

Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code (repealed)

PART I

GENERAL IMPLEMENTING PROVISIONS

TITLE I

GENERAL

CHAPTER 1

Definitions

Article 1

For the purposes of this Regulation:

1. *Code means:*
Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing a Community Customs Code;
2. *ATA carnet means:*
the international customs document for temporary importation established by virtue of the ATA Convention;
3. *Committee means:*
the Customs Code Committee established in Article 247 of the Code;
4. *Customs Cooperation Council means:*
the organization set up by the Convention establishing a Customs Cooperation Council, done at Brussels on 15 December 1950;
5. *Particulars required for identification of the goods means:*
on the one hand, the particulars used to identify the goods commercially allowing the customs authorities to determine the tariff classification and, on the other hand, the quantity of the goods;
6. *Goods of a non-commercial nature means:*
goods whose entry for the customs procedure in question is on an occasional basis and whose nature and quantity indicate that they are intended for the private, personal or family use of the consignees or persons carrying them, or which are clearly intended as gifts;
7. *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, such as surveillance or safeguard measures, quantitative restrictions or limits and import or export prohibitions;

8. *Customs nomenclature means:*
one of the nomenclatures referred to in Article 20 (6) of the Code;
9. *Harmonized System means:*
the Harmonized Commodity Description and Coding System;
10. *Treaty means:*
the Treaty establishing the European Economic Community.

CHAPTER 2

Decisions

Article 2

Where a person making a request for a decision is not in a position to provide all the documents and information necessary to give a ruling, the customs authorities shall provide the documents and information at their disposal.

Article 3

A decision concerning security favourable to a person who has signed an undertaking to pay the sums due at the first written request of the customs authorities, shall be revoked where the said undertaking is not fulfilled.

Article 4

A revocation shall not affect goods which, at the moment of its entry into effect, have already been placed under a procedure by virtue of the revoked authorization.

However, the customs authorities may require that such goods be assigned to a permitted customs-approved treatment or use within the period which they shall set.

TITLE II

BINDING TARIFF INFORMATION

CHAPTER 1

Definitions

Article 5

For the purpose of this Title:

1. *binding tariff information:*

means tariff information binding on the administrations of all Community Member States when the conditions laid down in Articles 6 and 7 are fulfilled;

2. *applicant:*

means a person who has applied to the customs authorities for binding tariff information;

3. *holder:*

means the person in whose name the binding tariff information is issued.

CHAPTER 2

Procedure for obtaining binding tariff information — Notification of information to applicants and transmission to the Commission

Article 6

1 Applications for binding tariff information shall be made in writing either to the competent customs authorities in the Member State or Member States in which the information is to be used, or to the competent customs authorities in the Member State in which the applicant is established.

2 An application for binding tariff information shall relate to only one type of goods.

3 Applications shall include the following particulars:

- a the holder's name and address;
- b the name and address of the applicant where that person is not the holder;
- c the customs nomenclature in which the goods are to be classified. Where an applicant wishes to obtain the classification of goods in one of the nomenclatures referred to in Article 20 (3) (b) and (6) (b) of the Code, the application for binding tariff information shall make express mention of the nomenclature in question;
- d a detailed description of the goods permitting their identification and the determination of their classification in the customs nomenclature;
- e the composition of the goods and any methods of examination used to determine this, where the classification depends on it;
- f any samples, photographs, plans, catalogues or other documents available which may assist the customs authorities in determining the correct classification of the goods in the customs nomenclature, to be attached as annexes;
- g the classification envisaged;
- h agreement to supply a translation of any attached document in the official language (or one of the official languages) of the Member State concerned if requested by the customs authorities;
- i any particulars to be treated as confidential;
- j indication by the applicant whether to his knowledge binding tariff information for identical or similar goods has already been applied for or issued in the Community;
- k acceptance that the information supplied may be stored on a database of the Commission of the European Communities; however, apart from Article 15 of the Code, the provisions governing the protection of information in force in the Member States shall apply.

4 Where the customs authorities consider that the application does not contain all the particulars they require to give an informed opinion, they shall ask the applicant to supply the missing information.

5 The list of customs authorities designated by the Member States to receive applications for or to issue binding tariff information shall be published in the C series of the *Official Journal of the European Communities*.

Article 7

1 Binding tariff information shall be notified to the applicant in writing as soon as possible. If it has not been possible to notify binding tariff information to the applicant within three months of acceptance of the application, the customs authorities shall contact the applicant to explain the reason for the delay and indicate when they expect to be able to notify the information.

2 Binding tariff information shall be notified by means of a form conforming to the specimen shown in Annex 1. The notification shall indicate what particulars are to be considered as having been supplied on a confidential basis. The possibility of appeal referred to in Article 243 of the Code shall be mentioned.

Article 8

1 A copy of the binding tariff information notified (copy No 2 of Annex 1) and the facts (copy No 4 of the same Annex) shall be transmitted to the Commission without delay by the customs authorities of the Member State concerned. Such transmission shall be effected by electronic means as soon as possible.

2 Where a Member State so requests the Commission shall send it without delay the particulars contained in the copy of the form and the other relevant information. Such transmission shall be effected by electronic means as soon as possible.

CHAPTER 3

Provisions applying in the event of inconsistencies in binding tariff information

Article 9

Where the Commission finds that different binding tariff information exists in respect of the same goods it shall if necessary adopt a measure to ensure the uniform application of the customs nomenclature.

CHAPTER 4

Legal effect of binding tariff information

Article 10

1 Without prejudice to Articles 5 and 64 of the Code, binding tariff information may be invoked only by the holder.

2 The customs authorities may require the holder, when fulfilling customs formalities, to inform the customs authorities that he is in possession of binding tariff information in respect of the goods being cleared through customs.

3 The holder of binding tariff information may use it in respect of particular goods only where it is established to the satisfaction of the customs authorities that the goods in question conform in all respects to those described in the information presented.

4 The customs authorities may ask for this information to be translated into the official language or one of the official languages of the Member State concerned.

Article 11

Binding tariff information supplied by the customs authorities of a Member State since 1 January 1991 shall become binding on the competent authorities of all the Member States under the same conditions.

Article 12

1 Upon adoption of one of the acts or measures referred to in Article 12 (5) of the Code, the customs authorities shall take the necessary steps to ensure that binding tariff information shall thenceforth be issued only in conformity with the act or measure in question.

2 For the purposes of paragraph 1 above, the date to be taken into consideration shall be as follows:

- for the regulations provided for in Article 12 (5) (a) of the Code concerning amendments to the customs nomenclature, the date of their applicability,
- for the regulations provided for in (a) of the same article and paragraph and establishing or affecting the classification of goods in the customs nomenclature, the date of their publication in the 'L' series of the *Official Journal of the European Communities*,
- for the measures provided for in (b) of the same article and paragraph, concerning amendments to the explanatory notes to the combined nomenclature, the date of their publication in the 'C' series of the *Official Journal of the European Communities*,
- for judgments of the Court of Justice of the European Community provided for in (b) of the same article and paragraph, the date of the judgment,
- for the measures provided for in (b) of the same article and paragraph concerning the adoption of a classification opinion or amendments to the explanatory notes to the Harmonized System Nomenclature by the Customs Cooperation Council, the date of the Commission communication in the 'C' series of the *Official Journal of the European Communities*.

3 The Commission shall communicate the dates of adoption of the measures and acts referred to in this article to the customs authorities as soon as possible.

CHAPTER 5

Provisions applying in the event of expiry of binding tariff information

Article 13

Where, pursuant to the second sentence of Article 12 (4) and Article 12 (5) of the Code, binding tariff information is void or ceases to be valid, the customs authority which supplied it shall notify the Commission as soon as possible.

Article 14

1 When a holder of binding tariff information which has ceased to be valid for reasons referred to in Article 12 (5) of the Code, wishes to make use of the possibility of invoking

such information during a given period pursuant to paragraph 6 of that Article, he shall notify the customs authorities, providing any necessary supporting documents to enable a check to be made that the relevant conditions have been satisfied.

2 In exceptional cases where the Commission, in accordance with the last subparagraph of Article 12 (7) of the Code, adopts a measure derogating from the provisions of paragraph 6 of that Article, or where the conditions referred to in paragraph 1 concerning the possibility of continuing to invoke binding tariff information have not been fulfilled, the customs authorities shall notify the holder in writing.

CHAPTER 6

Transitional provision

Article 15

Binding tariff information supplied nationally before 1 January 1991 shall remain valid. Nevertheless, binding tariff information supplied nationally whose validity extends beyond 1 January 1997 shall be invalid from that date.

TITLE III

FAVOURABLE TARIFF TREATMENT BY REASON OF THE NATURE OF GOODS

CHAPTER 1

Goods subject to the condition that they be denatured

Article 16

Classification under the tariff subheadings listed in column 2 of the table below of the goods listed against each subheading in column 3 shall be subject to the condition that the goods are denatured so as to make them unfit for human consumption, by means of one of the denaturants referred to in column 4 used in the quantities indicated in column 5.

Order No	CN code	Description	Denaturant	
			Name	Maximum quantity to be used in g per 100 kg of product to be denatured
(1)	(2)	(3)	(4)	(5)
1	0408	Birds' eggs, not	Spirit of turpentine Essence of lavender	500 100

a This column contains the numbers corresponding to the Rewe Colour Index, 3rd edition, 1971, Bradford, England.

