee is required.

   Where it is not possible to establish the precise amount of the customs debt, the amount of the guarantee shall be fixed as the maximum amount, as estimated by the customs authorities, of the customs debt which has been or may be incurred.

2. Without prejudice to Article 67, where a comprehensive guarantee is provided for customs debts which vary in amount over time, the amount of such guarantee shall be set at a level enabling the customs debts in question to be covered at all times.

3. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of paragraph 1 of this Article.

**Article 63**

**Optional guarantee**

Where the provision of a guarantee is optional, such guarantee shall in any case be required by the customs authorities if they consider that a customs debt is not certain to be paid within the prescribed period. Its amount shall be fixed by those authorities so as not to exceed the level referred to in Article 62.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down when a guarantee is optional.

**Article 64**

**Provision of a guarantee**

1. A guarantee may be provided in one of the following ways
(a) by a cash deposit or by any other means of payment recognized by the customs authorities as being equivalent to a cash deposit, made in euro or in the currency of the Member State in which the guarantee is required;

(b) by an undertaking given by a guarantor;

(c) by another form of guarantee which provides equivalent assurance that the customs debt will be paid.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures specifying the forms of guarantee referred in point (c) of the first subparagraph of this paragraph.

2. A guarantee in the form of a cash deposit or payment deemed equivalent to a cash deposit shall be given in accordance with the provisions in force in the Member State in which the guarantee is required.

Article 65

Choice of guarantee

The person required to provide a guarantee may choose between the types of guarantee laid down in Article 64(1).

However, the customs authorities may refuse to accept the type of guarantee chosen where it is incompatible with the proper functioning of the customs procedure concerned.

The customs authorities may require that the type of guarantee chosen be maintained for a specific period.

Article 66

Guarantor

1. The guarantor referred to in point (b) of Article 64(1) must be a third person established in the customs territory of the Community. The guarantor must be approved by the customs authorities requiring the guarantee, unless the guarantor is a bank or other officially recognized financial institution accredited in the Community.

2. The guarantor shall undertake in writing to pay the secured amount of a customs debt.

The undertaking shall also cover, within the limits of the secured amount, amounts of import or export duties payable following post-release verification.

3. The customs authorities may refuse to approve the guarantor or type of guarantee proposed where either do not appear certain to ensure payment of the customs debt within the prescribed period.
Article 67

Comprehensive guarantee

1. The authorization referred to in Article 61(6) shall be granted only to persons who satisfy the following conditions:
   
   (a) they are established in the Community;
   
   (b) they have not committed serious or repeated offences against customs or tax law;
   
   (c) they are regular users of the procedures involved or are known to the customs authorities to have the capacity to fulfil their obligation in relation to these procedures.

2. Where a comprehensive guarantee is to be provided for customs debts which may be incurred, an authorized economic operator may use a comprehensive guarantee with a reduced amount or have a guarantee waiver, in accordance with Article 61(7), provided that at least the following criteria are fulfilled:
   
   (a) the correct use of the customs procedure concerned during a given period;
   
   (b) co-operation with the customs authorities;
   
   (c) in respect of the guarantee waiver, a good financial standing which is sufficient to fulfil the commitments of that person.

3. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures governing the granting of authorizations under paragraphs 1 and 2 of this Article.

Article 68

Additional provisions relating to the use of guarantees

1. In cases where a customs debt may be incurred in the framework of special procedures, paragraphs 2, 3 and 4 shall apply.

2. The guarantee waiver authorized in accordance with Article 67(2) shall not apply to goods which are considered to present increased risks.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of the first subparagraph of this paragraph.

3. As an exceptional measure in special circumstances, the Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures temporarily prohibiting the use of a comprehensive guarantee with a reduced amount referred to in Article 67(2).
4. In respect of goods which have been identified as being subject to large-scale fraud while under a comprehensive guarantee, the Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures temporarily prohibiting the use of a comprehensive guarantee.

Article 69

Additional or replacement guarantee

Where the customs authorities establish that the guarantee provided does not ensure, or is no longer certain or sufficient to ensure, payment of the customs debt within the prescribed period, they shall require any of the persons referred to in Article 61(3), either to provide an additional guarantee or to replace the original guarantee with a new guarantee, according to his choice.

Article 70

Release of the guarantee

1. The customs authorities shall release the guarantee when the customs debt is extinguished or can no longer arise.

2. Where the customs debt has been extinguished in part, or may arise only in respect of part, of the amount which has been secured, a corresponding part of the guarantee shall be released accordingly at the request of the person concerned, unless the amount involved does not justify such action.

3. The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of paragraphs 1 and 2 of this Article.

CHAPTER 3

RECOVERY AND PAYMENT OF DUTY AND REPAYMENT AND REMISSION OF DUTY

Section 1

Determination, notification to the debtor and entry in the accounts of the amount of duty

Article 71

Determination of the amount of duty

The amount of duty payable shall be determined by the customs authorities responsible for the territory in which the customs debt is incurred, or is deemed to have been incurred in accordance with Article 60, as soon as they have the necessary information.
**Article 72**

**Notification of the customs debt**

1. The decision determining the amount of duty payable shall be notified to the debtor in the form prescribed by national law in the territory in which the debt was incurred.

The notification referred to in the first subparagraph shall not be made in the following situations:

(a) where, pending a final determination of the amount of duty, a provisional commercial policy measure taking the form of a duty has been imposed;

(b) where the amount of duty payable exceeds that determined on the basis of a decision made in accordance with Article 21;

(c) where the original decision not to notify the amount of duty or to notify the amount of duty at a figure less than the amount payable was taken on the basis of general provisions invalidated at a later date by a court decision;

(d) in cases where the customs authorities are exempted from notification of amounts of duty.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of point (d) of the second subparagraph of this paragraph.

2. Where the amount of duty payable is equal to the amount entered in the customs declaration, the debtor need not be notified of the decision referred to in paragraph 1.

In such cases, release of the goods by the customs authorities shall be equivalent to a decision notifying the debtor of the amount of duty payable.

3. Where paragraph 2 of this Article does not apply, the decision determining the amount of duty payable shall be notified to the debtor within fourteen days of the date on which the customs authorities are in a position to take that decision in accordance with Article 17(4).

**Article 73**

**Time limit for notification of a customs debt**

1. Notification of a decision determining the amount of duty may not be issued to the debtor after the expiry of a period of three years from the date on which the customs debt was incurred.

2. Where the customs debt is the result of an act which, at the time it was committed, was liable to give rise to criminal court proceedings, the three year period laid down in paragraph 1 shall be extended to a period of ten years.
3. Where an appeal is lodged under Article 24, the periods laid down in paragraphs 1 and 2 of this Article shall be suspended, for the duration of the appeal proceedings, from the date on which the appeal is lodged.

4. Where liability for a customs debt is reinstated pursuant to Article 84(3) the periods laid down in paragraphs 1 and 2 of this Article shall be considered as suspended from the date on which the repayment or remission application was submitted in accordance with Article 90, until a decision on the repayment or remission is taken.

Article 74

Entry in the accounts

1. The customs authorities referred to in Article 71 shall enter the amount of duty payable in their accounts.

The first subparagraph shall not apply in cases referred to in the second subparagraph of Article 72(1).

The customs authorities need not enter in the accounts amounts of duty which, pursuant to Article 73, could no longer be notified to the debtor.

2. The Member States shall determine the practical procedures for the entry in the accounts of the amounts of duty. Those procedures may differ according to whether or not, in view of the circumstances in which the customs debt was incurred, the customs authorities are satisfied that those amounts will be paid.

Article 75

Time of entry in the accounts

1. Where a customs debt is incurred as a result of the acceptance of the declaration of goods for a customs procedure, other than temporary admission with partial relief from import duties, or of any other act having the same legal effect as such acceptance, the customs authorities shall enter the amount of duty payable in the accounts within fourteen days of the release of the goods.

However, provided that payment has been guaranteed, the total amount of duty relating to all the goods released to one and the same person during a period fixed by the customs authorities, which may not exceed 31 days, may be covered by a single entry in the accounts at the end of that period. Such entry in the accounts shall take place within five days of the expiry of the period concerned.

2. Where goods may be released subject to certain conditions which govern either the determination of the amount of duty payable or its collection, entry in the accounts shall take place within fourteen days of the day on which the amount of duty payable is determined or the obligation to pay that duty is fixed.

However, where the customs debt relates to a provisional commercial policy measure taking the form of a duty, the amount of duty payable shall be entered in the accounts
within two months of the date of publication in the Official Journal of the European Union of the Regulation establishing the definitive commercial policy measure.

3. Where a customs debt is incurred in circumstances not covered by paragraph 1, the amount of duty payable shall be entered in the accounts within fourteen days of the date on which the customs authorities are in a position to calculate the amount of duty in question and determine the debtor.

4. Paragraph 3 shall apply mutatis mutandis with regard to the amount of duty to be recovered or which remains to be recovered where the amount of duty payable has not been entered in the accounts in accordance with paragraphs 1, 2 and 3, or has been determined and entered in the accounts at a level lower than the amount payable.

5. The time limits for entry in the accounts laid down in paragraphs 1, 2 and 3 shall not apply in unforeseeable circumstances or in cases of force majeure.

Article 76
Implementing measures

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down rules for entry in the accounts.

Section 2
Time limit and procedures for payment of duty

Article 77
General time limits for payment, supervision of payment

1. Amounts of duty notified in accordance with Article 72 shall be paid by the debtor within the period prescribed by the customs authorities.

Without prejudice to Article 25(2), that period shall not exceed ten days following notification to the debtor of the amount of duty payable. In the case of aggregation of entries in the accounts under the conditions laid down in the second subparagraph of Article 75(1), it shall be so fixed as not to enable the debtor to obtain a longer period for payment than if he had been granted deferred payment in accordance with Article 79.

An extension of that period shall be granted automatically where it is established that the person concerned received the notification too late to enable him to make payment within the period prescribed.

Extension of that period may also be granted by the customs authorities at the request of the debtor where the amount of duty payable has been determined in the course of post-release verification as referred to in Article 29. Without prejudice to Article
82(1), such extensions shall not exceed the time necessary for the debtor to take the appropriate steps to discharge his obligation.

2. If the debtor is entitled to any of the payment facilities laid down in Articles 79 to 82, payment shall be made within the period or periods specified in relation to those facilities.

3. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the conditions for the suspension of the time limit for payment of debt in the following situations:

(a) where an application for remission of duty is made in accordance with Article 90;

(b) where goods are to be confiscated, destroyed or abandoned to the State;

(c) where the customs debt was incurred pursuant to Article 51 and there is more than one debtor.

Article 78

Payment

1. Payment shall be made in cash or by any other means with similar discharging effect, including by adjustment of credit balance as agreed with the customs authorities.

2. Payment may be made by a third person instead of the debtor.

Article 79

Deferment of payment

Without prejudice to Article 85, the customs authorities shall, at the request of the person concerned and upon provision of a guarantee, permit deferment of payment of the duty payable in any of the following ways:

(a) separately in respect of each amount of duty entered in the accounts in accordance with the first subparagraph of Article 75(1), or Article 75(4);

(b) globally in respect of all amounts of duty entered in the accounts in accordance with the first subparagraph of Article 75(1) during a period fixed by the customs authorities and not exceeding 31 days;

(c) globally in respect of all amounts of duty forming a single entry in accordance with the second subparagraph of Article 75(1).
Article 80

Time limits for deferred payment

1. The period for which payment is deferred under Article 79 shall be 30 days. It shall be calculated as set out in paragraphs 2, 3 and 4 of this Article.

2. Where payment is deferred in accordance with point (a) of Article 79, the period shall begin on the day following that on which the amount of duty payable is notified to the debtor.

3. Where payment is deferred in accordance with point (b) of Article 79, the period shall begin on the day following that on which the aggregation period ends. It shall be reduced by the number of days corresponding to half the number of days covered by the aggregation period.

4. Where payment is deferred in accordance with point (c) of Article 79, the period shall begin on the day following the end of the period fixed for release of the goods in question. It shall be reduced by the number of days corresponding to half the number of days covered by the period concerned.

5. Where the number of days in the periods referred to in paragraphs 3 and 4 is an odd number, the number of days to be deducted from the 30-day period pursuant to those paragraphs shall be equal to half the next lowest even number.

6. Where the periods referred to in paragraphs 3 and 4 are calendar weeks, Member States may provide that the amount of duty in respect of which payment has been deferred is to be paid on the Friday of the fourth week following the calendar week in question.

If these periods are calendar months, Member States may provide that the amount of duty in respect of which payment has been deferred is to be paid by the sixteenth day of the month following the calendar month in question.