Status: This is the original version (as it was originally adopted).

		in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter:	Oil of rosemary Birch oil	150 100
		– Egg yolks:		
	0408 11	– – Dried:	Fish meal of subheading 2301 20 00 of the Combined Nomenclature, having a characteristic odour and containing by weight in the dry matter at least: — 62,5 % crude protein and — 6 % crude lipids (fatty matter)	5 000
	0408 11 90	– – – Other		
	0408 19	– – Other		
	0408 19 90	— Other		
	0408 91	— Dried:		
	0408 91 90	— Other		
	0408 99	— Other		
	0408 99 90	— Other		
2	1106	Flour and meal of the dried	Fish oil or fish liver oil, filtered but not deodorized or decoloreized, with no additives	1 000

a This column contains the numbers corresponding to the Rewe Colour Index, 3rd edition, 1971, Bradford, England.

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		leguminous vegetables of heading No 0713, of sogo or of roots or tubers of heading No 0714; flour, meal and powder of the product of Chapter 8:				
	1106 20	– Flour and meal of sogo, roots or tubers of heading No 0714:	Fish meal of subheading 2301 20 00 of the combined nomenclature, having a characteristic odour and containing by weight in the dry matter at least:			
	1106 20 10	– – Denatured	—	62,5 % crude protein and 6 % crude lipids (fatty matter)		5 000
			Chemical name or description	Common name	Colour index^a	
3	2501 00	Salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solution; or containing added anti-caking or free-flowing agents; sea water	Sodium salt of 4-sulphobenzeneazoresorcinol, or 2.4-dihydroxybenzene-4-sulphonic acid (colour: yellow)	Chrysoine S	14 270	6

^a This column contains the numbers corresponding to the Rewe Colour Index, 3rd edition, 1971, Bradford, England.

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	– Common salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solution or containing added anti- caking or free- flowing agents	Disodium salt of 1-(4- sulph-1 - phenylazo)-4- aminobenzene-5- sulphonic acid (colour: yellow)	Fast yellow AB	13 015	6
	– – Other:				
2501 00 51	— Denatured or for industrial uses (including refining) other than the preservation or preparation of foodstuffs for human or animal consumption	Tetrasodium salt of 1-(4- sulpho-1 - naphthylazo)-2- naphtol-3,6,8- trisulfonic acid (colour: red)	Ponceau 6 R	16 290	1
		Tetrabromo- fluorescein (colour: flourescent yellow)	fluorescein	45 380	0,5
		Naphtalene	Naphtalene	—	250
		Powdered soap	Powdered soap	—	1 000
		Sodium or potassium dichromate	Sodium or potassium dichromate	—	30
		Iron oxide containing not less than 50 %	Iron oxide	—	250

a This column contains the numbers corresponding to the Rewe Colour Index, 3rd edition, 1971, Bradford, England.

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			of Fe ₂ O ₃ by weight. The iron oxide should be dark red to brown and should take the form of a fine powder of which at least 90 % passes through a sieve having a mesh of 0,10 mm			
			Sodium hypochlorite	Sodium hypochlorite		3 000
			Name			
4	3502	Albumins, (including concentrates of two or more whey proteins containing by weight more than 80 % whey proteins, calculated on the dry matter), albuminates and other albumin derivatives:	Oil of rosemary (for liquid albumins only)			150
			Crude oil of camphor (for liquid and solid albumins)			2 000
			White oil of camphor (for liquid and solid albumins)			100
			Sodium azide (for liquid and solid albumins)			6 000
			Diethanolamine (for solid albumins only)			
	3502 10	– Egg albumin:				
	3502 10 10	– – Unfit, or to be rendered unfit, for				

a This column contains the numbers corresponding to the Rewe Colour Index, 3rd edition, 1971, Bradford, England.

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	human consumption
3502 90	— Other
	— Albumins, other than egg albumin:
3502 90 10	— Unfit, or to be rendered unfit, for human consumption

a This column contains the numbers corresponding to the Rewe Colour Index, 3rd edition, 1971, Bradford, England.

Article 17

Denaturing shall be carried out in such a way as to ensure that the product to be denatured and the denaturant are homogeneously mixed and cannot be separated again in a manner which is economically viable.

Article 18

By way of derogation from Article 16, any Member State may temporarily approve the use of a denaturant not specified in column 4 of the table referred to in that Article.

In such a case, notification shall be sent to the Commission within 30 days, giving detailed particulars of such denaturants and of the quantities used. The Commission shall inform the other Member States as soon as possible.

The question shall be referred to the Committee.

If, within 18 months of the date of receipt by the Commission of the notification, the Committee has not delivered an opinion to the effect that the denaturant in question should be included in column 4 of the said table, then use of such denaturant shall forthwith cease in all Member States.

Article 19

This Chapter shall apply without prejudice to Council Directive 70/524/EEC⁽¹⁾.

CHAPTER 2

Conditions for tariff classification of certain types of seed

Article 20

Classification under the tariff subheadings listed in column 2 of the table below of the goods listed against each subheading in column 3 shall be subject to the conditions laid down in Articles 21 to 24.

Order No	CN code	Description
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Status: This is the original version (as it was originally adopted).

1	0701	Potatoes, fresh or chilled
	0701 10 00	– Seed
2	0712	Dried vegetables, whole, cut sliced, broken or in powder, but not further prepared:
	0712 90	– other vegetables; mixtures of vegetables:
		– – <i>sweet corn (Zea mays var. saccharata):</i>
	– – – hybrids for sowing	
3	1001	Wheat and meslin:
	1001 90	– other
	1001 90 10	– – spelt for sowing
4	1005	Maize (corn)
	1005 10	– Seed:
		– – hybrid:
	1005 10 11	– – – double hybrids and top cross hybrids
	1005 10 13	– – – three-cross hybrids
	1005 10 15	– – – simple hybrids
1005 10 19	– – – other	
5	1006	Rice
	1006 10	– rice in the husk (paddy or rough)
	1006 10 10	– – for sowing
6	1007 00	Grain sorghum
	1007 00 10	– hybrids for sowing
7	1201 00	Soya beans, whether or not broken
	1201 00 10	– for sowing
8	1202	Ground-nuts, not roasted or otherwise cooked, whether or not shelled or broken:
	1202 10	– in shell:
	1202 10 10	— for sowing

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9	1204 00	Linseed, whether or not broken:
	1204 00 10	– for sowing
10	1205 00	Rape or colza seeds, whether or not broken:
	1205 00 10	– for sowing
11	1206 00	Sunflower seed, whether or not broken:
	1206 00 10	– for sowing
12	1207	Other oil seeds and oleaginous fruits, whether or not broken:
	1207 10	– palm nuts and kernels:
	1207 10 10	– – for sowing
13	1207 20	– Cotton seeds:
	1207 20 10	– – for sowing
14	1207 30	– Castor oil seeds:
	1207 30 10	– – for sowing
15	1207 40	– Sesamum seeds:
	1207 40 10	– – for sowing
16	1207 50	– Mustard seeds:
	1207 50 10	– – for sowing
17	1207 60	– Safflower seeds:
	1207 60 10	– – for sowing
		– Other
18	1207 91	– – Poppy seeds:
	1207 91 10	– – – for sowing
19	1207 92	– – Shea seeds (karite nuts):
	1207 92 10	– – – for sowing
20	1207 99	– – Other:
	1207 99 10	– – – for sowing

Article 21

Seed potatoes shall satisfy the conditions laid down on the basis of Article 15 of Council Directive 66/403/EEC⁽²⁾.

Article 22

Sweet corn, spelt, hybrid maize, rice and sorghum for sowing shall satisfy the conditions laid down on the basis of Article 16 of Council Directive 66/402/EEC⁽³⁾.

Article 23

Oil seeds and oleaginous fruits for sowing shall satisfy the conditions laid down on the basis of Article 15 of Council Directive 69/208/EEC⁽⁴⁾.

Article 24

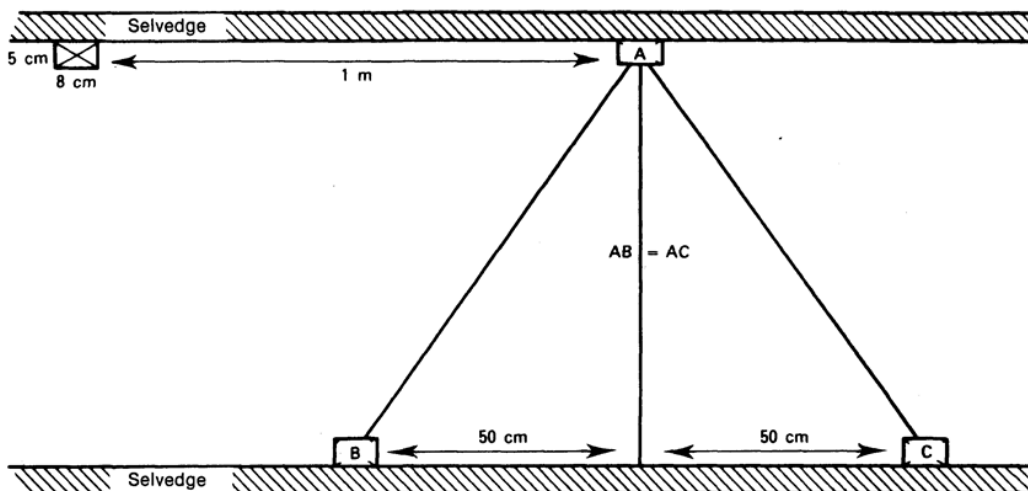
Sweet corn, spelt, hybrid maize, rice, sorghum hybrid, oil seeds and oleaginous fruits of a kind to which Council Directives 66/402/EEC and 69/208/EEC do not apply shall not be entered in the subheadings indicated in Article 20 unless the person concerned establishes to the satisfaction of the competent authorities of the Member States that they are actually intended for sowing.