Article 81

Implementing measures

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the rules for deferment of payment in cases where the customs declaration is simplified in accordance with Articles 125 or 127.

Article 82

Other payment facilities

1. The customs authorities may grant the debtor payment facilities other than deferred payment on condition that a guarantee is provided.
However, such guarantee need not be required where it is established that to require it would, because of the situation of the debtor, create serious economic or social difficulties.

Where facilities are granted pursuant to the first subparagraph, credit interest shall be charged on the amount of duty. The amount of such interest shall be equivalent to the amount which would be charged for this purpose on the euro market or, where appropriate, the national market of the currency in which the amount is payable.

The customs authorities may refrain from charging credit interest where to charge it would, because of the situation of the debtor, create serious economic or social difficulties.

2. The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of paragraph 1.

*Article 83*

**Enforcement of payment, arrears**

1. Where the amount of duty payable has not been paid within the prescribed period, the customs authorities shall secure payment of that amount by all means available to them according to the law of the Member State.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures in respect of securing payment from guarantors within the framework of a special procedure.

2. Interest on arrears shall be charged on the amount of duty from the date of expiry of the prescribed period until the date of payment. The rate of interest on arrears shall be no more than one percentage point higher than the rate of credit interest within the euro or national currency market concerned. It may not be lower than that rate.

3. Where the amount of a customs debt has been notified pursuant to Articles 72(3), interest on arrears shall be charged over and above the amount of duty, from the date on which the customs debt was incurred until the date of notification.

The rate of interest on arrears shall be set in accordance with paragraph 2.

4. The customs authorities may refrain from charging interest on arrears where to charge it would, because of the situation of the debtor, create serious economic or social difficulties.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the cases, in terms of time and amounts, in which the customs authorities may waive the collection of interest on arrears.
Section 3
Repayment and remission of duty

Article 84
General provisions

1. For the purposes of this Section, the following definitions shall apply:

(a) ‘repayment’ means the refunding of import or export duties which have been paid;

(b) ‘remission’ means the waiving of the obligation to pay an amount of import or export duty which has not been paid.

Where reference is made in this section to import or export duties, it shall be deemed also to cover interest on arrears.

2. Repayment shall not give rise to the payment of interest by the customs authorities concerned.

However, interest shall be paid where a decision granting repayment under Article 85 is not implemented within three months of the date on which that decision was taken.

In such cases, the interest shall be paid from the date of expiry of the three month period until the date of repayment. The rate of interest shall be equivalent to the rate of interest on the euro or national currency market concerned.

3. Where a customs authority has granted repayment or remission in error, duty liability shall be reinstated in so far as recovery of the original customs debt is not time-barred under Article 73.

In such cases, any interest paid under the second subparagraph of paragraph 2 must be reimbursed.

Article 85
Repayment and remission

1. Subject to the conditions laid down in this Section, import or export duties shall, provided that the amount to be repaid or remitted exceeds a certain amount, be repaid or remitted on the following grounds:

(a) overcharged duties;

(b) defective goods;

(c) error by the customs authorities;
(d) equity.

In addition, where duties have been paid and the corresponding customs declaration is invalidated, in accordance with Article 117, those duties shall be repaid.

2. Subject to the rules of competence for a decision, where the customs authorities themselves discover within the periods referred to in Article 90(1) that import or export duties are repayable or remissible pursuant to Articles 86, 88 or 89, they shall repay or remit on their own initiative.

3. No repayment or remission shall be granted when the situation which led to the decision determining an amount of duty results from deception by the debtor.

*Article 86*

**Repayment and remission of overcharged duties**

Import or export duties shall be repaid or remitted in so far as the amount set out in the original customs decision exceeds the amount payable, or was notified to the debtor contrary to points (c) or (d) of Article 72(1).

*Article 87*

**Defective goods**

1. Import duties shall be repaid or remitted if the decision determining the amount of such duties relates to goods released for free circulation which have been rejected by the importer because, at the time of release, they were defective or did not comply with the terms of the contract on the basis of which they were imported.

   Defective goods shall be deemed to include goods damaged before their release.

2. Repayment or remission of import duties shall be granted provided the goods have not been used, except for such initial use as may have been necessary to establish that they were defective or did not comply with the terms of the contract.

3. The customs authorities shall ensure that the debtor re-exports the goods from the customs territory of the Community or, at his request, places them under the inward processing procedure (including for destruction), external transit or warehousing or in a free zone.

*Article 88*

**Repayment or remission on account of error by the customs authorities**

A decision to repay or remit import or export duties shall be taken where the original decision determining the amount of duty did not correspond to the amount payable, as a result of an error on the part of the customs authorities, provided the following conditions are met:

(a) the debtor could not reasonably have detected that error;
(b) the debtor was acting in good faith.

Where the preferential status of the goods is established on the basis of a system of administrative co-operation involving the authorities of a country or territory outside the customs territory of the Community, the issue of a certificate by those authorities, should it prove to be incorrect, shall constitute an error which could not reasonably have been detected within the meaning of point (a) of the first paragraph.

The issue of an incorrect certificate shall not, however, constitute an error where the certificate is based on an incorrect account of the facts provided by the exporter, except where it is evident that the issuing authorities were aware or should have been aware that the goods did not satisfy the conditions laid down for entitlement to the preferential treatment.

The debtor shall be considered to be in good faith if he can demonstrate that, during the period of the trading operations concerned, he has taken due care to ensure that all the conditions for the preferential treatment have been fulfilled.

The debtor may not rely on a plea of good faith if the Commission has published a notice in the *Official Journal of the European Union*, stating that there are grounds for doubt concerning the proper application of the preferential arrangements by the beneficiary country or territory.

*Article 89*

**Repayment and remission in equity**

In situations other than those referred to in the second subparagraph of Article 85(1) and in Articles 86, 87 and 88, import and export duties shall be repaid or remitted in the interest of equity where a customs debt is incurred under special circumstances in which no deception or obvious negligence may be attributed to the debtor.

*Article 90*

**Procedure for repayment and remission**

1 A debtor who considers that import or export duties are repayable or remissible under Article 85 shall submit an application to the appropriate customs office within the following periods:

   (a) in the case of overcharged duties, error by the customs authorities, or equity, within three years of the date of notification of the amount;

   (b) in the case of defective goods, within one year of the date of notification of the amount;

   (c) in the case of invalidation of a customs declaration, within the period specified in the rules applicable to invalidation.
The period specified in points (a) and (b) of the first subparagraph shall be extended where the applicant provides evidence that he was prevented from submitting his application in good time as a result of unforeseeable circumstances or *force majeure*.

2. Paragraph 1 shall apply *mutatis mutandis* in cases where the customs authorities repay or remit on their own initiative pursuant to Article 85(2).

3. Where an appeal has been lodged under Article 24 against the notification of the customs debt, the relevant period specified in the first subparagraph of paragraph 1 of this Article shall be suspended, from the date on which the appeal is lodged, for the duration of the appeal proceedings.

4. Following receipt of an application in accordance with paragraph 1, the customs authorities shall take a decision as to whether or not to grant repayment or remission, as appropriate.

   Repayment or remission may be in whole or in part.

*Article 91*  
Implementing measures

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of this Section. These measures shall lay down the cases in which the Commission shall, in accordance with the procedure referred to in Article 196(3), decide whether remission or repayment of an amount of duty is justified.
CHAPTER 4

EXTINCTION OF CUSTOMS DEBT

Article 92

Extinction

1. Without prejudice to the provisions in force relating to the time-barring of a customs debt and non-recovery of such a debt in the event of the legally established insolvency of the debtor, a customs debt on importation or exportation shall be extinguished in any of the following ways:

(a) by payment of the amount of duty;

(b) subject to paragraph 4, by remission of the amount of duty;

(c) where, in respect of goods declared for a customs procedure entailing the obligation to pay duties, the customs declaration is invalidated;

(d) where goods liable to import or export duties are seized or confiscated;

(e) where goods liable to import or export duties are destroyed under customs supervision or abandoned to the State;

(f) where the disappearance of the goods or the non-fulfilment of obligations arising from the customs legislation results from the total destruction or irretrievable loss of those goods as a result of the actual nature of the goods or unforeseeable circumstances or force majeure, or as a consequence of instruction by the customs authorities;

(g) where the debt was incurred pursuant to Article 51 or 54 and where the following conditions are fulfilled:
   (i) the failure which lead to the incurrence of a customs debt had no significant effect on the correct operation of the procedure declared and did not constitute an attempt at deception;
   (ii) all of the formalities necessary to regularize the situation of the goods are subsequently carried out;

(h) where goods released for free circulation duty-free, or at a reduced rate of import duty by virtue of their end-use, have been exported with the permission of the customs authorities;

(i) where it was incurred pursuant to Article 50 and where the formalities carried out in order to enable the preferential tariff treatment referred to in that Article to be granted are cancelled or satisfactory proof is submitted that preferential tariff treatment has not been granted;
(j) where, subject to paragraph 5 of this Article, the debt was incurred pursuant to Article 51 and evidence is provided to the satisfaction of the customs authorities that the goods have not been used or consumed and have been exported from the customs territory of the Community.

For the purposes of point (f) of the first subparagraph, goods shall be considered as irretrievably lost when they have been rendered unusable by any person.

2. In the event of seizure or confiscation, as referred to in point (d) of paragraph 1, the customs debt shall, nevertheless, for the purposes of penalties applicable to customs offences, be deemed not to have been extinguished where, under the law of a Member State, customs duties or the existence of a customs debt provide the basis for determining penalties.

3. Where a customs debt is extinguished in respect of goods released for free circulation duty-free or at a reduced rate of import duty on account of their end-use, any scrap or waste resulting from such destruction shall be deemed to be non-Community goods.

4. Where several persons are liable for payment of the customs debt and remission is granted, the obligation to pay the amount of duty shall be extinguished only in respect of the person or persons to whom the remission is granted.

5. In the case referred to in point (j) of paragraph 1, the obligation to pay the amount of duty shall not be extinguished in respect of any person or persons who attempted deception.

6. Where the debt was incurred pursuant to Article 51, the obligation to pay the amount of duty shall be extinguished with regard to the person whose behaviour did not involve any attempt at deception and who contributed to the fight against fraud, in particular in cases where a controlled delivery was performed to facilitate the identification of criminals.

7. The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of paragraphs 1 to 6 of this Article.
TITLE IV
ARRIVAL OF GOODS IN THE CUSTOMS TERRITORY OF THE COMMUNITY

CHAPTER 1
GOODS BROUGHT INTO THE CUSTOMS TERRITORY

Article 93
Obligation to lodge an import summary declaration

1. Goods brought into the customs territory of the Community shall be covered by an import summary declaration, with the exception of goods carried on means of transport only passing through the territorial waters or the airspace of the customs territory of the Community without a stop within that territory.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down a common data set and format for the import summary declaration, containing the particulars necessary for risk analysis and the proper application of customs controls, primarily for security and safety purposes, using, where appropriate, international standards and commercial practices.

2. Except where otherwise specified, an import summary declaration shall be lodged or made available at the competent customs office before the goods are brought into the customs territory of the Community.

3. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures concerning the following:

(a) the conditions under which the requirement for an import summary declaration may be waived or adapted;

(b) the deadline by which the import summary declaration shall be lodged or made available before the goods are brought into the customs territory of the Community;

(c) the rules for exceptions from and variations to the deadline referred to in point (b);

(d) the determination of the competent customs office at which the import summary declaration shall be lodged or made available and where risk analysis and risk-based entry controls are to be carried out.

In adopting these measures, account shall be taken of the following:

(a) special circumstances;

(b) the application of these measures to certain types of goods traffic, modes of transport or economic operators;
(c) international agreements which provide for special security arrangements.

Article 94

Lodgement and responsible person

1. The import summary declaration shall be lodged using an electronic data processing technique. Commercial, port or transport information may be used provided it contains the necessary particulars for an import summary declaration.

Customs authorities may, in exceptional circumstances, accept paper-based import summary declarations, provided that they apply the same level of risk management as that applied to import summary declarations made using an electronic data processing technique and that the requirements for the exchange of such data with other customs offices can be met.

2. The import summary declaration shall be lodged by the person who brings the goods, or who assumes responsibility for the carriage of the goods, into the customs territory of the Community.

3. Notwithstanding the obligations of the person referred to in paragraph 2, the import summary declaration may be lodged instead by one of the following persons:

   (a) the importer or consignee or other person in whose name or on whose behalf the person referred to in paragraph 2 acts;

   (b) any person who is able to present the goods in question or to have them presented to the competent customs authority.

4. Where appropriate, the customs authorities shall inform the person who lodged the import summary declaration of consignments which may pose particular security or safety risks.

Article 95

Amendment of summary declaration

The person who lodges the import summary declaration shall, at his request, be permitted to amend one or more particulars of the declaration after it has been lodged.

However, no amendment shall be possible after any of the following events:

(a) the customs authorities have informed the person who lodged the summary declaration that they intend to examine the goods;

(b) the customs authorities have established that the particulars in question are incorrect;

(c) the customs authorities have allowed the removal of the goods.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down exceptions to point (c) of the second paragraph of this Article.
Article 96

Customs declaration replacing summary declaration

The competent customs office may waive the lodging of an import summary declaration in respect of goods for which, prior to the expiry of the deadline referred to in point (b) of Article 93(3), a customs declaration is lodged. In this case, the customs declaration shall contain at least the particulars necessary for the import summary declaration. Until such time as the customs declaration is accepted in accordance with Article 114, it shall have the status of an import summary declaration.

CHAPTER 2
ARRIVAL OF GOODS

Section 1

Entry of goods into the customs territory of the Community

Article 97

Customs supervision

1. Goods brought into the customs territory of the Community shall, from the time of their entry, be subject to customs supervision and may be subject to customs controls. They shall be subject to the application of prohibitions and restrictions, justified on grounds of public morality, public policy or public security, the protection of the health and life of humans, animals or plants, the protection of the environment, the protection of national treasures possessing artistic, historic or archaeological value, the implementation of fishery conservation and management measures or the protection of industrial or commercial property, including controls on drug pre-cursors, counterfeit goods and cash entering the Community.

They shall remain under such supervision for as long as is necessary to determine their customs status.

Without prejudice to Article 176, Community goods shall not be subject to customs supervision once their status is established.

Non-Community goods shall remain under customs supervision until their customs status is changed, or they are exported or destroyed.

2. Any person with an interest in goods under customs supervision may, with the permission of the customs authorities, at any time examine the goods or take samples, in order to determine their tariff classification, customs value or customs status.

3. Goods shall not be removed from customs supervision until release is granted by the customs authorities.
Article 98

Conveyance to the appropriate place

1. The person who brings goods into the customs territory of the Community shall convey them without delay, by the route specified by the customs authorities and in accordance with their instructions, if any, to the customs office designated by the customs authorities, or to any other place designated or approved by those authorities, or into a free zone.

Goods brought into a free zone shall be brought into that free zone directly, either by sea or air or, if by land, without passing through another part of the customs territory of the Community.

The goods shall be presented to the customs authorities immediately upon their arrival, in accordance with Article 101.

2. Any person who assumes responsibility for the carriage of goods after they have been brought into the customs territory of the Community shall become responsible for compliance with the obligation laid down in paragraph 1.

3. Goods which, although still outside the customs territory of the Community, may be subject to customs controls by the customs authority of a Member State as a result of an agreement concluded with the relevant country or territory outside the customs territory of the Community, shall be treated in the same way as goods brought into the customs territory of the Community.

4. Paragraph 1 shall not preclude application of any special provisions with respect to letters, postcards and printed matter or to goods carried by travellers, provided that customs supervision and customs control possibilities are not thereby jeopardised.

5. Paragraph 1 shall not apply to goods carried on means of transport only passing through the territorial waters or the airspace of the customs territory of the Community without a stop within that territory.

Article 99

Intra-Community air and sea services

1. Paragraphs 1 to 4 of Article 98 and Articles 93 to 96 and 100 to 103 shall not apply to goods which have temporarily left the customs territory of the Community while moving between two points in that territory by sea or air, provided that carriage has been effected by a direct route and by an air or regular shipping service without a stop outside the customs territory of the Community.

2. The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down special provisions for air and regular shipping services.
Article 100

Conveyance under special circumstances

1. Where, by reason of unforeseeable circumstances or force majeure, the obligation laid down in Article 98(1) cannot be complied with, the person bound by that obligation or any other person acting on that person's behalf shall inform the customs authorities of the situation without delay. Where the unforeseeable circumstances or force majeure do not result in total loss of the goods, the customs authorities shall also be informed of their precise location.

2. Where, by reason of unforeseeable circumstances or force majeure, a vessel or aircraft covered by Article 98(5) is forced to put into port or to land temporarily in the customs territory of the Community and the obligation laid down in Article 98(1) cannot be complied with, the person who brought the vessel or aircraft into the customs territory of the Community, or any other person acting on that person's behalf, shall inform the customs authorities of the situation without delay.

3. The customs authorities shall determine the measures to be taken in order to permit customs supervision of the goods referred to in paragraph 1, or those on board a vessel or aircraft in the circumstances specified in paragraph 2, and to ensure, where appropriate, that they are subsequently conveyed to a customs office or other place designated or approved by the authorities.

Section 2

Presentation, unloading and examination of goods

Article 101

Presentation of goods to customs

1. Goods arriving in the customs territory of the Community shall be presented to customs by one of the following persons:
   
   (a) the person who brought the goods into the customs territory of the Community;
   
   (b) the person in whose name or on whose behalf the person who brought the goods into that territory acts;
   
   (c) the person who assumed responsibility for carriage of the goods after they were brought into the customs territory of the Community.

2. Notwithstanding the obligations of the person described in paragraph 1, presentation of the goods may be effected instead by one of the following persons:
   
   (a) any person who immediately places the goods under a customs procedure;
   
   (b) the holder of an authorization for the operation of storage facilities or any person who carries out activity in a free zone.
3. The person presenting the goods shall make a reference to the import summary declaration or customs declaration lodged in respect of the goods.

4. Paragraph 1 shall not preclude the application of special provisions relating to the following:

(a) goods carried by travellers;

(b) goods placed under a customs procedure but without the requirement for them to be presented to customs;

(c) letters, postcards and printed matter.

Article 102

Unloading and examination of goods

1. Goods shall be unloaded or trans-shipped from the means of transport carrying them solely with the permission of the customs authorities in places designated or approved by those authorities.

However, such permission shall not be required in the event of an imminent danger necessitating the immediate unloading of all or part of the goods. In that case, the customs authorities shall immediately be informed accordingly.

2. The customs authorities may at any time require goods to be unloaded and unpacked for the purpose of examining them, taking samples or examining the means of transport carrying them.

3. Goods presented to customs shall not be removed from the place where they have been presented without the permission of the customs authorities.

Section 3

Formalities after presentation

Article 103

Obligation to place non-Community goods under a customs procedure

Without prejudice to Articles 131 and 133, non-Community goods presented to customs shall be placed under a customs procedure.

Except as otherwise provided, the declarant shall be free to choose the customs procedure under which he wishes to place the goods, irrespective of their nature or quantity, or their country of origin, consignment or destination.
Article 104

Goods deemed to be placed in temporary storage

1. Except where goods are immediately placed under a specific customs procedure for which a customs declaration has been accepted, or have been placed in a free zone, non-Community goods presented to customs shall be deemed to have been placed under temporary storage, in accordance with Article 160.

2. Without prejudice to the obligation laid down in Article 93(2) and the exceptions or waiver provided for by the measures adopted under Article 93(3), where it is found that non-Community goods presented to customs are not covered by an import summary declaration, the holder of the goods shall lodge such a declaration immediately.

Section 4

Goods which have moved under a transit procedure

Article 105

Waiver for goods arriving under transit

Article 98, with the exception of the first subparagraph of paragraph 1 thereof, and Articles 101 to 104 shall not apply when goods already under a transit procedure are brought into the customs territory of the Community.

Article 106

Provisions applicable to non-Community goods after a transit procedure has ended

Articles 102, 103 and 104 shall apply to the following goods, once such goods have been presented to customs at a customs office of destination in the customs territory of the Community in accordance with the rules governing transit:

(a) non-Community goods brought into the customs territory of the Community under a transit procedure;

(b) non-Community goods which have moved within that territory under a transit procedure.
TITLE V
GENERAL RULES ON CUSTOMS STATUS AND CUSTOMS PROCEDURE

CHAPTER 1
STATUS OF GOODS

Article 107
Presumption of Community status

1. All goods in the customs territory of the Community shall be presumed to be Community goods, unless it is established that they do not have Community status.

2. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the following:
   (a) the cases in which the presumption referred to in paragraph 1 of this Article shall not apply;
   (b) the means by which the Community status of goods may be established.

Article 108
Loss of Community status

Community goods shall become non-Community goods in the following cases:

(a) where they are moved out of the customs territory of the Community, in so far as the rules on internal transit or Article 109 do not apply;

(b) where they have been placed under the external transit, storage or inward processing procedure, in so far as the customs legislation so allows;

(c) where they have been placed under the end-use procedure and are subsequently abandoned to the State;

(d) where the declaration for release for free circulation is invalidated after release in accordance with measures adopted pursuant to the second subparagraph of Article 117(2).

Article 109
Goods leaving the customs territory temporarily

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the conditions under which Community goods may move, without being subject to a customs procedure, from one point to another within the customs territory
of the Community and temporarily out of that territory without alteration of their customs status.

CHAPTER 2
CUSTOMS DECLARATION

Section 1
General provisions

Article 110

Declaration of goods, supervision of Community goods

1. All goods intended to be placed under a customs procedure, except for the free zone procedure, shall be covered by a customs declaration appropriate for the particular procedure.

2. Community goods declared for a customs procedure shall be subject to customs supervision from the time of acceptance of the declaration referred to in paragraph 1 until such time as they leave the customs territory of the Community or are abandoned to the State or the customs declaration is invalidated in accordance with Article 117.

Article 111

Competent customs offices

1. Except where Community legislation provides otherwise, Member States shall determine the location and competence of the various customs offices situated in their territory and shall ensure that reasonable days and hours are appointed for the opening of these offices.

   In doing so, the Member States shall take into account the nature of the traffic and of the goods and the customs procedure under which they are to be placed, so that the flow of international traffic is neither hindered nor distorted.

2. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the establishment of the following competent customs offices:

   (a) the customs office at which a customs declaration shall be lodged or made available;

   (b) the customs office where risk analysis and risk-based import or export controls are to be carried out.
**Article 112**

**Types of customs declaration**

1. The customs declaration shall be lodged using an electronic data-processing technique.

   The supporting documents required for the application of the provisions governing the customs procedure for which the goods are declared may also be lodged or made available by this technique.

2. By derogation from paragraph 1, and where this is provided for, the customs declaration may be lodged in writing or by means of an oral declaration or any other act whereby goods can be placed under a customs procedure.

3. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of paragraphs 1 and 2 of this Article.

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**Section 2**

**Standard declarations**

**Article 113**

**Content of a declaration, supporting documents**

1. Customs declarations shall contain all the particulars necessary for application of the provisions governing the customs procedure for which the goods are declared. Declarations made using a data processing technique shall contain an electronic signature or other means of authentication. Declarations in writing shall be signed.

   The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the specifications to which customs declarations must correspond.

2. The electronic or written documents required for the application of the provisions governing the customs procedure for which the goods are declared shall be available to the customs authorities at the time the declaration is lodged.

   However, upon request, the customs authorities may allow those documents to be made available after release of the goods.

   The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of the first and second subparagraphs of this paragraph.
Article 114
Acceptance of a declaration

1. Declarations which comply with the conditions laid down in Article 113 shall be accepted by the customs authorities immediately, provided that the goods to which they refer are available for control by the customs authorities.

2. Where, in accordance with measures adopted pursuant to Article 111(2), a customs declaration is lodged at an office other than the office at which the goods are presented, the declaration may be accepted when the office at which the goods are presented confirms the availability of goods for control.

3. The date of acceptance of the customs declaration by the customs authorities shall, except where otherwise provided, be the date to be used for the application of the provisions governing the customs procedure for which the goods are declared and for all other import and export formalities.

Article 115
Declarant

1. A customs declaration may be made by any person who is able to present or make available all of the documents which are required for the application of the rules governing the customs procedure in respect of which the goods are declared. This person shall also be able to present the goods in question or to have them presented to the competent customs office.

However, where acceptance of a customs declaration imposes particular obligations on a specific person, the declaration must be made by that person or on his behalf.

2. The declarant must be established in the customs territory of the Community.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the conditions under which the requirement referred to in the first subparagraph of this paragraph may be waived.

Article 116
Amendment of a declaration

The declarant shall, at his request, be permitted to amend one or more of the particulars of the declaration after the declaration has been accepted by customs. The amendment shall not render the declaration applicable to goods other than those it originally covered.

No amendment shall be permitted where it is requested after any of the following events;

(a) the customs authorities have informed the declarant that they intend to examine the goods;
(b) the customs authorities have established that the particulars in question are incorrect;
(c) the customs authorities have released the goods.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down exceptions to point (c) of the second paragraph of this Article.