CHAPTER 3

Conditions for tariff classification of bolting cloth as piece goods*Article 25*

The tariff classification of bolting cloth, not made up, falling within CN code 5911 20 00 shall be subject to the condition that it is marked as indicated below.

A mark consisting of a rectangle and its diagonals must be reproduced at regular intervals along both edges of the fabric without encroaching on the selvages, in such a way that the distance between two consecutive marks, measured between the adjacent ends of the rectangles, is not more than one metre and that the marks on one edge are staggered so as to be half way between those on the other edge (the centre of each mark must be equidistant from the centre of the two nearest marks on the opposite edge). Each mark is to be so positioned that the long sides of the rectangle are parallel to the warp of the fabric (see sketch below).



The thickness of the lines forming the sides of the rectangle must be 5 mm, and that of the diagonals 7 mm. The rectangle from the outer edge of the lines must be at least 8 cm in length and 5 cm in width.

The marks must be printed in a single colour contrasting with the colour of the fabric and must be indelible.

CHAPTER 4

Goods for which a certificate of authenticity or quality, or other certificate, must be presented

Article 26

1 Classification under the tariff subheadings listed in column 2 of the table below of the goods listed against each subheading in column 3, imported from the countries shown in column 5, shall be subject to the presentation of certificates meeting the requirements specified in Articles 27 to 34.

The certificates are shown in Annexes 2 to 8, as indicated in column 4 of the table.

Certificates of authenticity apply to grapes, whisky, vodka and tobacco, certificates of designation of origin to wine, and certificates of quality to sodium nitrate.

2 By way of derogation from the provisions of paragraph 1, for port, Madeira, sherry and Setubal muscatel falling within CN codes 2204 21 41, 2204 21 51, 2204 29 41 and 2204 29 51, the approved commercial document completed and authenticated in accordance with the provisions of Article 9 (2) of Commission Regulation (EEC) No 986/89⁽⁵⁾ shall be presented in place of the certificate of designation of origin.

3 However, tobacco exempt from customs duty on release for free circulation by virtue of a Community provision shall be classified in subheadings 2401 10 10 to 2401 10 49 and 2401 20 10 to 2401 20 49 without presentation of a certificate of authenticity. Such a certificate shall be neither issued nor accepted for tobacco of these types when more than one type is presented in the same immediate packing.

4 In respect of the goods listed under Order No 6 in the following table, for the purposes of this Article:

- (a) flue-cured Virginia type tobacco means tobacco which has been cured under artificial atmospheric conditions by a process of regulating the heat and ventilation without allowing smoke and fumes to come in contact with the tobacco leaves; the colour of the cured tobacco normally ranges from lemon to very dark orange or red. Other colours and combinations of colours frequently result from variations in maturity or cultural and curing techniques;
- (b) light air-cured Burley type tobacco (including Burley hybrids) means tobacco which has been cured under natural atmospheric conditions and does not carry the odour of smoke or fumes if supplemental heat or air circulation has been applied; the leaves normally range from light tan to reddish colour. Other colours and combinations of colours frequently result from variations in maturity or cultural and curing techniques;
- (c) light air-cured Maryland type tobacco means tobacco which has been cured under natural atmospheric conditions and does not carry the odour of smoke or fumes if supplemental heat or air circulation has been applied; the leaves normally range from

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a light-yellow to deep cherry red colour. Other colours and combinations of colours frequently result from variations in maturity or cultural and curing techniques;

- (d) fire-cured tobacco means tobacco which has been cured under artificial atmospheric conditions by the use of open fires from which wood smoke has been partly absorbed by the tobacco. Fire-cured tobacco leaves are normally thicker than leaves of Burley, flue-cured, or Maryland from the corresponding stalk position. Colours normally range from yellowish-brown to very dark brown. Other colours and combinations of colours frequently result from variations in maturity or cultural and curing techniques.

Order No	CN code	Description	Annex No	Issuing body		
				Exporting country	Name	Place where established
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	0806	Grapes, fresh or dried:	2	United States of America	United States Department of Agriculture or its authorized offices ^a	Washington DC
	0806 10	– Fresh				
		– – Table grapes				
0806 10 11	– – – – Of the variety Emperor (<i>vitis vinifera</i> cv) from 1 December to 31 January					
2	2106	Food preparations not elsewhere specified or included:	3	Switzerland	Union suisse du commerce de fromage SA/ Schweizerische Käseunion AG/ Unione svizzera per il commercio del formaggio SA	Berne
	2106 90	– Other:				

^a When an authorized office is in a place other than that given in column 7 as the place where the headquarters of the relevant issuing body is established, the State concerned given in column 5 shall send the name and address of this authorized office to the Commission of the European Communities, which shall inform the customs authorities of the Member States thereof.

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	2106 90 10	-- Cheese fondues		Austria	Österreichische Hartkäse Export GmbH	Innsbruck
3	2204	Wine of fresh grapes, including fortified wines; grape must other than that of heading No 2009:			Name of wine	
		-- Other wine; grape must with fermentation prevented or arrested by the addition of alcohol:				
	2204 21	-- in containers holding 2 or less ---- Other: ----- Of an actual alcoholic strength by volume exceeding 15 % vol but not				

a When an authorized office is in a place other than that given in column 7 as the place where the headquarters of the relevant issuing body is established, the State concerned given in column 5 shall send the name and address of this authorized office to the Commission of the European Communities, which shall inform the customs authorities of the Member States thereof.

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	exceeding 18 % vol					
2204 21 41	---- - Tokay (Aszu and Szamorodni)	4	Hungary	Tokay (Aszu, Szamorodni)	Orszagos Borminosito Intezet Budapest II, Frenkel, Leo Utca I (National Institute for the approval of Wines)	Budapest
	---- Of an actual alcoholic strength by volume exceeding 18 % vol but not exceeding 22 % vol:					
2204 21 51	---- - Tokay (Aszu and Szamorodni)					
2204 29	-- Other:					
	---- Other:					
	---- Of an actual alcoholic strength by volume exceeding					

a When an authorized office is in a place other than that given in column 7 as the place where the headquarters of the relevant issuing body is established, the State concerned given in column 5 shall send the name and address of this authorized office to the Commission of the European Communities, which shall inform the customs authorities of the Member States thereof.

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		15 % vol but not exceeding 18 % vol:				
	2204 29 45	----- - Tokay (Aszu and Szamorodni) --- Of an actual alcoholic strength by volume exceeding 18 % vol but not exceeding 22 % vol:				
	2204 29 55	----- - Tokay (Aszu and Szamorodni)				
4	2208	Undenatured ethyl alcohol of an actual alcoholic strength by volume of less than 80 % vol; spirits, liqueurs and other spirituous beverages; compound alcoholic preparations	United States of America	United States Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms or its authorized regional offices ^a	Washington DC	

a When an authorized office is in a place other than that given in column 7 as the place where the headquarters of the relevant issuing body is established, the State concerned given in column 5 shall send the name and address of this authorized office to the Commission of the European Communities, which shall inform the customs authorities of the Member States thereof.

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		of a kind used for the manufacture of beverages:				
	2208 30	– Whiskies:				
		– – Bourbon whiskey, in containers holding:	5			
	2208 30 11	– – – 2 litres or less				
	2208 30 19	– – – More than 2 litres				
5	2208 90	– Other:				
		– – Vodka of an alcoholic strength by volume of 45,4 % vol or less and plum, pear or cherry spirit (excluding liqueurs), in containers holding:	6	Finland	ALKO Limited	Salmisaarenranta, 7 00100 Helsinki 10 Finland
		– – – 2 litres or less:				

a When an authorized office is in a place other than that given in column 7 as the place where the headquarters of the relevant issuing body is established, the State concerned given in column 5 shall send the name and address of this authorized office to the Commission of the European Communities, which shall inform the customs authorities of the Member States thereof.

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	2208 90 31	----- Vodka				
		-- Other spirituous beverages, in containers holding:				
		---- 2 litres or less:				
		----- Spirits (excluding liqueurs):				
	2208 90 35	----- Other				
6	2401	Unmanufactured tobacco; tobacco refuse:	United States of America	Tobacco Association of the United States or its authorized offices ^a	Raleigh, North Carolina	
	2401 10	– Tobacco, not stemmed/ stripped:				
		-- Flue-cured Virginia type and light air-cured Burley type tobacco (including Burley hybrids); light air-cured Maryland type and fire-cured tobacco:	Canada	Directorate General Food Production and Inspection, Agriculture Branch, Canada, or its authorized offices ^a Direction générale de la production et de l'inspection, Section agriculture, Canada, or its authorized offices ^a	Ottawa	

a When an authorized office is in a place other than that given in column 7 as the place where the headquarters of the relevant issuing body is established, the State concerned given in column 5 shall send the name and address of this authorized office to the Commission of the European Communities, which shall inform the customs authorities of the Member States thereof.

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2401 10 10	--- Flue- cured Virginia type				
2401 10 20	--- Light air-cured Burley type (including Burley hybrid)				
2401 10 30	--- Light air-cured Maryland type		Argentina	Cámara del Tabaco del Salta, or its authorized offices ^a	Salta
	--- Fire- cured tobacco:			Cámara del Tabaco del Jujuy, or its authorized offices ^a	San Salvador de Jujuy
2401 10 41	---- Kentucky type				
2401 10 49	--- Other			Cámara de Comerico Exterior de Misiones or its authorized offices ^a	Posadas
2401 20	- Tobacco, partly or wholly stemmed/ stripped:		Bangladesh	Ministry of Agriculture, Department of Agriculture Extension, Cash Crop Division or its authorized offices ^a	Dacca
	-- Flue- cured Virginia type and light air- cured Burley type tobacco		Brazil	Carteira de Comercio Exterior do Banco do Brasil or its authorized offices ^a	Rio de Janeiro

a When an authorized office is in a place other than that given in column 7 as the place where the headquarters of the relevant issuing body is established, the State concerned given in column 5 shall send the name and address of this authorized office to the Commission of the European Communities, which shall inform the customs authorities of the Member States thereof.