**Article 117**

**Invalidation of a declaration**

1. The customs authorities shall, at the request of the declarant, invalidate a declaration already accepted in the following cases:

   (a) where they are satisfied that the goods are immediately to be placed under another customs procedure;

   (b) where they are satisfied that as a result of special circumstances, the placing of the goods under the customs procedure for which they were declared is no longer justified.

However, where the customs authorities have informed the declarant of their intention to examine the goods, a request for invalidation of the declaration shall not be accepted before the examination has taken place.

2. The declaration shall not be invalidated after the goods have been released.

   The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down exceptions to the first subparagraph of this paragraph.

3. Invalidation of the declaration shall be without prejudice to the application of administrative or criminal penalties.

**Section 3**

**Verification**

**Article 118**

**Verification of a declaration**

1. The customs authorities may, for the purpose of verifying the accuracy of the particulars contained in a declaration:

   (a) examine the declaration and all of the written or electronic documents required for the application of the provisions of the customs procedure for which the goods are declared;
(b) require the declarant to present documents other than those referred to in point (a);

(c) examine the goods;

(d) take samples for analysis or for detailed examination of the goods.

2. The findings made by the customs authorities shall have the same conclusive force throughout the customs territory of the Community.

Article 119

Examination and sampling of goods

1. Transport of the goods to the places where they are to be examined and samples are to be taken, and all the handling necessitated by such examination or taking of samples, shall be carried out by or under the responsibility of the declarant. The costs incurred shall be borne by the declarant.

2. The declarant shall have the right to be present when the goods are examined and when samples are taken. Where the customs authorities have reasonable grounds, they may require the declarant to be present or represented when the goods are examined or samples are taken or to provide them with the assistance necessary to facilitate such examination or taking of samples.

3. Provided that samples are taken in accordance with the provisions in force, the customs authorities shall not be liable for payment of any compensation in respect thereof but shall bear the costs of their analysis or examination.

Article 120

Partial examination and sampling of goods

1. Where only part of the goods covered by a declaration are examined, or samples are taken, the results of the partial examination, or of the analysis or examination of the samples, shall be taken to apply to all the goods covered by the same declaration.

However, the declarant may request a further examination or sampling of the goods if he considers that the results of the partial examination, or of the analysis or examination of the samples taken, are not valid as regards the remainder of the goods declared. The request shall be granted, provided that the goods have not been released or that, if they have been released, the declarant proves that they have not been altered in any way.

2. For the purposes of paragraph 1, where a declaration covers two or more items, the particulars relating to each item shall be deemed to constitute a separate declaration.
Article 121

Results of the verification

1. The results of verifying the declaration shall be used for the application of the provisions governing the customs procedure under which the goods are placed.

2. Where the declaration is not verified, paragraph 1 shall apply on the basis of the particulars contained in the declaration.

Article 122

Identification measures

1. The customs authorities or, where appropriate, authorized economic operators shall take the measures necessary to identify the goods where identification is required in order to ensure compliance with the conditions governing the customs procedure for which those goods have been declared.

Those identification measures shall have the same conclusive force throughout the customs territory of the Community.

2. Means of identification affixed to the goods or means of transport shall be removed or destroyed only by the customs authorities or, where they are authorized to do so by the customs authorities, by economic operators, unless, as a result of unforeseeable circumstances or  force majeure, their removal or destruction is essential to ensure the protection of the goods or the means of transport.

Section 4

Release

Article 123

Release of the goods

1. Without prejudice to Article 124, where the conditions for placing the goods under the procedure concerned are fulfilled and provided that the goods are not subject to any prohibition or restriction, the customs authorities shall release the goods as soon as the particulars in the declaration have been verified or are accepted without verification.

The first subparagraph shall apply where a verification as referred to in Article 118 cannot be completed within a reasonable period of time and the goods are no longer required to be present for verification purposes.

2. All the goods covered by the same declaration shall be released at the same time.
For the purposes of the first subparagraph, where a declaration covers two or more items, the particulars relating to each item shall be deemed to constitute a separate declaration.

3. Where the goods are presented, in accordance with the measures adopted pursuant to Article 111(2), at a customs office other than the office at which the customs declaration has been accepted, the offices involved shall exchange the information necessary for the release of the goods, without prejudice to controls related to security and safety.

Article 124

Release dependent upon payment of the customs debt or provision of a guarantee

1. Where acceptance of a customs declaration gives rise to a customs debt, the release of the goods shall be conditional upon the payment of the debt or the provision of a guarantee to cover that debt.

However, without prejudice to paragraph 2, the first subparagraph shall not apply to temporary admission with partial relief from import duties.

2. Where, pursuant to the provisions governing the customs procedure for which the goods are declared, the customs authorities require the provision of a guarantee, those goods shall not be released for the customs procedure in question until such guarantee is provided.

CHAPTER 3

Simplifications relating to customs declarations

Section 1

Simplified declarations

Article 125

Simplified declaration

The customs authorities shall permit an authorized economic operator to have goods released on the basis of a simplified declaration.

The simplified declaration may take the form of an entry in the declarant's records, provided that the customs authorities have access to this data in the declarant’s electronic system and that the requirements for the exchange of such data between customs offices can be met.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures concerning the following

(a) the conditions under which the permission referred to in the first paragraph of this Article is given;
(b) the specifications to which the simplified declaration referred to in the first and second paragraphs of this Article must correspond.

**Article 126**

**Waiver of obligations of the declarant**

When goods are released in accordance with Article 125, the customs authorities may, without prejudice to the legal obligations of the declarant, waive the obligation to present the goods to customs.

**Article 127**

**Occasional simplified declaration**

Where the use of a simplified declaration is requested on an occasional basis, the customs office at which the declaration is lodged may accept it without an authorization being granted.

**Article 128**

**Supplementary declaration**

1. In the case of a simplified declaration pursuant to Article 125 or 127, the declarant permitted to make a simplified declaration shall furnish a supplementary declaration containing the further particulars necessary to constitute a customs declaration for the customs procedure concerned.

   In the case of a declaration authorized under Article 125, the supplementary declaration may be of a general, periodic or recapitulative nature.

   The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down exceptions to the first subparagraph of this paragraph.

2. The supplementary declaration and the simplified declaration referred to in Article 125(1) shall be deemed to constitute a single, indivisible instrument taking effect on the date on which the simplified declaration is accepted in accordance with Article 114.

   Where the simplified declaration takes the form of an entry in the economic operator's records and access to this data by the customs authorities, the declaration shall take effect from the date on which the goods are entered into the records.

3. The place where the supplementary declaration is to be lodged in accordance with the authorization shall be deemed, for the purposes of Article 60, to be the place where the customs declaration has been lodged.
Article 129

Application of the rules for standard declarations

Articles 113 to 122 shall apply *mutatis mutandis* to simplified and supplementary declarations.
Section 2
Other simplifications

Article 130
Facilitation of classification

The customs authorities may, at the request of the declarant, agree that a single or aggregate tariff subheading is applied to a whole consignment, provided that the consignment is made up of goods falling within different tariff subheadings and that dealing with each of those goods in accordance with its tariff classification for the purpose of drawing up the customs declaration would entail a burden of work and expense disproportionate to the import or export measures involved.

However, where import or export duties are payable, the amount to be collected shall not be less than that which would have been paid if all of the items had been classified individually.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of the first and second subparagraphs of this Article.

CHAPTER 4
DISPOSAL OF GOODS

Article 131
Destruction of goods

Where the circumstances so require, the customs authorities may require goods presented to customs to be destroyed and shall inform the holder of the goods accordingly. The costs of destruction shall be borne by the holder of the goods.

Article 132
Measures to be taken by the customs authorities

1. The customs authorities shall take any necessary measures, including destruction, to dispose of goods in the following cases:

(a) where the goods have been brought unlawfully into the customs territory of the Community or have been withheld from customs supervision,

(b) where the goods cannot be released for any of the following reasons:

(i) it has not been possible to undertake or continue examination of the goods within the period prescribed by the customs authorities for reasons attributable to the declarant;
(ii) the documents which must be produced before the goods can be placed under, or released for, the customs procedure requested have not been made available;

(iii) payments or a guarantee which should have been made or provided in respect of import or export duties, as the case may be, have not been made or provided within the period prescribed;

(iv) they are subject to prohibitions or restrictions, including those related to security and safety;

(c) where the goods have not been removed within a reasonable period after their release;

(d) where after their release, the goods are found not to have fulfilled the conditions for that release;

(e) where goods are abandoned to the State.

2. Non-Community goods which have been abandoned to the State, seized or confiscated shall be deemed to be placed under the temporary storage procedure.

Article 133

Abandonment

1. Non-Community goods and end-use goods may be abandoned to the State by the holder of the procedure or, where applicable, the holder of the goods.

2. Abandonment shall not entail any expense for the State. The holder of the procedure or, where applicable, the holder of goods, shall bear the costs of any destruction or other disposal of goods.

Article 134

Implementing measures

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of this Chapter.
TITLE VI
RELEASE FOR FREE CIRCULATION AND RELIEF FROM IMPORT DUTIES

CHAPTER 1
RELEASE FOR FREE CIRCULATION

Article 135
Scope and effect

1. Non-Community goods intended to be put on the Community market shall be placed under release for free circulation.

2. Release for free circulation shall entail the following:
   (a) the application of commercial policy measures in so far as they do not have to be applied at an earlier stage;
   (b) the collection of any import duties;
   (c) the collection of VAT and excise charges as provided for under the VAT and excise provisions in force;
   (d) completion of the other formalities laid down in respect of the importation of goods.

3. Release for free circulation shall confer on non-Community goods the customs status of Community goods.

CHAPTER 2
RELIEF FROM IMPORT DUTIES

Section 1
Returned goods

Article 136
Scope and effect

1. Community goods which, having been exported from the customs territory of the Community, are returned to that territory within a period of three years and declared for release for free circulation shall, at the request of the person concerned, be granted relief from import duties.

2. The three-year period referred to in paragraph 1 may be exceeded in order to take account of special circumstances.
3. Where, prior to their export from the customs territory of the Community, the returned goods had been released for free circulation duty-free or at a reduced rate of import duty because of a particular end-use, relief from duty under paragraph 1 shall be granted only if they are to be released for free circulation for the same end-use.

Where the end-use for which the goods in question are to be released for free circulation is no longer the same, the amount of import duties shall be reduced by any amount collected on the goods when they were first released for free circulation. Should the latter amount exceed that levied on the release for free circulation of the returned goods, no repayment shall be granted.

4. Where Community goods have lost their Community status pursuant to Article 108 and are subsequently released for free circulation, paragraphs 1, 2 and 3 of this Article shall apply mutatis mutandis.

Article 137

Cases in which no relief from import duties is granted

The relief from import duties provided for in Article 136 shall not be granted in the following cases:

(a) goods exported from the customs territory of the Community under the outward processing procedure, unless those goods remain in the state in which they were exported;

(b) goods which have benefited from agricultural policy measures involving their export out of the customs territory of the Community.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down derogations from the first paragraph of this Article.

Article 138

State of the goods

The relief from import duties provided for in Article 136 shall be granted only if goods are re-imported in the state in which they were exported.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down derogations from the first paragraph of this Article.

Article 139

Goods previously placed under the inward processing procedure

1. Articles 136 and 138 shall apply mutatis mutandis to processed products placed under the inward processing procedure prior to being re-exported from the customs territory of the Community.
2. At the request of the declarant and provided he submits the necessary information, the amount of import duty on the goods covered by paragraph 1 of this Article shall be determined in accordance with Article 58(3). The date of acceptance of the re-export notification shall be regarded as the date of release for free circulation.

3. The relief from import duties provided for in Article 136 shall not be granted for processed products which were exported in accordance with point (b) of Article 150(2), unless it is ensured that no import goods will be placed under the inward processing procedure.

Section 2

Sea-fishing and products taken from the sea

Article 140

Products of sea-fishing and other products taken from the sea

1. Without prejudice to Article 39(1), the following shall be exempt from import duties when they are released for free circulation:

(a) products of sea-fishing and other products taken from the territorial sea of a country or territory outside the customs territory of the Community by vessels solely registered or recorded in a Member State and flying the flag of that state;

(b) products obtained from products referred to in point (a) on board factory-ships fulfilling the conditions laid down in that point.

2. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of paragraph 1 of this Article.

Section 3

Special circumstances

Article 141

Relief from import duties on account of special circumstances

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the cases in which, and the conditions under which, relief from import duties is to be granted on account of special circumstances where goods are released for free circulation.

In adopting these measures, account shall be taken of international agreements, the status of the person concerned, the nature of the goods and the end-use of the goods.
TITLE VII
SPECIAL PROCEDURES

CHAPTER 1
GENERAL PROVISIONS

Article 142
Scope

Goods may be placed under any of the following categories of special procedures:

(a) transit;
(b) storage;
(c) specific use;
(d) processing.

Article 143
Authorization

1. The use of the processing or specific use procedure or the operation of storage facilities for the temporary storage or customs warehousing of goods shall be conditional upon authorization being issued by the customs authorities.

The conditions under which the use of one or more special procedures is permitted shall be set out in the authorization.

An authorization may involve the customs authorities of more than one Member State (single authorization) or the use of more than one special procedure (integrated authorization).

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the conditions and procedures under which authorizations may be granted.

2. Except where otherwise provided for, the authorization referred to in paragraph 1 shall be granted only to the following persons:

(a) persons who are established in the customs territory of the Community, except for temporary admission, in which case the persons shall be established outside the customs territory of the Community;

(b) persons who offer every guarantee necessary for the proper conduct of the operations and, in cases where a customs debt or other charges may be incurred
for goods placed under a special procedure, provide a guarantee in accordance with Article 61;

(c) in the case of the temporary admission or inward processing procedure, the person who uses the goods or arranges for their use or who carries out processing operations on the goods or arranges for them to be carried out, respectively.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures providing for derogations from points (a), (b) and (c) of the first subparagraph of this paragraph.

3. Except where otherwise provided for and in addition to paragraph 2, the authorization referred to in paragraph 1, shall be granted only where the following conditions are fulfilled:

(a) where the customs authorities are able to supervise and monitor the procedure without having to introduce administrative arrangements disproportionate to the economic needs involved;

(b) where the essential interests of Community producers would not be adversely affected by an authorization for the inward or outward processing or temporary admission procedure.

The essential interests of Community producers shall be deemed not to be adversely affected, as referred to in point (b) of the first subparagraph, except where evidence to the contrary exists.

Where evidence exists that the essential interests of Community producers are likely to be adversely affected, an examination of the economic conditions shall take place in accordance with the procedure referred to in Article 196(3).

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures governing the examination of the economic conditions.

4. The holder of the authorization shall notify the customs authorities of all factors arising after the authorization was granted which may influence its continuation or content.

Artikel 144

Antritt

Die Antragstellung einer Genehmigung ist der zuständigen Zollbehörde der Ortschaft zuzuleiten, an der der Kreditkonto-Buchhaltung des Antragstellers für die Zollzwecke ihren Hauptsitz hat.

Die Kommission kann, in Übereinstimmung mit dem Verfahren, das in Artikel 196(2) vorgesehen ist, Maßnahmen erlassen, um die Bestimmungen des ersten Paragraphen dieses Artikels zu ergänzen.

144. Artikel

Antragstellung

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Die Kommission kann, in Übereinstimmung mit dem Verfahren, das in Artikel 196(2) vorgesehen ist, Maßnahmen erlassen, um die Bestimmungen des ersten Paragraphen dieses Artikels zu ergänzen.
Article 145

Records

1. Except for the transit procedure, the holder of the authorization, the holder of the procedure, and all persons carrying on an activity involving the storage, working or processing of goods, or the sale or purchase of goods in free zones, shall keep records in a form approved by the customs authorities.

The records must enable the customs authorities to supervise the procedure concerned, in particular with regard to the identification of the goods placed under that procedure, their customs status and their movements.

2. The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures providing for derogations from the obligation laid down in the first subparagraph of paragraph 1 of this Article.

Article 146

End or discharge of a procedure

1. In cases other than the transit procedure and without prejudice to Article 176, a special procedure shall end or be discharged when the goods placed under the procedure, or the processed products, are placed under a subsequent customs procedure, have left the customs territory of the Community or are abandoned to the State.

2. In the case of the transit procedure, the procedure and the obligations of the holder of the procedure shall end when the goods placed under the procedure and the required data are produced at the customs office of destination in accordance with the provisions of the procedure concerned.

That procedure and those obligations shall be discharged by the customs authorities when they are in a position to establish, on the basis of a comparison of the data available to the customs office of departure and that available to the customs office of destination, that the procedure has ended correctly.

Article 147

Transfer of rights and obligations

The rights and obligations of the holder of a procedure with regard to goods which have been placed under a special procedure other than transit may, under the conditions laid down by the customs authorities, be transferred to other persons who fulfil the conditions laid down for the procedure concerned.
Article 148

Movement of goods

Goods placed under a special procedure other than transit may be moved between different places in the customs territory of the Community.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of the first paragraph of this Article.

Article 149

Usual forms of handling

Goods placed under customs warehousing or a processing procedure or in a free zone may undergo usual forms of handling intended to preserve them, improve their appearance or marketable quality or prepare them for distribution or resale.

Article 150

Equivalent goods

1. Equivalent goods shall consist in Community goods which are stored, used or processed instead of the goods placed under a special procedure.

Under the outward processing procedure, equivalent goods shall consist in non-Community goods which are processed instead of Community goods placed under the outward processing procedure.

Equivalent goods shall have the same eight-digit Combined Nomenclature code, the same commercial quality and the same technical characteristics as the goods they are replacing.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures providing for derogations from the third subparagraph of this paragraph.

2. The customs authorities shall authorize the following, provided that the proper conduct of the procedure, in particular as regards customs supervision, is ensured:

(a) the use of equivalent goods under a special procedure other than the transit, temporary admission and temporary storage procedure;

(b) in the case of the inward processing procedure, the exportation of processed products obtained from equivalent goods before the importation of the goods they are replacing;
(c) in the case of the outward processing procedure, the importation of processed products obtained from equivalent goods before the exportation of the goods they are replacing.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the cases in which the customs authorities may authorize the use of equivalent goods under temporary admission.

3. The use of equivalent goods shall not be permitted in connection with usual forms of handling as defined in Article 149 or where it would lead to an unjustified import duty advantage.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures specifying additional cases where equivalent goods may not be used.

4. In the case referred to in point (b) of paragraph 2 of this Article, and where the processed products would be liable to export duties if they were not being exported in the context of the inward processing procedure, the holder of the authorization shall provide a guarantee to ensure payment of the duties should the non-Community goods not be imported within the period referred to in Article 179 (3).

Article 151

Implementing measures

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the operation of the procedures under this Title.

CHAPTER 2

TRANSIT

Section 1

External and internal transit

Article 152

External transit

1. Under the external transit procedure, non-Community goods may be moved from one point to another within the customs territory of the Community without being subject to any of the following:

(a) import duties;

(b) VAT on importation and excise duties as provided for under VAT and excise provisions in force;
commercial policy measures, in so far as they do not apply to the entry or exit of goods into or from the customs territory of the Community.

2. The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down cases in which and the conditions under which Community goods shall be placed under external transit.

3. Movement as referred to in paragraph 1 shall take place in one of the following ways:

(a) under the external Community transit procedure referred to in Article 154(1);
(b) under cover of a TIR carnet (TIR Convention) provided that such movement:
   (i) began or is to end outside the customs territory of the Community;
   (ii) is effected between two points in the customs territory of the Community through the territory of a country or territory outside the customs territory of the Community;
(c) under cover of an ATA carnet (ATA Convention/Istanbul Convention) used as a transit document;
(d) under cover of the Rhine Manifest (Article 9 of the Revised Convention for the Navigation of the Rhine);
(e) under cover of the form 302 provided for in the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces, signed in London on 19 June 1951;
(f) under the postal system in accordance with the acts of the Universal Postal Union, when the goods are carried by or for holders of rights and obligations under such acts.

4. External transit shall apply without prejudice to Article 148.

**Article 153**

**Internal transit**

1. Under the internal transit procedure, and under the conditions laid down in paragraphs 2 and 3, Community goods may be moved from one point to another within the customs territory of the Community, and pass through another territory outside that territory, without any change in their customs status.

2. The movement referred to in paragraph 1 shall take place in one of the following ways:

(a) under the internal Community transit procedure, referred to in Article 154(2), provided that such a possibility is provided for in an international agreement;
(b) under cover of a TIR carnet (TIR Convention);

(c) under cover of an ATA carnet (ATA Convention/Istanbul Convention) used as a transit document;

(d) under cover of a Rhine Manifest (Article 9 of the Revised Convention for the Navigation of the Rhine);

(e) under cover of form 302 as provided for in the Agreement between the Parties to the North Atlantic Treaty regarding the status of their Forces, signed in London on 19 June 1951;

(f) under the postal system in accordance with the acts of the Universal Postal Union, when the goods are carried by or for holders of rights and obligations under such acts.

3. In the cases referred to in points (b) to (f) of paragraph 2, goods shall keep their customs status as Community goods only if that status is established under certain conditions and in a certain form.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the conditions for and the form of the establishment of that customs status.

Section 2
Community transit

Article 154

Scope

1. Under the external Community transit procedure, the goods referred to in Article 152(1) and (2) may be moved in accordance with that Article and Articles 155 and 156.

2. Under the internal Community transit procedure, the goods referred to in Article 153(1) may be moved in accordance with that Article and Article 155.

Article 155

Obligations of the holder of the Community transit procedure

1. The holder of the Community transit procedure shall be responsible for the following:

   (a) presentation of the goods intact at the customs office of destination within the prescribed time limit and in compliance with the measures taken by the customs authorities to ensure their identification;

   (b) observance of the customs provisions relating to the procedure;
(c) unless otherwise provided for in the customs legislation, provision of a
guarantee in order to ensure payment of any customs debt or other charges, in
particular VAT and excise duty as provided for under VAT and excise
provisions in force, which may be incurred in respect of the goods.

2. A carrier or recipient of goods who accepts goods knowing that they are moving
under the Community transit procedure shall also be responsible for presentation of
the goods intact at the customs office of destination within the prescribed time limit
and in compliance with the measures taken by the customs authorities to ensure their
identification.

Article 156

Goods passing through the territory of a country outside of the customs territory of the
Community under the external Community transit procedure

The external Community transit procedure shall apply to goods passing through a territory
outside the customs territory of the Community if one of the following conditions is satisfied:

(a) provision is made to that effect under an international agreement;

(b) carriage through that territory is effected under cover of a single transport document
drawn up in the customs territory of the Community.

In the case referred to in point (b) of the first paragraph, the operation of the external
Community transit procedure shall be suspended while the goods are outside the customs
territory of the Community.

CHAPTER 3

STORAGE

Section 1

Common provisions

Article 157

Scope

1. For the purposes of this Chapter, 'storage' shall comprise the temporary storage,
customs warehousing and free zone procedures.

2. Under a storage procedure, non-Community goods may be stored in the customs
territory of the Community without being subject to any of the following:

(a) import duties;

(b) VAT on importation and excise duties as provided for under VAT and excise
provisions in force;
(c) commercial policy measures, in so far as they do not apply to the entry or exit of goods into or from the customs territory of the Community.

3. Community goods may be placed under the customs warehousing or free zone procedure in accordance with Community legislation governing specific fields.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down further cases in which, and the conditions under which, Community goods may be placed under the customs warehousing or free zone procedures.

Article 158

Responsibilities of the holder of the authorization or procedure

1. The holder of the authorization and the holder of the procedure shall be responsible for the following:

   (a) ensuring that goods under the temporary storage or customs warehousing procedures are not removed from customs supervision;

   (b) fulfilling the obligations arising from the storage of goods covered by the temporary storage or customs warehousing procedures;

   (c) complying with the particular conditions specified in the authorization for the customs warehousing procedure or for operation of the storage facilities.

2. By way of derogation from paragraph 1, where the authorization concerns a public customs warehouse, it may provide that the responsibilities referred to in points (a) or (b) of paragraph 1 devolve exclusively upon the holder of the procedure. In this case the customs authorities may require the holder of the procedure to provide a guarantee with a view to ensuring payment of any customs debt and other charges, in particular VAT and excise duty as provided for under VAT and excise provisions in force, which may be incurred.

3. The holder of the procedure shall at all times be responsible for fulfilling the obligations arising from the placing of the goods under the temporary storage or customs warehousing procedures.

Article 159

Period for discharge

There shall be no limit to the length of time goods may remain under a storage procedure.

However, in exceptional cases, the customs authorities may set a time limit by which a storage procedure must be discharged.
Section 2

Temporary storage

Article 160

Goods in temporary storage

1. Where not otherwise declared for a customs procedure, the following non-
Community goods shall be deemed to be declared for the temporary storage
procedure by the holder of the goods after their presentation to customs:

(a) goods which are brought into the customs territory of the Community, other
than directly into a free zone;

(b) goods which are brought into another part of the customs territory of the
Community from a free zone;

(c) goods for which the external transit procedure is ended.

The customs declaration shall be considered to have been lodged and accepted by the
customs authorities at the moment of presentation of the goods to customs.