Status: This is the original version (as it was originally adopted).

	(including Burley hybrids); light air-cured Maryland type and fire-cured tobacco				
2401 20 10	--- Flue-cured Virginia type		China	Shanghai Import and Export Commodity Inspection Bureau of the People's Republic of China or its authorized offices ^a	Shanghai
2401 20 20	--- Light air-cured Burley type (including Burley hybrids)				
2401 20 30	--- Light air-cured Maryland type			Shandong Import and Export Commodity Inspection Bureau of the People's Republic of China or its authorized offices ^a	Qingdao
	--- Fire-cured tobacco:				
2401 20 41	---- Kentucky type			Hubei Import and Export Commodity Inspection Bureau of the People's Republic of China or its authorized offices ^a	Hankou
2401 20 49	---- Other				
				Guangdong Import and Export Commodity Inspection Bureau of the People's Republic of China	Guangzhou

a When an authorized office is in a place other than that given in column 7 as the place where the headquarters of the relevant issuing body is established, the State concerned given in column 5 shall send the name and address of this authorized office to the Commission of the European Communities, which shall inform the customs authorities of the Member States thereof.

Status: This is the original version (as it was originally adopted).

				or its authorized offices ^a	
				Liaoning Import and Export Commodity Inspection Bureau of the People's Republic of China or its authorized offices ^a	Dalian
				Yunnan Import and Export Commodity Inspection Bureau of the People's Republic of China or its authorized offices ^a	Kunming
				Shenzhen Import and Export Commodity Inspection Bureau of the People's Republic of China or its authorized offices ^a	Shenzhen
				Hainan Import and Export Commodity Inspection Bureau of the People's Republic of China or its authorized offices ^a	Hainan
			Colombia	Superintendencia de Industria y Comercio — Division de Control de Normas y Calidades or its authorized offices ^a	Bogota
			Cuba	Empresa Cubana del Tabaco 'Cubatabaco' or its authorized offices ^a	Havana
			Guatemala	Dirección de Comercio Interior	Guatemala City

a When an authorized office is in a place other than that given in column 7 as the place where the headquarters of the relevant issuing body is established, the State concerned given in column 5 shall send the name and address of this authorized office to the Commission of the European Communities, which shall inform the customs authorities of the Member States thereof.

Status: This is the original version (as it was originally adopted).

					y Exterior del Ministerio de Economía, or its authorized offices ^a	
				India	Tobacco Board, or its authorized offices ^a	Guntur
				Indonesia	Lembaga Tembakou, or its authorized offices ^a	
					— — Lembaga Tembakou Sumatra Utara	Medan
					— Lembaga Tembakou Java Tengah	Sala
					— Lembaga Tembakou Java Timur I	Surabaya
					— Lembaga Tembakou Java Timur II	Jembery
				Mexico	Secretaria de Comercio, or its authorized offices ^a	Mexico City
				Philippines	Philippine Virginia Tobacco Administration, or its authorized offices ^a	Quezon City
				South Korea	Office of Korean Monopoly Corporation, or its authorized offices ^a	Sintanjin
				Sri Lanka	Department of Commerce, or its authorized offices ^a	Colombo
				Switzerland	Administration fédérale des Douanes, Section de l'imposition	Berne

^a When an authorized office is in a place other than that given in column 7 as the place where the headquarters of the relevant issuing body is established, the State concerned given in column 5 shall send the name and address of this authorized office to the Commission of the European Communities, which shall inform the customs authorities of the Member States thereof.

Status: This is the original version (as it was originally adopted).

					du tabac, or its authorized offices ^a	
				Thailand	Department of Foreign Trade, Ministry of Commerce, or its authorized offices ^a	Bangkok
7	3102	Mineral or chemical fertilizers, nitrogenous:	8	Chile	Servicio Nacional de Geología y Minería	Santiago
	3102 50	– Sodium nitrate:				
	3102 50 10	– – Natural sodium nitrate				
	3105	Mineral or chemical fertilizers containing two or three of the fertilizing elements nitrogen, phosphorus and potassium; other fertilizers; goods of this chapter in tablets or similar form or in packages of a gross weight				

a When an authorized office is in a place other than that given in column 7 as the place where the headquarters of the relevant issuing body is established, the State concerned given in column 5 shall send the name and address of this authorized office to the Commission of the European Communities, which shall inform the customs authorities of the Member States thereof.

	not exceeding 10 kg:				
3105 90	– Other:				
3105 90 10	– – Natural potassic sodium nitrate, consisting of a natural mixture of sodium nitrate and potassium nitrate (the proportion of potassium nitrate may be as high as 44 %), of a total nitrogen content not exceeding 16,3 % by weight on the dry anhydrous product				

- a** When an authorized office is in a place other than that given in column 7 as the place where the headquarters of the relevant issuing body is established, the State concerned given in column 5 shall send the name and address of this authorized office to the Commission of the European Communities, which shall inform the customs authorities of the Member States thereof.

Article 27

1 The certificates shall correspond to the specimens in the appropriate annexes indicated in column 4 of the table referred to in Article 26. They shall be printed and completed in one of the official languages of the European Economic Community and, where appropriate, in an official language of the exporting country.

2 Certificates shall measure approximately 210 × 297 millimetres.

The paper used shall be:

- in the case of the goods listed under Order No 3 in the table referred to in Article 26, white paper free of mechanical pulp, dressed for writing purposes and weighing not less than 55 g/m² and not more than 65 g/m².

The front of the certificate shall have a printed guilloche pattern background in pink, such as to reveal any falsification by mechanical or chemical means,

- in the case of the goods listed under Order Nos 4 and 5 in the table referred to in Article 26, white paper with a yellow border weighing not less than 40 g/m²,
- in the case of the other goods in the table, white paper weighing at least 40 g/m².

3 In the case of the goods listed under Order No 3 in the table referred to in Article 26, the borders of the certificate may bear decorative designs on their outer edge in a band not exceeding 13 millimetres in width.

4 In the case of goods referred to under Order No 2 in the table referred to in Article 26, the certificate shall be made out in one original and two copies. The original shall be white, the first copy pink and the second copy yellow.

5 In the case of the goods listed under Order No 2 of the table referred to in Article 26, each certificate shall bear an individual serial number given by the issuing body, followed by the nationality symbol appropriate to that body.

The copies shall bear the same serial number and nationality symbol as the original.

6 The customs authorities of the Member State where the goods are declared for release for free circulation may require a translation of the certificate.

Article 28

The certificate shall be completed either in typescript or in manuscript. In the latter case it shall be completed in ink using block capitals.

Article 29

1 The certificate or, in the case of split consignments of the goods listed under Order Nos 1, 6 and 7 in the table referred to in Article 26, a photocopy of the certificate, as provided for in Article 34, shall be presented to the customs authorities of the importing Member State, together with the goods to which it relates, within the following time limits, running from the date of issue of the certificate:

- two months, in the case of the goods listed under Order No 2 in the table,
- three months, in the case of the goods listed under Order Nos 1, 3 and 4 in the table,
- six months, in the case of the goods listed under Order Nos 5 and 7 in the table,
- 24 months, in the case of the goods listed under Order No 6 in the table.

- 2 In the case of the goods listed under Order No 2 in the table referred to in Article 26:
- the original and the first copy of the certificate shall be presented to the appropriate authorities,
 - the second copy of the certificate shall be sent by the issuing body direct to the customs authorities of the importing Member State.

Article 30

1 A certificate shall be valid only if it is duly endorsed by an issuing body appearing in column 6 of the table referred to in Article 26.

2 A duly endorsed certificate is one which shows the place and date of issue and bears the stamp of the issuing body and the signature of the person or persons empowered to sign it.

Article 31

1 An issuing body may appear in the table referred to in Article 26 only if:

- a it is recognized as such by the exporting country;
- b it undertakes to verify the particulars shown in certificates;
- c it undertakes to provide the Commission and Member States, on request, with all appropriate information to enable an assessment to be made of the particulars shown in the certificates.

2 The table referred to in Article 26 shall be revised when the condition laid down in paragraph 1 (a) is no longer fulfilled or when an issuing body fails to fulfil one or more of its obligations.

Article 32

Invoices presented in support of declarations for free circulation shall bear the serial number or numbers of the corresponding certificate(s).

Article 33

The countries listed in column 5 of the table referred to in Article 26 shall send the Commission specimens of the stamps used by their issuing body or bodies and authorized offices. The Commission shall communicate this information to the customs authorities of the Member States.

Article 34

In the case of the goods listed under Order Nos 1, 6 and 7 in the table referred to in Article 26, where a consignment is split the original certificate shall be photocopied for each part consignment. The photocopies and the original certificate shall be presented to the customs office where the goods are located.

Each photocopy shall indicate the name and address of the consignee and be marked in red 'Extract valid for ... kg' (in figures and letters) together with the place and date of the splitting. These statements shall be authenticated by the customs office stamp and the signature of the customs official responsible. Particulars relating to the splitting of the consignment shall be entered on the original certificate, which shall be retained by the customs office concerned.

TITLE IV

ORIGIN OF GOODS

CHAPTER 1

Non-preferential origin

Section 1

Working or processing conferring origin*Article 35*

This chapter lays down, for textiles and textile articles falling within Section XI of the combined nomenclature, and for certain products other than textiles and textile articles, the working or processing which shall be regarded as satisfying the criteria laid down in Article 24 of the Code and shall confer on the products concerned the origin of the country in which they were carried out.

‘Country’ means either a third country or the Community as appropriate.

Subsection 1

Textiles and textile articles falling within Section XI of the combined nomenclature*Article 36*

For textiles and textile articles falling within Section XI of the combined nomenclature, a complete process, as specified in Article 37, shall be regarded as a working or processing conferring origin in terms of Article 24 of the Code.

Article 37

Working or processing as a result of which the products obtained receive a classification under a heading of the combined nomenclature other than those covering the various non-originating materials used shall be regarded as complete processes.

However, for products listed in Annex 10, only the specific processes referred to in column 3 of that Annex in connection with each product obtained shall be regarded as complete, whether or not they involve a change of heading.

The method of applying the rules in Annex 10 is described in the introductory notes in Annex 9.

Article 38

For the purposes of the preceding Article, the following shall in any event be considered as insufficient working or processing to confer the status of originating products whether or not there is a change of heading:

- (a) operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out, drying, removal of damaged parts and like operations);

- (b) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, cutting up;
- (c)
 - (i) changes of packing and breaking-up and assembly of consignments;
 - (ii) simple placing in bags, cases, boxes, fixing on cards or boards, etc., and all other simple packing operations;
- (d) the affixing of marks, labels or other like distinguishing signs on products or their packaging;
- (e) simple assembly of parts of products to constitute a complete product;
- (f) a combination of two or more operations specified in (a) to (e).

Subsection 2

Products other than textiles and textile articles falling within Section XI of the combined nomenclature

Article 39

In the case of products obtained which are listed in Annex 11, the working or processing referred to in column 3 of the Annex shall be regarded as a process or operation conferring origin under Article 24 of the Code.

The method of applying the rules set out in Annex 11 is described in the introductory notes in Annex 9.

Subsection 3

Common provisions for all products

Article 40

Where the lists in Annexes 10 and 11 provide that origin is conferred if the value of the non-originating materials used does not exceed a given percentage of the ex-works price of the products obtained, such percentage shall be calculated as follows:

- ‘value’ means the customs value at the time of import of the non-originating materials used or, if this is not known and cannot be ascertained, the first ascertainable price paid for such materials in the country of processing,
- ‘ex-works price’ means the ex-works price of the product obtained minus any internal taxes which are, or may be, repaid when such product is exported,
- ‘value acquired as a result of assembly operations’ means the increase in value resulting from the assembly itself, together with any finishing and checking operations, and from the incorporation of any parts originating in the country where the operations in question were carried out, including profit and the general costs borne in that country as a result of the operations.

Section 2

Implementing provisions relating to spare parts

Article 41

Essential spare parts for use with any piece of equipment, machine, apparatus or vehicle put into free circulation or previously exported shall be deemed to have the same origin as that piece of equipment, machine, apparatus or vehicle provided the conditions laid down in this section are fulfilled.

Article 42

The presumption of origin referred to in the preceding Article shall be accepted only:

- if this is necessary for importation into the country of destination,
- if the incorporation of the said essential spare parts in the piece of equipment, machine, apparatus or vehicle concerned at the production stage would not have prevented the piece of equipment, machine, apparatus or vehicle from having Community origin or that of the country of manufacture.

Article 43

For the purposes of Article 41:

- (a) ‘piece of equipment, machine, apparatus or vehicle’ means goods listed in Sections XVI, XVII and XVIII of the combined nomenclature;
- (b) ‘essential spare parts’ means parts which are:
 - components without which the proper operation of the goods referred to in (a) which have been put into free circulation or previously exported cannot be ensured, and
 - characteristic of those goods, and
 - intended for their normal maintenance and to replace parts of the same kind which are damaged or have become unserviceable.

Article 44

Where an application is presented to the competent authorities or authorized agencies of the Member States for a certificate of origin for essential spare parts within the meaning of Article 41, box 6 (Item number, marks, numbers, number and kind of packages, description of goods) of that certificate and the application relating thereto shall include a declaration by the person concerned that the goods mentioned therein are intended for the normal maintenance of a piece of equipment, machine, apparatus or vehicle previously exported, together with the exact particulars of the said piece of equipment, machine, apparatus or vehicle.

Whenever possible, the person concerned shall also give the particulars of the certificate of origin (issuing authority, number and date of certificate) under cover of which was exported the piece of equipment, machine, apparatus or vehicle for whose maintenance the parts are intended.

Article 45

Where the origin of essential spare parts within the meaning of Article 41 must be proved for their release for free circulation in the Community by the production of a certificate of origin, the certificate shall include the particulars referred to in Article 44.

Article 46

In order to ensure application of the rules laid down in this section, the competent authorities of the Member States may require additional proof, in particular:

- production of the invoice or a copy of the invoice relating to the piece of equipment, machine, apparatus or vehicle put into free circulation or previously exported,
- the contract or a copy of the contract or any other document showing that delivery is being made as part of the normal maintenance service.

Section 3

Implementing provisions relating to certificates of origin

Subsection 1

Provisions relating to universal certificates of origin

Article 47

When the origin of a product is or has to be proved on importation by the production of a certificate of origin, that certificate shall fulfil the following conditions:

- (a) it shall be made out by a reliable authority or agency duly authorized for that purpose by the country of issue;
- (b) it shall contain all the particulars necessary for identifying the product to which it relates, in particular:
 - the number of packages, their nature, and the marks and numbers they bear,
 - the type of product,
 - the gross and net weight of the product; these particulars may, however, be replaced by others, such as the number or volume, when the product is subject to appreciable changes in weight during carriage or when its weight cannot be ascertained or when it is normally identified by such other particulars,
 - the name of the consignor;
- (c) it shall certify unambiguously that the product to which it relates originated in a specific country.

Article 48

1 A certificate of origin issued by the competent authorities or authorized agencies of the Member States shall comply with the conditions prescribed by Article 47 (a) and (b).

2 The certificates and the applications relating to them shall be made out on forms corresponding to the specimens in Annex 12.

3 Such certificates of origin shall certify that the goods originated in the Community.

However, when the exigencies of export trade so require, they may certify that the goods originated in a particular Member State.

If the conditions of Article 24 of the Code are fulfilled only as a result of a series of operations or processes carried out in different Member States, the goods may only be certified as being of Community origin.

Article 49

Certificates of origin shall be issued upon written request of the person concerned.

Where the circumstances so warrant, in particular where the applicant maintains a regular flow of exports, the Member States may decide not to require an application for each export operation, on condition that the provisions concerning origin are complied with.

Where the exigencies of trade so require, one or more extra copies of an origin certificate may be issued.

Such copies shall be made out on forms corresponding to the specimen in Annex 12.

Article 50

1 The certificate shall measure 210 x 297 mm. A tolerance of up to minus 5 mm or plus 8 mm in the length shall be allowed. The paper used shall be white, free of mechanical pulp, dressed for writing purposes and weigh at least 64 g/m² or between 25 and 30 g/m² where air-mail paper is used. It shall have a printed guilloche pattern background in sepia such as to reveal any falsification by mechanical or chemical means.

2 The application form shall be printed in the official language or in one or more of the official languages of the exporting Member State. The certificate of origin form shall be printed in one or more of the official languages of the Community or, depending on the practice and requirements of trade, in any other language.

3 Member States may reserve the right to print the certificate of origin forms or may have them printed by approved printers. In the latter case, each certificate must bear a reference to such approval. Each certificate of origin form must bear the name and address of the printer or a mark by which the printer can be identified. It shall also bear a serial number, either printed or stamped, by which it can be identified.

Article 51

The application form and the certificate of origin shall be completed in typescript or by hand in block capitals, in an identical manner, in one of the official languages of the Community or, depending on the practice and requirements of trade, in any other languages.

Article 52

Each origin certificate referred to in Article 48 shall bear a serial number by which it can be identified. The application for the certificate and all copies of the certificate itself shall bear the same number.

In addition, the competent authorities or authorized agencies of the Member States may number such documents by order of issue.

Article 53

The competent authorities of the Member States shall determine what additional particulars, if any, are to be given in the application. Such additional particulars shall be kept to a strict minimum.

Each Member State shall inform the Commission of the provisions it adopts in pursuance of the preceding paragraph. The Commission shall immediately communicate this information to the other Member States.

Article 54

The competent authorities or authorized agencies of the Member States which have issued certificates of origin shall retain the applications for a minimum of two years.

However, applications may also be retained in the form of copies thereof, provided that these have the same probative value under the law of the Member State concerned.

Subsection 2

Specific provisions relating to certificates of origin for certain agricultural products subject to special import arrangements

Article 55

Articles 56 to 65 lay down the conditions for use of certificates of origin relating to agricultural products originating in third countries for which special non-preferential import arrangements have been established, in so far as these arrangements refer to the following provisions.

(a)

Certificates of origin

Article 56

1 Certificates of origin relating to agricultural products originating in third countries for which special non-preferential import arrangements are established shall be made out on a form conforming to the specimen in Annex 13.

2 Such certificates shall be issued by the competent governmental authorities of the third countries concerned, hereinafter referred to as the issuing authorities, if the products to which the certificates relate can be considered as products originating in those countries within the meaning of the rules in force in the Community.

3 Such certificates shall also certify all necessary information provided for in the Community legislation governing the special import arrangements referred to in Article 55.

4 Without prejudice to specific provisions under the special import arrangements referred to in Article 55 the period of validity of the certificates of origin shall be ten months from the date of issue by the issuing authorities.

Article 57

1 Certificates of origin drawn up in accordance with the provisions of this subsection shall consist only of a single sheet identified by the word 'original' next to the title of the document.

If additional copies are necessary, they shall bear the designation 'copy' next to the title of the document.