2. The import summary declaration shall constitute the customs declaration for the
temporary storage procedure.

3. The customs authorities may require the holder of the goods to provide a guarantee
with a view to ensuring payment of any customs debt or other charges, in particular
VAT and excise duty as provided for under VAT and excise provisions in force,
which may be incurred.

4. Where, for any reason, goods cannot be released for the temporary storage
procedure, the customs authorities shall without delay take all measures necessary to
regularize the situation of the goods.

The Commission shall, in accordance with the procedure referred to in Article
196(2), adopt measures for the implementation of the first subparagraph of this
paragraph.

Article 161

Handling of goods in temporary storage

1. Goods under the temporary storage procedure shall be stored only in authorized
temporary storage facilities.

2. Without prejudice to the provisions of Article 97(2), goods under the temporary
storage procedure shall be subject only to such forms of handling as are designed to
ensure their preservation in an unaltered state without modifying their appearance or
technical characteristics.
Section 3

Customs warehousing

Article 162

Storage in customs warehouses

1. Under the customs warehousing procedure, non-Community goods may be stored in facilities authorized for that procedure by and under the supervision of the customs authorities, hereinafter 'customs warehouses'.

2. The facilities authorized may be available for use by any person for the warehousing of goods (public customs warehouse), or for the storage of goods by the holder of an authorization for customs warehousing (private customs warehouse).

3. Where circumstances so warrant, goods placed under the customs warehousing procedure may be temporarily removed from the customs warehouse. Such removal must, except in case of force majeure, be authorized in advance by the customs authorities.

Article 163

Community goods and processing activities

1. The customs authorities may, where an economic need exists and customs supervision will not be adversely affected, authorize the following to take place on the premises of a customs warehouse:

   (a) storage of Community goods;

   (b) processing of goods under the inward processing or end-use procedure, subject to the conditions provided for by these procedures.

2. In the cases referred to in paragraph 1, the goods shall not be regarded as being under the customs warehousing procedure.

Section 4

Free zones

Article 164

Designation of free zones

1. Member States may designate parts of the customs territory of the Community situated in that territory and separated from the rest of it as free zones.
For each free zone the Member State shall determine the area covered and define the entry and exit points.

2. Free zones shall be enclosed.

The perimeter and the entry and exit points of the area of free zones shall be subject to supervision by the customs authorities.

3. Persons and means of transport entering or leaving free zones may be subject to customs controls.

Article 165

Buildings and activities in free zones

1. The construction of any building in a free zone shall require the prior approval of the customs authorities.

2. Subject to customs legislation, any industrial, commercial or service activity shall be permitted in a free zone. The carrying on of such activities shall be subject to notification, in advance, to the customs authorities.

3. The customs authorities may impose prohibitions or restrictions on the activities referred to in paragraph 2, having regard to the nature of the goods in question, or the requirements of customs supervision, or security or safety requirements.

4. The customs authorities may prohibit persons who do not provide the necessary guarantees of compliance with the customs provisions from carrying on an activity in a free zone.

Article 166

Other customs procedures in a free zone

1. Non-Community goods may, while they remain in a free zone, be released for free circulation or be placed under the inward processing or a specific use procedure, under the conditions laid down for these procedures.

2. In the cases referred to in paragraph 1, the goods shall not be regarded as being under the free zone procedure.

Article 167

Presentation of goods and their placement under the procedure

1. Goods brought into a free zone shall be presented to customs and undergo the prescribed customs formalities in the following cases:

   (a) where they are brought into the free zone directly from outside the customs territory of the Community;
(b) where they have been placed under a customs procedure which is ended or discharged when they are placed under the free zone procedure;

(c) where they are placed under the free zone procedure in order to benefit from a decision granting repayment or remission of import duties;

(d) where they qualify for agricultural policy measures involving the export of such goods.

2. Goods brought into a free zone in circumstances other than those covered by paragraph 1 need not be presented to customs.

3. Goods are deemed to be placed under the free zone procedure at the moment of their entry into a free zone, unless they have already been placed under another customs procedure.

Article 168

Community goods in free zones

1. Community goods may be entered, stored, moved, used, processed or consumed in a free zone. In such cases the goods shall not be regarded as being under the free zone procedure.

2. At the request of the person concerned, the customs authorities shall certify the Community status of the following goods;

(a) Community goods which enter into a free zone;

(b) Community goods which have undergone processing operations within a free zone;

(c) goods released for free circulation within a free zone.

Article 169

Consumption or processing of non-Community goods

1. Non-Community goods shall not be consumed, used or processed in free zones except in cases provided for in Article 166.

2. Without prejudice to the provisions applicable to supplies or to victualling storage within the meaning of Commission Regulation (EC) No 800/1999\(^\text{18}\), where the procedure concerned so provides, paragraph 1 of this Article shall not preclude the use or consumption of goods of which the release for free circulation or temporary admission would not entail application of import duties or measures under the common agricultural or commercial policy.

\(^{18}\) OJ L 102, 17.5.1999, p.11.
In the case of such use or consumption, no declaration for the release for free circulation or temporary admission procedure shall be required.

Such declaration shall, however, be required if such goods are subject to a tariff quota or ceiling.

**Article 170**

Export, re-export and bringing of goods into another part of the customs territory of the Community

Without prejudice to Community legislation governing specific fields, goods in a free zone may be exported or re-exported from the customs territory of the Community, or brought into another part of the customs territory of the Community.

Articles 97 to 104 shall apply *mutatis mutandis* to goods brought into other parts of the customs territory of the Community.

**Article 171**

Customs status of goods returning to another part of the customs territory of the Community

1. Where goods are returned from a free zone to another part of the customs territory of the Community, the certificate referred to in Article 168(2) may be used as proof of the Community status of such goods.

2. Where the Community status of goods is not proved pursuant to paragraph 1 or by any other approved document, the goods shall be regarded as non-Community goods, however, for the purposes of applying export duties and export licences or export measures laid down under the commercial or agricultural policy, the goods shall be regarded as Community goods.

**CHAPTER 4**

**SPECIFIC USE**

**Section 1**

**Temporary admission**

**Article 172**

**Scope**

1. Under the temporary admission procedure non-Community goods may be used in the customs territory of the Community, with total or partial relief from import duties, and excise duties as provided for under the excise provisions in force, without being
subject to commercial policy measures, in so far as they do not apply to the entry or exit of goods into or from the customs territory of the Community.

Where the goods benefit from total relief from import duties, they shall, in accordance with the VAT provisions in force, also benefit from relief from VAT on importation.

2. The temporary admission procedure may only be used provided that the following conditions are met:

(a) the re-export of the goods is intended;

(b) the goods are not intended to undergo any change, except normal depreciation due to the use made of them;

(c) it is possible to ensure that the goods placed under the procedure can be identified, except where, in view of the nature of the goods or of the operations to be carried out, the absence of identification measures is not liable to give rise to any abuse of the procedure or, in the case referred to in Article 150, where compliance with the conditions laid down in respect of equivalent goods can be verified.

The Commission may, in accordance with the procedure referred to in Article 196(2), adopt measures laying down exceptions to point (a) of the first subparagraph of this paragraph.

Article 173

Period during which goods may remain under temporary admission

1. The customs authorities shall determine the period within which goods placed under the temporary admission procedure must have been re-exported or placed under a subsequent customs procedure. Such period must be long enough for the objective of authorized use to be achieved.

2. The maximum period during which goods may remain under the temporary admission procedure for the same purpose and under the responsibility of the same holder of the authorization shall be 24 months, even where the procedure was discharged by placing the goods under a subsequent customs procedure and subsequently placing them under the temporary admission procedure again.

3. Where, in exceptional circumstances, the authorized use cannot be achieved within the periods referred to in paragraphs 1 and 2, the customs authorities may, at the request of the holder of the authorization, extend those periods.

Article 174

Situations covered by temporary admission

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the cases in which, and the conditions under which, the temporary
admission procedure may be used and total or partial relief from import duties may be granted.

In adopting these measures, account shall be taken of international agreements and of the nature and the use of the goods.

Article 175

Amount of import duties in case of temporary admission with partial relief from import duties

1. The amount of import duties in respect of goods placed under the temporary admission procedure with partial relief from import duties shall be set at 3% of the amount of import duties which would have been payable on those goods had they been released for free circulation on the date on which they were placed under the temporary admission procedure.

That amount shall be payable for every month or fraction of a month during which the goods have been placed under temporary admission with partial relief.

2. The amount of import duties shall not exceed that which would have been payable if the goods in question had been released for free circulation on the date on which they were placed under the temporary admission procedure.

Section 2

End-use

Article 176

Customs supervision under the end-use procedure

1. Under the end-use procedure, goods may be released for free circulation under a duty exemption or at a reduced rate of duty on account of their end-use. They shall remain under customs supervision.

2. Customs supervision under the end-use procedure shall end in the following cases:

(a) where the goods have been used for the purposes laid down for the application of the duty exemption or reduced rate of duty;

(b) where the goods are exported, destroyed or abandoned to the State;

(c) where the goods have been used for purposes other than those laid down for the application of the duty exemption or reduced duty rate and the applicable import duties have been paid.
CHAPTER 5
PROCESSING

Section 1
General provisions

Article 177
Rate of yield

Except where a rate of yield has been specified in Community legislation governing specific fields, the customs authorities shall set either the rate of yield or average rate of yield of the operation carried out under the processing procedure or where appropriate, the method of determining such rate.

The rate of yield or average rate of yield shall be determined on the basis of the actual circumstances in which processing operations are, or are to be, carried out. This rate may be adjusted subsequently, where appropriate.

Section 2
Inward processing

Article 178
Scope

1. Without prejudice to Article 150, under the inward processing procedure non-Community goods may be used in the customs territory of the Community in one or more processing operations without such goods being subject to any of the following:
   (a) import duties;
   (b) VAT on importation and excise duties as provided for under VAT and excise provisions in force;
   (c) commercial policy measures, in so far as they do not apply to the entry or exit of goods into or from the customs territory of the Community.

2. The inward processing procedure may be used in cases other than repair only where, without prejudice to the use of production accessories, the goods placed under the procedure can be identified in the processed products.

In the case referred to in Article 150, the procedure may be used where compliance with the conditions laid down in respect of equivalent goods can be verified.
3. In addition to paragraphs 1 and 2, the inward processing procedure shall also apply to the following goods:

(a) goods which have to undergo operations to ensure their compliance with technical provisions for their release for free circulation;

(b) goods which have to undergo usual forms of handling in accordance with Article 149.

Article 179

Period for discharge

1. The customs authorities shall specify the period within which the goods placed under the inward processing procedure, or processed products, are to be placed under a subsequent customs procedure, unless they are destroyed and no waste remains.

That period shall run from the date on which the non-Community goods are placed under the procedure and shall take account of the time required to carry out the processing operations and to place the processed products under a subsequent customs procedure.

2. The customs authorities may grant an extension of the period specified pursuant to paragraph 1, on submission of a duly substantiated application by the holder of the authorization.

The authorization may specify that a period which commences in the course of a calendar month, quarter or semester shall end on the last day of a subsequent calendar month, quarter or semester respectively.

3. In cases of prior exportation in accordance with point (b) of Article 150(2), the customs authorities shall specify the period within which the non-Community goods must be declared for the procedure. That period shall run from the date of acceptance of the export declaration relating to the processed products obtained from the corresponding equivalent goods.

Article 180

Temporary re-export for further processing

Subject to prior authorization by the customs authorities, some or all of the goods placed under the inward processing procedure, or the processed products, may be temporarily re-exported for the purpose of further processing outside the customs territory of the Community, in accordance with the conditions laid down for the outward processing procedure.
Section 3
Outward processing

Article 181

Scope

1. Under the outward processing procedure Community goods may be temporarily exported from the customs territory of the Community in order to undergo processing operations. The processed products resulting from those goods may be released for free circulation with total or partial relief from import duties.

2. Outward processing shall not be allowed for the following Community goods:

(a) goods the export of which gives rise to repayment or remission of import duties;

(b) goods which, prior to exportation, were released for free circulation under a duty exemption or at a reduced rate of duty by virtue of their end-use, for as long as the purposes of such end-use have not been fulfilled, unless these goods have to undergo repair operations;

(c) goods the export of which gives rise to the granting of export refunds;

(d) goods in respect of which a financial advantage other than refunds referred to in point (c) is granted under the common agricultural policy by virtue of the exportation of those goods.

3. Where the processed products are declared for release for free circulation by the holder of the authorization, total or partial relief from import duties as referred to in paragraph 1 shall be granted, at his request.

4. In cases not covered by Articles 182 and 183 and where ad valorem duties are involved, the amount of the import duty shall be calculated on the basis of the cost of the processing operation undertaken outside the customs territory of the Community.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the rules for such calculation and the rules where specific duties are involved.