2 The competent authorities in the Community shall accept as valid only the original of the certificate of origin.

Article 58

1 The certificate of origin shall measure 210 x 297 mm; a tolerance of up to plus 8 mm or minus 5 mm in the length may be allowed. The paper used shall be white, not containing mechanical pulp, and shall weigh not less than 40 g/m². The face of the original shall have a printed yellow guilloche pattern background making any falsification by mechanical or chemical means apparent.

2 The certificates shall be printed and completed in one of the official languages of the Community.

Article 59

1 The certificate shall be completed in typescript or by means of a mechanical data-processing system, or similar procedure.

2 Entries must not be erased or overwritten. Any changes shall be made by crossing out the wrong entry and if necessary adding the correct particulars. Such changes shall be initialled by the person making them and endorsed by the issuing authorities.

Article 60

1 Box 5 of the certificates of origin issued in accordance with Articles 56 to 59 shall contain any additional particulars which may be required for the implementation of the special import arrangements to which they relate as referred to in Article 56 (3).

2 Unused spaces in boxes 5, 6 and 7 shall be struck through in such a way that nothing can be added at a later stage.

Article 61

Each certificate of origin shall bear a serial number, whether or not printed, by which it can be identified, and shall be stamped by the issuing authority and signed by the person or persons empowered to do so.

The certificate shall be issued when the products to which it relates are exported, and the issuing authority shall keep a copy of each certificate issued.

Article 62

Exceptionally, the certificates of origin referred to above may be issued after the export of the products to which they relate, where the failure to issue them at the time of such export was a result of involuntary error or omission or special circumstances.

The issuing authorities may not issue retrospectively a certificate of origin provided for in Articles 56 to 61 until they have checked that the particulars in the exporter's application correspond to those in the relevant export file.

Certificates issued retrospectively shall bear one of the following:

- expedido a posteriori,
- udstedt efterfølgende,
- Nachträglich ausgestellt,
- Εκδοθέν εκ των υστέρων,
- Issued retrospectively,

- Délivré a posteriori,
- rilasciato a posteriori,
- afgegeven a posteriori,
- emitido a posteriori,

in the 'Remarks' box.

(b)

Administrative cooperation

Article 63

1 Where the special import arrangements for certain agricultural products provide for the use of the certificate of origin laid down in Articles 56 to 62, the entitlement to use such arrangements shall be subject to the setting up of an administrative cooperation procedure unless specified otherwise in the arrangements concerned.

To this end the third countries concerned shall send the Commission of the European Communities:

- the names and addresses of the issuing authorities for certificates of origin together with specimens of the stamps used by the said authorities,
- the names and addresses of the government authorities to which requests for the subsequent verification of origin certificates provided for in Article 64 below should be sent.

The Commission shall transmit all the above information to the competent authorities of the Member States.

2 Where the third countries in question fail to send the Commission the information specified in paragraph 1, the competent authorities in the Community shall refuse access entitlement to the special import arrangements.

Article 64

1 Subsequent verification of the certificates of origin referred to in Articles 56 to 62 shall be carried out at random and whenever reasonable doubt has arisen as to the authenticity of the certificate or the accuracy of the information it contains.

For origin matters the verification shall be carried out on the initiative of the customs authorities.

For the purposes of agricultural rules, the verification may be carried out, where appropriate, by other competent authorities.

2 For the purposes of paragraph 1, the competent authorities in the Community shall return the certificate of origin or a copy thereof to the governmental authority designated by the exporting country, giving, where appropriate, the reasons of form or substance for an enquiry. If the invoice has been produced, the original or a copy thereof shall be attached to the returned certificate. The authorities shall also provide any information that has been obtained suggesting that the particulars given on the certificates are inaccurate or that the certificate is not authentic.

Should the customs authorities in the Community decide to suspend the application of the special import arrangements concerned pending the results of the verification they shall grant release of the products subject to such precautions as they consider necessary.

Article 65

1 The results of subsequent verifications shall be communicated to the competent authorities in the Community as soon as possible.

The said results must make it possible to determine whether the origin certificates remitted in the conditions laid down in Article 64 above apply to the goods actually exported and whether the latter may actually give rise to application of the special importation arrangements concerned.

2 If there is no reply within a maximum time limit of six months to requests for subsequent verification, the competent authorities in the Community shall definitively refuse to grant entitlement to the special import arrangements.

CHAPTER 2

Preferential origin

Section 1

Generalized system of preferences

Subsection 1

Definition of the concept of originating products

Article 66

For the purposes of the provisions concerning generalized tariff preferences granted by the Community to certain products originating in developing countries, the following shall be considered as products originating in a country entitled to those preferences (hereinafter referred to as a 'beneficiary country') provided that these products have been transported direct to the Community within the meaning of Article 75:

- (a) products wholly obtained in that country;
- (b) products obtained in that country in the manufacture of which products other than those referred to in (a) are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 68 (1).

Article 67

1 The following shall be considered as wholly obtained in a beneficiary country within the meaning of Article 66 (a):

- a mineral products extracted from its soil or from its sea bed;
- b vegetable products harvested there;
- c live animals born and raised there;
- d products obtained from live animals there;
- e products obtained by hunting or fishing conducted there;
- f products of sea fishing and other products taken from the sea by its vessels;
- g products made on board its factory ships exclusively from the products referred to in (f);

- h used articles collected there fit only for the recovery of raw materials;
 - i waste and scrap resulting from manufacturing operations conducted there;
 - j products extracted from marine soil or subsoil outside its territorial waters, provided that it has sole rights to work that soil or subsoil;
 - k products produced there exclusively from products specified in (a) to (j).
- 2 The term ‘its vessels’ in paragraph 1 (f) shall apply only to vessels:
- which are registered or recorded in the beneficiary country,
 - which sail under the flag of the beneficiary country,
 - which are at least 50 % owned by nationals of the beneficiary country or by a company with its head office in that country, of which the manager or managers, chairman of the board of directors or of the supervisory board, and the majority of the members of such boards are nationals of that country and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to that country or to public bodies or nationals of that country,
 - of which the captain and officers are all nationals of the beneficiary country, and
 - of which at least 75 % of the crew are nationals of the beneficiary country.
- 3 The term ‘in a beneficiary country’ shall also cover the territorial waters of that country.
- 4 Vessels operating on the high seas, including factory ships on which the fish caught is worked or processed, shall be deemed to be part of the territory of the beneficiary country to which they belong, provided that they satisfy the conditions set out in paragraph 2.

Article 68

1 For the purposes of Article 66 (b), non-originating materials shall be considered to be sufficiently worked or processed when the product obtained is classified in a heading different from those in which all the non-originating materials used in its manufacture are classified, subject to paragraphs 2 and 3 below.

Annex 14 contains the notes concerning products made from non-originating materials.

The expressions ‘chapters’ and ‘headings’ used in these provisions shall mean the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonized System.

The expression ‘classified’ shall refer to the classification of a product or material under a particular heading.

2 For a product mentioned in columns 1 and 2 of the List in Annex 15, the conditions set out in column 3 for the product concerned shall be fulfilled instead of the rule in paragraph 1.

- a The term ‘value’ in the list in Annex 15 shall mean the customs value at the time of importation of the non-originating materials used or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in the country concerned. Where the value of the originating materials used needs to be established, this subparagraph shall be applied *mutatis mutandis*.
- b The term ‘ex-works price’ in the list in Annex 15 shall mean the price paid for the product obtained to the manufacturer in whose undertaking the last working or processing is carried out, provided the price includes the value of all materials used in manufacture, minus any internal taxes which are, or may be, repaid when the product obtained is exported.

3 For the purposes of Article 66 (b), the following shall in any event be considered as insufficient working or processing to confer the status of originating products, whether or not there is a change of heading:

- a operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);
- b simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting up;
- c
 - (i) changes of packing and breaking up and assembly of consignments,
 - (ii) simple placing in bottles, flasks, bags, boxes, fixing on cards or boards, etc., and all other simple packing operations;
- d the affixing of marks, labels or other like distinguishing signs on products or their packaging;
- e simple mixing of products, whether or not of different kinds, where one or more components of the mixture do not meet the conditions laid down in this Title to enable them to be considered as originating products;
- f simple assembly of parts of products to constitute a complete product;
- g a combination of two or more operations specified in (a) to (f);
- h slaughter of animals.

Article 69

In order to determine whether a product originates in a beneficiary country, it shall not be necessary to establish whether the power and fuel, plant and equipment, and machines and tools used to obtain such products originate in third countries or not.

Article 70

1 By way of derogation from Article 66, for the purposes of determining whether a product manufactured in a beneficiary country which is a member of a regional group originates therein within the meaning of that Article, products originating in any of the countries of that regional group and used in further manufacture in another country of the group shall be treated as if they originated in the country of further manufacture.

2 The country of origin of the final product shall be determined in accordance with Article 71.

3 Regional cumulation shall apply to three separate regional groups of GSP beneficiary countries:

- a the Association of South-East Asian Nations (Asean);
- b the Central American Common Market (CACM);
- c the Andean Group.

4 The expression 'regional group' shall be taken to mean the Asean or the CACM or the Andean group as the case may be.

Article 71

1 Products having originating status by virtue of Article 70 shall have the origin of the country of the regional group where the last working or processing was carried out provided that:

Status: This is the original version (as it was originally adopted).

- the value added there, as defined in paragraph 3 of this Article, is greater than the highest customs value of the products used originating in any one of the other countries of the regional group,
- the working or processing carried out there exceeds that set out in Article 68 (3) and, in the case of textile products, also those operations referred to in Annex 16.

2 In all other cases products shall have the origin of the country of the regional group which accounts for the highest customs value of the originating products coming from other countries of the regional group.