5. The customs authorities shall specify the period within which goods temporarily exported must be re-imported into the customs territory of the Community in the form of processed products, and placed under release for free circulation, in order to be able to benefit from total or partial relief from import duties. They may extend that period on submission of a duly substantiated request by the holder of the authorization.
Article 182

Repaired goods

1. Where it is established to the satisfaction of the customs authorities that goods have been repaired free of charge, either because of a contractual or statutory obligation arising from a guarantee or because of a manufacturing defect, they shall be eligible for total relief from import duties.

2. Paragraph 1 shall not apply where account was taken of the manufacturing defect at the time when the goods in question were first released for free circulation.

Article 183

Standard exchange system

1. Under the standard exchange system an imported product, hereinafter referred to as a replacement product, may, in accordance with paragraphs 2 to 5, replace a processed product.

2. The customs authorities shall authorize the standard exchange system to be used where the processing operation involves the repair of Community goods other than those subject to the common agricultural policy measures or to the specific arrangements applicable to certain goods resulting from the processing of agricultural products.

3. Replacement products shall have the same eight digit Combined Nomenclature code, the same commercial quality and the same technical characteristics as the defective goods had the latter undergone repair.

4. Where the defective goods have been used before export, the replacement products must also have been used.

The customs authorities shall, however, waive the requirement set out in the first subparagraph if the replacement product has been supplied free of charge, either because of a contractual or statutory obligation arising from a guarantee or because of a manufacturing defect.

5. The provisions which would be applicable to the processed products shall apply to the replacement products.

Article 184

Prior importation of replacement products

1. The customs authorities shall, under the conditions they lay down, authorize replacement products to be imported before the defective goods are exported.
In the event of such prior importation of a replacement product, a guarantee shall be provided covering the amount of the import duties that would be payable should the defective goods not be exported in accordance with paragraph 2.

2. The defective goods shall be exported within a period of two months from the date of acceptance by the customs authorities of the declaration for the release for free circulation of the replacement products.

3. Where, in exceptional circumstances, the defective goods cannot be exported within the period referred to in paragraph 2, the customs authorities may, at the request of the person concerned, extend that period.
TITLE VIII
DEPARTURE OF GOODS FROM THE CUSTOMS TERRITORY OF THE
COMMUNITY

CHAPTER 1
GOODS LEAVING THE CUSTOMS TERRITORY

Article 185
Obligation to lodge pre-departure declaration

1. Goods destined to leave the customs territory of the Community shall be covered by a pre-departure declaration lodged or made available at the competent customs office before the goods are to be brought out of the customs territory of the Community.

However, the first subparagraph shall not apply to goods carried on means of transport which only pass through the territorial waters or the airspace of the customs territory of the Community without a stop therein.

2. Where a customs declaration, or a re-export notification in accordance with Article 189, is required, that declaration or notification shall constitute the pre-departure declaration.

Where neither a customs declaration nor a re-export notification is required, the pre-departure declaration shall take the form of the exit summary declaration referred to in Article 190.

3. The pre-departure declaration shall contain at least the particulars necessary for the exit summary declaration.

Article 186
Measures establishing certain details

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures concerning the following:

(a) the cases in which, and the conditions under which, goods leaving the customs territory of the Community are not subject to a pre-departure declaration;

(b) the conditions under which the requirement for a pre-departure declaration may be waived or adapted;

(c) the deadline by which the pre-departure declaration shall be lodged or made available before the goods are brought out of the customs territory of the Community;
(d) any exceptions from and variations to the deadline referred to in point (c);

(e) the determination of the competent customs office at which the pre-departure declaration shall be lodged or made available and where risk analysis and risk-based export and exit controls are to be carried out.

In adopting these measures, account shall be taken of the following:

(a) special circumstances;

(b) the application of these measures to certain types of goods traffic, modes of transport or economic operators;

(c) international agreements which provide for special security arrangements.

Article 187

Formalities and customs supervision

1. Goods destined to leave the customs territory of the Community shall be subject to the application of exit formalities, which shall, as appropriate, include the following:

(a) the repayment or remission of import duties or payment of export refunds;

(b) the collection of export duties;

(c) the formalities required under the VAT and excise provisions in force;

(d) the application of prohibitions and restrictions, justified on grounds of public morality, public policy or public security, the protection of the health and life of humans, animals or plants, the protection of the environment, the protection of national treasures possessing artistic, historic or archaeological value, the implementation of fishery conservation and management measures or the protection of industrial or commercial property, including controls on drug precursors, counterfeit goods and cash leaving the Community.

2. Goods leaving the customs territory of the Community shall be subject to customs supervision and may be subject to customs controls.

Where appropriate, the customs authorities may determine the route to be used when goods are to leave the customs territory of the Community.

3. Release for exit shall be granted on condition that the goods in question leave the customs territory of the Community in the same condition as when the pre-departure declaration was accepted.

4. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of paragraphs 1, 2 and 3 of this Article.
CHAPTER 2

EXPORT

Article 188

Community goods

Community goods destined to leave the customs territory of the Community shall be placed under the export procedure.

The first paragraph shall not apply to the following goods:

(a) goods placed under the end-use or outward processing procedure;

(b) goods placed under the internal transit procedure or leaving the customs territory of the Community temporarily, in accordance with Article 109.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the export formalities applicable to goods placed under the end-use or outward processing procedure.

Article 189

Non-Community goods

1. Non-Community goods destined to leave the customs territory of the Community shall be subject to a re-export notification to be lodged at the competent customs office and to the exit formalities.

2. Articles 110 to 124 shall apply mutatis mutandis to the re-export notification.

3. Paragraph 1 shall not apply to the following goods:

(a) goods placed under the external transit procedure and which only pass through the customs territory of the Community;

(b) goods trans-shipped within, or directly exported from, a free zone;

(c) goods under the temporary storage procedure which are directly exported from an authorized temporary storage facility.

Article 190

Exit summary declaration

1. Where non-Community goods are destined to leave the customs territory of the Community and a re-export notification is not required, an exit summary declaration shall be lodged at the competent customs office, in accordance with Article 185.
The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down a common data set and format for the exit summary declaration, containing the particulars necessary for risk analysis and the proper application of customs controls, primarily for security and safety purposes, using, where appropriate, international standards and commercial practices.

2. The exit summary declaration shall be made using an electronic data processing technique. Commercial, port or transport information may be used, provided that it contains the necessary particulars for an exit summary declaration.

In exceptional circumstances, customs authorities may accept paper-based exit summary declarations, provided that they apply the same level of risk management as that applied to exit summary declarations made using an electronic data processing technique and that the requirements for the exchange of such data with other customs offices can be met.

3. The exit summary declaration shall be lodged by one of the following persons:

(a) the person who brings the goods, or who assumes responsibility for the carriage of the goods, out of the customs territory of the Community;

(b) the exporter or consignor or other person in whose name or on whose behalf the persons referred to in point (a) act;

(c) any person who is able to present the goods in question or to have them presented to the competent customs authority.

*Article 191*

**Amendment of the exit summary declaration**

The person who lodges the exit summary declaration shall, at his request, be permitted to amend one or more particulars of that declaration after it has been lodged.

However, no amendment shall be possible after any of the following events:

(a) the customs authorities have informed the person who lodged the summary declaration that they intend to examine the goods;

(b) the customs authorities have established that the particulars in question are incorrect;

(c) the customs authorities have already allowed the removal of the goods.

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down exceptions to point (c) of the second subparagraph of this Article.
CHAPTER 3

RELIEF FROM DUTIES

Article 192

Temporary export

1. Community goods may be temporarily exported from the customs territory of the Community and benefit from duty relief upon re-importation.

2. The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures for the implementation of paragraph 1 of this Article.

Article 193

Relief from export duties on account of special circumstances

The Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the cases in which, and the conditions under which, relief from export duties is to be granted on account of special circumstances where goods are exported.

In adopting these measures, account shall be taken of international agreements, the status of the person concerned and the nature of the goods.
TITLE IX
CUSTOMS CODE COMMITTEE AND FINAL PROVISIONS

CHAPTER 1
CUSTOMS CODE COMMITTEE

Article 194
Further implementing measures

In addition to the implementing measures referred to in this Code, the Commission shall, in accordance with the procedure referred to in Article 196(2), adopt measures laying down the following:

(a) rules and standards for the inter-operability of Member States' customs systems to bring about improved co-operation based upon electronic data exchange between customs authorities and between customs authorities and economic operators;

(b) the cases in which, and the conditions under which, the Commission may issue decisions requesting Member States to revoke or amend a decision;

(c) any other implementing measures, where necessary, including where the Community accepts commitments and obligations in relation to international agreements which require the adaptation of provisions of the Code.

Article 195
Explanatory notes and guidelines

The Commission shall, in accordance with the procedure referred to in Article 196(3), adopt the following:

(a) explanatory notes to this Code and the provisions adopted for its implementation, as well as to the rules of origin referred to in Article 42;

(b) guidelines providing a Community interpretation of the provisions of the Code and other customs legislation.

Article 196
Committee

1. The Commission shall be assisted by the Customs Code Committee, hereinafter referred to as 'the Committee'.

2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.
The period laid down in Article 4 (3) of Decision 1999/468/EC shall be set at one month.

3. Where reference is made to this paragraph, Articles 3 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

4. The Committee shall adopt its rules of procedure.

**Article 197**

**Further matters**

The Committee may examine any question concerning the Code, or the measures adopted for its implementation which is raised by its chairman, either on the initiative of the Commission or at the request of a representative of a Member State, and which concerns, in particular, the following:

(a) any problems arising from the application of customs legislation;

(b) any position to be taken by the Community in committees, working groups and panels introduced by or under international agreements dealing with customs legislation.

**CHAPTER 2**

**FINAL PROVISIONS**

**Article 198**

**Repeal**


References to the repealed Regulations shall be construed as references to this Regulation and shall be read in accordance with the correlation table set out in the Annex.

**Article 199**

**Reports relating to customs penalties**

1. Member States shall notify the Commission, by [two months after the entry into force of this Regulation] at the latest, of the national provisions in force in accordance with Article 22 and shall notify it without delay of any subsequent amendment affecting them.

2. The Member States shall, by the end of each calendar year, send the Commission a report on the application of Article 22, in accordance with the specifications requested by the Commission.
Article 200

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

It shall apply from 1 January 2009.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President
## ANNEX

**Correlation Table 1: New Regulation > Regulation (EEC) 2913/92**

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LEGISLATIVE FINANCIAL STATEMENT

Policy area(s): 14 Taxation and customs union
Activit(y/ies): 1404 Customs Policy

TITLE OF ACTION:
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL laying down the Community Customs Code

1. BUDGET LINES

1.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- B.A lines)) including headings:

- 140402 Customs 2007 programme
- 14040X Customs 2013 programme
- 140104X Customs 2013 programme-Expenditure on administrative management
- The final budgetary structure for the Customs 2013 programme will be decided at a later stage.

1.2. Duration of the action and of the financial impact:

- The period of validity of the legal base runs from 01/07/2007 to 31/12/2013.
- The payments will continue after 31/12/2013.

1.3. Budgetary characteristics (*add rows if necessary*):

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<td>1401040X</td>
<td>Non-comp</td>
<td>Non-Diff(^{20})/</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
</tr>
</tbody>
</table>

\(^{19}\) Differentiated appropriations
\(^{20}\) Non-differentiated appropriations
2. SUMMARY OF RESOURCES

2.1. Financial Resources

The operational expenditure of the proposal is covered for the years 2006 and 2007 by the legislative financial statement to the Decision Customs 2007.

For the years 2008 to 2013 they are covered by the legislative financial statement to the Communication from the Commission Community Programmes Customs 2013 and Fiscalis 2013 under reserve of the approval of the Decision adopting an action programme for customs in the Community (Customs 2013).

2.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

<table>
<thead>
<tr>
<th>EUR million (to 3 decimal places)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure type</td>
</tr>
<tr>
<td>-----------------------------------</td>
</tr>
<tr>
<td><strong>Operational expenditure</strong>(^{21})</td>
</tr>
<tr>
<td>Commitment Appropriations (CA)</td>
</tr>
<tr>
<td>Payment Appropriations (PA)</td>
</tr>
<tr>
<td><strong>Administrative expenditure within reference amount</strong>(^{22,23})</td>
</tr>
<tr>
<td>Total Reference Amount</td>
</tr>
<tr>
<td>Commitment Appropriations</td>
</tr>
<tr>
<td>Payment Appropriations</td>
</tr>
<tr>
<td><strong>Administrative expenditure not included in reference amount</strong>(^{24})</td>
</tr>
<tr>
<td>Human resources and associated expenditure (NDA)</td>
</tr>
</tbody>
</table>

\(^{21}\) Expenditure that does not fall under Chapter 14 01 of the Title xx concerned.