3 'Value added' means the ex-works price minus the customs value of each of the products incorporated which originated in another country of the regional group.

Article 72

1 Articles 70 and 71 shall apply only where:

- a the rules regulating trade in the context of regional cumulation, as between the countries of the regional group, are identical to those laid down in this section;
- b each country of the regional group has undertaken to comply or ensure compliance with the terms of this section and to provide the administrative cooperation necessary both to the Community and to the other countries of the regional group in order to ensure the correct issue of certificates of origin form A and the verification of certificates of origin form A and forms APR.

This undertaking shall be transmitted to the Commission through the Secretariat of the regional group. The Secretariats are as follows:

- the Asean General Secretariat,
- the Permanent Secretariat of the Central American Common Market,
- the Junta del Acuerdo de Cartagena,

as the case may be.

2 The Commission shall inform the Member States when the conditions set out in paragraph 1 have been complied with in the case of each regional group.

Article 73

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle which are part of the normal equipment and included in the price thereof or are not separately invoiced are regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

Article 74

Sets, as defined in General Rule 3 of the Harmonized System, shall be regarded as originating when the component articles are originating products. Nevertheless, when a set is composed of originating and non-originating articles, the set as a whole shall be regarded as originating provided that the value of the non-originating articles does not exceed 15 % of the ex-works price of the set.

Article 75

1 The following shall be considered as transported direct from the exporting beneficiary country to the Community:

- a products transported without passing through the territory of any other country except, when Article 70 applies, another country of the same regional group;

- b products transported through the territories of countries other than the exporting beneficiary country or, when Article 70 applies, other than the territory of other countries of the same regional group, with or without transshipment or temporary warehousing within those countries, provided that transport through those countries is justified for geographical reasons or exclusively on account of transport requirements and that the products:
 - have remained under the supervision of the customs authorities of the country of transit or warehousing, and
 - have not entered into commerce or been released for home use there, and
 - have not undergone operations other than unloading, reloading or any operation intended to keep them in good condition;
 - c products transported through the territory of Austria, Finland, Norway, Sweden or Switzerland and subsequently re-exported in full or in part to the Community, provided that the goods:
 - have remained under the supervision of the customs authorities of the country of transit or warehousing and
 - have not undergone operations other than unloading, reloading or any operation designed to keep them in good condition there;
 - d products which are transported by pipeline across territory other than of the exporting beneficiary country.
- 2 Evidence that the conditions specified in paragraph 1 (b) and (c) have been fulfilled shall be supplied to customs in the Community by the production of:
- a a single transport document issued in the exporting beneficiary country covering the passage through the country of transit; or
 - b a certification issued by the customs authorities of the country of transit:
 - giving an exact description of the goods,
 - stating the dates of unloading and reloading of the goods or of their embarkation or disembarkation, identifying the ships used, and
 - certifying the conditions under which the goods remained in the transit country; or
 - c failing these, any substantiating documents.

Article 76

The conditions set out in this subsection concerning the acquisition of originating status shall be fulfilled without interruption in the beneficiary country.

If originating products exported from the beneficiary country to another country are returned, they shall be considered as non-originating unless it can be demonstrated to the satisfaction of the competent authorities that:

- the goods returned are the same goods as those exported, and
- they have not undergone any operations beyond that necessary to preserve them in good condition while in that country.

Article 77

1 Derogations to these provisions may be made in favour of the least-developed GSP beneficiary countries when the development of existing industries or the creation of new industries justifies them. The least-developed countries are those listed in the annual Council Regulations and ECSC Decisions applying generalized tariff preferences.

For this purpose, the country concerned shall submit to the Commission of the European Communities a request for a derogation together with the reasons for the request in accordance with paragraph 3.

- 2 The examination of requests shall in particular take into account:
- a cases where the application of existing rules of origin would significantly affect the ability of an existing industry in the country concerned to continue its exports to the Community, with particular reference to cases where this could lead to cessation of its activities;
 - b specific cases where it can be clearly demonstrated that significant investment in an industry could be deterred by the rules of origin and where a derogation favouring the realization of the investment programme would enable these rules to be satisfied by stages;
 - c the economic and social impact of the decision to be taken especially in respect of employment.

3 In order to facilitate the examination of requests for derogation, the country making the request shall furnish the fullest possible information in support of its request, covering in particular the points listed below:

- description of the finished product,
- nature and quantity of products which have been processed there,
- manufacturing process,
- value added,
- number of employees in the undertaking concerned,
- anticipated volume of exports to the Community,
- reasons for the duration requested,
- other observations.

The same rules apply to any request for an extension.

Subsection 2

Proof of origin

(a)

Certificate of origin form A

Article 78

1 Originating products within the meaning of this section shall be eligible, on importation into the Community, to benefit from the tariff preferences specified in Article 66 on production of a certificate of origin form A, a specimen of which appears in Annex 17, issued either by the customs authorities or by other governmental authorities of the beneficiary country, provided that the said country:

- has communicated to the Commission of the European Communities the information required by Article 93, and
- assists the Community by allowing the customs authorities of Member States to verify the authenticity of the document or the accuracy of the information regarding the true origin of the products in question.

2 A certificate of origin form A may be issued only where it can serve as the documentary evidence required for the purposes of the tariff preferences referred to in Article 66.

3 A certificate of origin form A shall be issued only upon written application by the exporter or his authorized representative.

4 The exporter or his representative shall submit with his application any appropriate supporting document proving that the products to be exported qualify for the issue of a certificate of origin form A.

5 The certificate shall be issued by the competent governmental authority of the beneficiary country if the products to be exported can be considered products originating in that country within the meaning of subsection 1.

6 For the purpose of verifying whether the condition stated in paragraph 5 has been met, the competent governmental authority shall have the right to call for any documentary evidence or to carry out any check, which it considers appropriate.

7 It shall be the responsibility of the competent governmental authorities of the exporting beneficiary country to ensure that certificates and applications are duly completed.

8 The completion of box 2 of the certificate of origin form A shall be optional. In consequence, box 12 shall be duly completed by indicating 'European Economic Community' or one of the Member States. However, in the case of application of the transit procedure referred to in Article 75 (1) (c) and Article 80, one of the countries referred to in the latter Article as the importing country should be mentioned instead, as provided for in the last subparagraph of Article 83 (3).

9 The date of issue of the certificate of origin form A shall be indicated in box 11. The signature to be entered in that box, which is reserved for the certifying authority, shall be handwritten.

10 A certificate of origin form A shall be issued by the competent authorities of the exporting beneficiary country when the products to which it relates are exported. It shall be made available to the exporter as soon as exportation is actually carried out or when it is certain that it will be carried out.

Article 79

Since the certificate of origin form A constitutes the documentary evidence for the application of the provisions concerning tariff preferences, referred to in Article 66, it shall be the responsibility of the competent governmental authority of the exporting country to take any steps necessary to verify the origin of the products and to check the other statements on the certificate.

Article 80

Originating products within the meaning of this section shall be eligible on importation into the Community to benefit from tariff preferences referred to in Article 66 on production of a certificate of origin form A issued by the customs authorities of Austria, Finland, Norway, Sweden or Switzerland on the basis of a certificate of origin form A issued by the competent authorities of the exporting beneficiary country provided that the conditions laid down in Article 75 have been fulfilled and provided that Austria, Finland, Norway, Sweden or Switzerland assists the Community by allowing its customs authorities to verify the authenticity and accuracy of the certificates of origin form A. The verification procedure laid down in Article 95 shall apply *mutatis mutandis*. The

time limit laid down in the first subparagraph of Article 95 (3) shall be extended to eight months.

Article 81

1 In exceptional cases a certificate of origin form A may be issued after the actual exportation of the products to which it relates, if it was not issued at the time of exportation as a result of involuntary errors or omissions or other special circumstances, and provided that the goods were not exported before the communication to the Commission of the European Communities of the information required by Article 93.

2 The competent governmental authority may issue a certificate retrospectively only after verifying that the particulars contained in the exporter's application agree with those contained in the corresponding export documents and that no certificate of origin form A was issued when the products in question were exported.

3 Box 4 of certificates of origin form A issued retrospectively shall bear the endorsement 'Délivré a posteriori' or 'issued retrospectively'.

Article 82

1 In the event of the theft, loss or destruction of a certificate of origin form A, the exporter may apply to the competent governmental authority which issued it for a duplicate to be made out on the basis of the export documents in their possession. Box 4 of the duplicate form A issued in this way shall be endorsed: 'Duplicata' or 'Duplicate', together with the date of issue and the serial number of the original certificate.

2 For the purposes of Article 85 the duplicate shall take effect from the date of the original.

Article 83

1 It shall at any time be possible to replace one or more certificates of origin form A by one or more other such certificates, provided that this is done by the customs authorities in the Community responsible for controlling the products.

2 The replacement certificate issued under this Article or Article 80 shall be regarded as a definitive certificate of origin for the products referred to. The replacement certificate shall be issued on the basis of a written request by the re-exporter.

3 The replacement certificate shall indicate in the top right-hand box the name of the intermediary country where it is issued.

Box 4 shall contain one of the following endorsements: 'replacement certificate' or 'certificat de remplacement', as well as the date of the original certificate of origin and its serial number.

The name of the re-exporter shall be given in box 1.

The name of the final consignee may be given in box 2.

References to the re-exporter's invoice should be given in box 10.

Particulars from the original certificate relating to the re-exported products shall be entered in boxes 3 to 9.

The authority which issued the replacement certificate shall enter its certification in box 11. The responsibility of the authority is confined to the issue of the replacement certificate.

The entries in box 12 concerning the country of origin and the country of destination shall be taken from the original certificate. This box shall be signed by the re-exporter. A re-exporter who signs this box in good faith is not responsible for the correctness of the entries made on the original certificate.