\(^{22}\) Expenditure within article 14 01 04 of Title 14.

\(^{23}\) The administrative expenditure line anticipates the possible externalisation of activities under the programme. Budgetary figures will only be available after the completion in 2006 of a feasibility study on the topic.

\(^{24}\) Expenditure within chapter 14 01 other than articles 14 01 04 or 14 01 05.
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011 and later</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL CA including cost of Human Resources</td>
<td>A+c+ d+e</td>
<td>2.942</td>
<td>5.456</td>
<td>6.456</td>
<td>7.216</td>
<td>23.033</td>
</tr>
<tr>
<td>TOTAL PA including cost of Human Resources</td>
<td>b+c+ d+e</td>
<td>2.052</td>
<td>3.371</td>
<td>5.106</td>
<td>6.401</td>
<td>28.173</td>
</tr>
</tbody>
</table>

Co-financing details

2.1.2. Compatibility with Financial Programming

- Proposal is compatible with existing financial programming.


2.1.3. Financial impact on Revenue

- Proposal has no direct financial implications on revenue, although the possibility exists that it would reduce the risk of fraud and thus increase own resources collection.

2.2. Human Resources FTE (including officials, temporary and external staff) – see detail under point 6.2.1.

<table>
<thead>
<tr>
<th>Annual requirements</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of human resources</td>
<td>13</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
</tbody>
</table>
3. CHARACTERISTICS AND OBJECTIVES

3.1. Needs to be met in the short or long term

See section 2 of the ex-ante assessment of expected impacts.

3.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

See section 2 of the ex-ante assessment of expected impacts.

3.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

Objectives and expected results

The objective is to adopt a Regulation which will create a more updated and harmonised legislation concerning the Customs Union. This will lead to an increase in the efficiency and effectiveness of customs procedures.

Indicators

- Degree of satisfaction of customs administrations and traders.

3.4. Method of Implementation (indicative)

See section 6.1 of the ex-ante assessment of expected impacts.

4. MONITORING AND EVALUATION

4.1. Monitoring system

The actions to be carried out under the proposed modernised customs code will be monitored (including measurements of results) as part of the Customs 2007/2013 programmes.

The administrations shall send the Commission all the information necessary for follow-up reports to be drawn up as efficiently as possible.

4.2. How will the results and impacts be monitored and evaluated?

4.2.1. Ex-ante evaluation

See ex-ante assessment of expected impacts.

4.2.2. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)

The Customs 2007 interim evaluation is not yet finished (planned for end 2005). However, results from this evaluation, concerning the Customs Code will be taken into account in the future implementation of the electronic customs strategy and evaluated in the framework of the foreseen evaluation of the Customs 2013
Programme. Also results of an evaluation of the previous modification of the Customs Code (security amendments) will be taken on board as lessons learnt. Also the Customs Policy Group meetings will have a steering function for the implementation and will take into account lessons learnt for the benefit of these planned actions.

4.2.3. Terms and frequency of future evaluation

Future evaluations of the Modernized Customs Code proposal will be financed and aligned on the Customs 2013 programme evaluations.

The terms and frequency of these evaluations will be dependent on the Customs 2013 programme evaluations.

5. ANTI-FRAUD MEASURES

The amounts relative to the main activities of the programme are submitted to the usual procedure of verification by the services of the Commission before payment, taking into account contractual obligations and sound financial and general management. Anti fraud measures (controls, reports, etc.) are foreseen in all contracts concluded between the Commission and the beneficiaries.

The joint actions referred to above (exchanges, seminars, working groups, etc) are paid from the 'Joint Action' budget of Customs 2007 programme and its successor. The officials are reimbursed as follows:

The participating countries reimburse their travel costs and living expenses for their own officials, in line with established programme rules. Advance payments of the necessary amounts are made to the participating countries during the exercise taking into account the implementation. The participating countries have to submit detailed proof of their expenses and will keep all documents in view of possible control. The payment of the travel costs and living expenses to officials of other countries or to representatives of external organisations and of costs relating to the organisation of seminars will be made directly by the services of the Commission, or by countries duly mandated to this effect. Anti fraud dispositions (controls, reports, etc.) are foreseen in each contract of this nature.

The amounts relative to other activities of the programme are submitted to the usual procedure of verification by the services of the Commission before payment, taking into account contractual obligations and sound financial and general management. Anti fraud measures (controls, reports, etc.) are foreseen in all contracts concluded between the Commission and the beneficiaries.

Control visits in the Member States are carried out by the financial services of the Commission in order to ensure conformity with financial rules applicable to the management of the programme.
### 6. DETAILS OF RESOURCES

#### 6.1. Objectives of the proposal in terms of their financial cost

*Commitment appropriations in EUR million (to 3 decimal places)*

<table>
<thead>
<tr>
<th>(Heads of Objectives, actions and outputs should be provided)</th>
<th>Type of output</th>
<th>Av. cost</th>
<th>2007 No. outputs</th>
<th>2007 Total cost</th>
<th>2008 No. outputs</th>
<th>2008 Total cost</th>
<th>2009 No. outputs</th>
<th>2009 Total cost</th>
<th>2010 No. outputs</th>
<th>2010 Total cost</th>
<th>Year 2011 and later No. outputs</th>
<th>Year 2011 and later Total cost</th>
<th>TOTAL No. outputs</th>
<th>TOTAL Total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATIONAL OBJECTIVE No.1 [1] Modernized Customs Code</td>
<td>Joint Actions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Joint Actions</td>
<td></td>
<td>0.325</td>
<td>0.375</td>
<td>0.375</td>
<td>0.385</td>
<td>1.165</td>
<td>2.625</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 2 Modernized Customs Code</td>
<td>Output 1 IT contract</td>
<td>0.600</td>
<td>3.000</td>
<td>3.750</td>
<td>4.500</td>
<td>14.875</td>
<td>26.725</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 3 CNN/CSI</td>
<td>- Output 1 IT contract</td>
<td>0.500</td>
<td>0.500</td>
<td>0.750</td>
<td>0.750</td>
<td>2.250</td>
<td>4.750</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPERATIONAL OBJECTIVE No.n</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total Objective n</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL COST</td>
<td></td>
<td>1.425</td>
<td>3.875</td>
<td>4.875</td>
<td>5.635</td>
<td>18.290</td>
<td>34.100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6.2. Administrative Expenditure

The needs for human and administrative resources shall be covered within the allocation granted to the managing DG in the framework of the annual allocation procedure. The allocation of posts should take into account an eventual reallocation of posts between departments on the basis of the new financial perspectives.

6.2.1. Number and type of human resources

<table>
<thead>
<tr>
<th>Types of post</th>
<th>Staff to be assigned to management of the action using existing and/or additional resources (number of posts/FTEs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year 2007</td>
</tr>
<tr>
<td>Officials or temporary staff²⁵ (14 01 01)</td>
<td>A*/AD</td>
</tr>
<tr>
<td></td>
<td>B*, C*/AST</td>
</tr>
<tr>
<td>Staff financed²⁶ by art. 14 01 02</td>
<td></td>
</tr>
<tr>
<td>Other staff financed by art. 14 01 04/05</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
</tbody>
</table>

6.2.2. Description of tasks deriving from the action

The legal and procedural activities will be carried out by the competent units in the customs policy directorate of Taxation and Customs Union DG. The increase of staff is required to draft the legal texts for the Implementation Provisions of the Customs Code and to draft working documents for the committees and working groups. The procedural experts will also need to draft the functional specifications needed for the new information technology systems to be developed or amended as a result of the legal changes (over and above those provided for in the e-customs proposal).

The Information Technology Unit of Taxation and Customs Union DG will be gradually reinforced to introduce the new functions required, such as central clearance. Due to the proposed changes there will also be a need for training, information and communication for professionals and the general public. The Commission will also need to ensure cohesion and compatibility of the actions with initiatives in the field of eGovernment, eEurope, as well as actions undertaken by international institutions to improve interoperability between systems, messages and data in general. Staff will also be required to ensure that cooperation with other sectors (agriculture, border police, public health, etc), often with competences

²⁵ Cost of which is NOT covered by the reference amount
²⁶ Cost of which is NOT covered by the reference amount
²⁷ Cost of which is included within the reference amount
distributed on different levels (EU, national and regional), is established to make electronic declarations possible for all categories of products.

The total needed reinforcement as follows:

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>A*</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>B*/C*</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>SNE</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Experts</td>
<td>0</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

6.2.3. Sources of human resources (statutory)

- Posts currently allocated to the management of the programme to be replaced or extended: 4 posts currently allocated to this activity will continue to be used for this purpose
- Posts pre-allocated within the APS/PDB exercise for year 2006: 2 posts
- Posts to be requested in the next APS/PDB procedure: 2 posts
- Posts to be redeployed using existing resources within the managing service (internal redeployment)
- Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

6.2.4. Other Administrative expenditure included in reference amount (14 01 04/05 – Expenditure on administrative management)

**EUR million (to 3 decimal places)**

<table>
<thead>
<tr>
<th>Budget line</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>Year 2011 And later</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Technical and administrative assistance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(including related staff costs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive agencies</td>
<td>p.m.</td>
<td>p.m.</td>
<td>p.m.</td>
<td>p.m.</td>
<td>p.m.</td>
<td>p.m.</td>
</tr>
<tr>
<td>Other technical and administrative assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

28 Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.
6.2.5. Financial cost of human resources and associated costs not included in the reference amount

**EUR million (to 3 decimal places)**

<table>
<thead>
<tr>
<th>Type of human resources</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>Year 2011 and later</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officials and temporary staff (14 01 01)</td>
<td>0.864</td>
<td>0.864</td>
<td>0.864</td>
<td>0.864</td>
<td>2.592</td>
<td>6.048</td>
</tr>
<tr>
<td>Staff financed by Art 14 01 02 (auxiliary, END, contract staff, etc.) (specify budget line)</td>
<td>0.128</td>
<td>0.192</td>
<td>0.192</td>
<td>0.192</td>
<td>0.576</td>
<td>1.280</td>
</tr>
<tr>
<td>Total cost of Human Resources and associated costs (NOT in reference amount)</td>
<td>0.992</td>
<td>1.056</td>
<td>1.056</td>
<td>1.056</td>
<td>3.168</td>
<td>7.328</td>
</tr>
</tbody>
</table>

**Calculation—Officials and Temporary agents**

*Reference should be made to Point 6.2.1, if applicable*

108,000 EUR per year per official/temporary staff

**Calculation—Staff financed under art. 14 01 02**

*Reference should be made to Point 6.2.1, if applicable*

64,000 EUR per year per staff financed under art. 14 01 02

**Calculation—Staff financed under art. 14 01 04/05**

*Reference should be made to Point 6.2.1, if applicable*

161,700 EUR per year per staff financed under art. 14 01 04/05 and under 14 01 02 01

6.2.6 Other administrative expenditure not included in reference amount

**EUR million (to 3 decimal places)**
<table>
<thead>
<tr>
<th>Description</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011-2013</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 01 02 11 01 – Missions</td>
<td>0.040</td>
<td>0.040</td>
<td>0.040</td>
<td>0.040</td>
<td>0.120</td>
<td>0.280</td>
</tr>
<tr>
<td>14 01 02 11 02 – Meetings &amp; Conferences</td>
<td>p.m.</td>
<td>p.m.</td>
<td>p.m.</td>
<td>p.m.</td>
<td>p.m.</td>
<td>p.m.</td>
</tr>
<tr>
<td>14 01 02 11 03 – Committees&lt;sup&gt;29&lt;/sup&gt;</td>
<td>p.m.</td>
<td>p.m.</td>
<td>p.m.</td>
<td>p.m.</td>
<td>p.m.</td>
<td>p.m.</td>
</tr>
<tr>
<td>14 01 02 11 04 – Studies &amp; consultations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14 01 02 11 05 - Information systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Total Other Management Expenditure (14 01 02 11)</td>
<td>0.040</td>
<td>0.040</td>
<td>0.040</td>
<td>0.040</td>
<td>0.120</td>
<td>0.280</td>
</tr>
<tr>
<td>3. Other expenditure of an administrative nature (14 01 02 01)</td>
<td>0.485</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.485</td>
</tr>
<tr>
<td>Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)</td>
<td>0.525</td>
<td>0.040</td>
<td>0.040</td>
<td>0.040</td>
<td>0.120</td>
<td>0.765</td>
</tr>
</tbody>
</table>

Calculation - Other administrative expenditure not included in reference amount

1,000 EUR per mission

<sup>29</sup> Specify the type of committee and the group to which it belongs.