4 The customs office which is requested to perform the operation shall note on the original certificate the weights, numbers and nature of the goods forwarded and indicate thereon the serial numbers of the corresponding replacement certificate or certificates. The original certificate shall be kept for at least two years by the customs office concerned.

5 A photocopy of the original certificate may be annexed to the replacement certificate.

Article 84

1 Subject to the provisions of paragraph (4) below the certificate of authenticity provided for in Article 1 (4) of Council Regulation (EEC) No 3833/90⁽⁶⁾ shall be given in box 7 of the certificate of origin form A, provided for in Article 78.

2 The certificate mentioned in paragraph 1 shall consist of the description of the goods as set out in paragraph 3 below followed by the stamp of the competent governmental authority, with the handwritten signature of the official authorized to certify the authenticity of the description of the goods given in box 7.

3 The description of the goods in box 7 of the certificate of origin shall be as follows, according to the product concerned:

- ‘unmanufactured flue-cured tobacco Virginia type’ or ‘tabac brut ou non-fabriqué du type Virginia “flue-cured”’,
- ‘agave brandy “tequila”, in containers holding two litres or less’ or ‘eau-de-vie d’agave “tequila” en recipients contenant deux litres ou moins’,
- ‘spirits produced from grapes, called “Pisco” in containers holding two litres or less’ or ‘eau-de-vie a base de raisins, appelée “Pisco” en recipients contenant deux litres ou moins’,
- ‘spirit produced from grapes, called “Singani” in containers holding two litres or less’ or ‘eau-de-vie a base de raisins, appelée “Singani” en recipients contenant deux litres ou moins’.

4 By way of derogation from paragraphs 1 and 2 above, and without prejudice to paragraph 3, the stamp of the authorities competent to certify the authenticity of the description of the goods set out in paragraph 3 shall not be placed in box 7 of the certificate of origin form A if the authority empowered to issue the certificate of origin is the governmental authority empowered to issue the certificate of authenticity.

Article 85

1 A certificate of origin form A shall be submitted within 10 months of the date of issue by the governmental authorities of the exporting beneficiary country, to the customs authorities of the importing Member State where the products are presented.

2 Certificates of origin form A presented to the customs authorities after expiry of the period of validity stipulated in paragraph 1 may be accepted for the purpose of applying the tariff preferences specified in Article 66 where the failure to observe this period is due to *force majeure* or to exceptional circumstances.

3 Customs may also accept such certificates where the products have been presented to them before expiry of the said time limit.

Article 86

1 Products sent from a beneficiary country for exhibition in another country and sold for importation into the Community shall benefit on importation from the tariff preferences referred to in Article 66 on condition that the products meet the requirements of this section entitling them to be recognized as originating in the exporting beneficiary country and provided that it is shown to the satisfaction of the customs authorities that:

- a an exporter has consigned the products from the territory of the exporting beneficiary country direct to the country in which the exhibition is held;
- b the products have been sold or otherwise disposed of by that exporter to a person in the Community;
- c the products have been consigned to the Community in the state in which they were sent for exhibition;
- d the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.

2 A certificate of origin form A shall be produced to the customs authorities in the normal manner. The name and address of the exhibition shall be indicated thereon. Where necessary, additional documentary evidence of the nature of the products and the conditions under which they have been exhibited may be required.

3 Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organized for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under the supervision of the customs authorities.

Article 87

The certificate of origin form A shall be presented to the customs authorities of the Member State of importation in support of the customs declaration. They may also require the declaration for release for free circulation to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the tariff preferences referred to in Article 66.

Article 88

Without prejudice to Article 68 (3), where an unassembled or disassembled article falling within Chapter 84 or 85 of the Harmonized System is imported in several consignments on the conditions laid down by the customs authorities, at the request of the person declaring the goods to customs, it shall be considered to be a single article and a certificate of origin form A may be submitted for the whole article upon importation of the first consignment.

(b)

Form APR

Article 89

1 Notwithstanding Article 78, in the case of products which form the subject of postal consignments (including parcels), evidence of originating status within the meaning of this Regulation shall be supplied by form APR, a specimen of which is in Annex 18, provided that

they consist only of originating products and that the value does not exceed ECU 3 000 per consignment, and on condition that the assistance specified in Article 78 (1) is forthcoming in respect of the said form.

2 Form APR shall be completed and signed by the exporter or, on his responsibility, by his authorized representative. The signature in box 6 of the form shall be handwritten.

3 A form APR shall be completed for each postal consignment. After completing and signing the form the exporter shall, in the case of consignments by parcel post, attach it to the dispatch note. In the case of consignment by letter post, the exporter shall insert the form inside the package.

4 If the goods contained in the consignment have already been subject to verification in the exporting country concerning the concept of 'originating products', the exporter may refer to this check in box 7 'Remarks' on form APR.

5 These provisions do not exempt exporters from complying with any other formalities required by customs or postal regulations.

6 Articles 85 and 87 shall apply to forms APR *mutatis mutandis*.

(c)

Other provisions concerning proof of origin

Article 90

Products sent as small packages by private persons to private persons or contained in travellers' personal luggage shall be admitted as originating products benefiting from the tariff preferences referred to in Article 66 without requiring the production of a certificate of origin form A or the completion of a form APR, provided that such imports are of a non-commercial nature and have been declared as meeting the conditions required for the application of that Article, and where there is no doubt as to the veracity of such declaration.

The total value of these products must not exceed ECU 215 in the case of small packages or ECU 600 in the case of the contents of travellers' personal luggage.

Article 91

1 When Article 70 is applied, proof of the originating status of products exported from a country of a regional group to another country of the same group to be used in further working or processing, or to be re-exported where no further working or processing takes place, shall be established by a certificate of origin form A or a form APR issued or made out in the first country.

2 The authorities of the beneficiary country responsible for issuing a certificate of origin form A for products in the manufacture of which products originating in another member of the same regional group are used, shall take into consideration the certificate of origin form A issued by the competent authorities of that other country or form APR made out there. The country of origin determined in accordance with Article 71 shall be entered in box 12 of the certificates of origin form A or box 8 of form APR.

3 Certificates of origin form A issued in this way must bear the endorsement 'cumul regional' or 'regional cumulation' in box 4.

Article 92

The discovery of slight discrepancies between the statements made in the certificate and those made in the documents produced to the customs office for the purpose of carrying out the formalities for importing the products shall not *ipso facto* render the certificate null and void, provided it is duly established that the certificate corresponds to the products presented.

Subsection 3

Methods of administrative cooperation

Article 93

1 The beneficiary countries shall inform the Commission of the European Communities of the names and addresses of the governmental authorities who may issue certificates of origin form A, together with specimens of stamps used by these authorities and the name and address of the governmental authorities responsible for carrying out verifications of forms A and forms APR.

2 The beneficiary countries shall also inform the Commission of the European Communities of the names and addresses of the governmental authorities who may issue the certificates of authenticity mentioned in Article 84, together with specimens of the stamp they use.

3 The Commission shall forward this information to the customs authorities of the Member States.

Article 94

For the purposes of the provisions concerning tariff preferences specified in Article 66, every beneficiary country shall comply or ensure compliance with the rules concerning the completion and issue of certificates of origin form A, the conditions for the use of form APR and those concerning administrative cooperation.

Article 95

1 Subsequent verifications of certificates of origin form A and forms APR shall be carried out at random or whenever the customs authorities have reasonable doubt as to the authenticity of the document or as to the accuracy of the information regarding the true origin of the products in question.

2 For the purposes of paragraph 1, the customs authorities shall return the certificate of origin form A or the form APR to the competent governmental authority in the exporting beneficiary country, giving where appropriate the reasons of form or substance for an inquiry. If the invoice has been submitted, such invoice or a copy thereof shall be attached to form APR. The customs authorities shall also forward any information that has been obtained suggesting that the particulars given on the said certificate or the said form are inaccurate.

If the authorities concerned decide to suspend the tariff preferences referred to in Article 66 pending the results of the verification, they shall grant release of the products subject to any precautionary measures judged necessary.

3 When an application for subsequent verification has been made in accordance with the provisions of paragraph 1, such verification shall be carried out and its results communicated to the customs authorities in the Community within a maximum of six months. The results

shall make it possible to determine whether the certificate of origin form A or the form APR in question applies to the products actually exported and whether these products were in fact eligible to benefit from the tariff preferences referred to in Article 66.

4 In the case of certificates of origin form A issued in accordance with Article 91, the reply shall include the references of the certificates of origin form A or forms APR taken into consideration.

5 If in cases of reasonable doubt there is no reply within the six months specified in paragraph 3 or if the reply does not contain sufficient information to determine the authenticity of the document in question or the real origin of the products, a second communication shall be sent to the competent authorities. If after the second communication, the results of the verification are not communicated to the requesting authorities within four months, or if these results do not allow the authenticity of the document in question or the real origin of the products to be determined, those authorities shall, except in the case of force majeure or in exceptional circumstances, refuse entitlement to the generalized preferences.

6 Where the verification procedure or any other available information appears to indicate that the provisions of this section are being contravened, the exporting beneficiary country on its own initiative or at the request of the Community shall carry out appropriate enquiries or arrange for such enquiries to be carried out with due urgency to identify and prevent such contraventions and for this purpose the beneficiary country concerned may invite the participation of the Community in these enquiries.

7 For the purpose of subsequent verification of certificates of origin form A, copies of the certificates as well as any export documents referring to them shall be kept for at least two years by the competent governmental authority in the exporting beneficiary country.

Article 96

The provisions of Article 75 (1) (c) and Article 80 are applicable only in so far as, in the context of the tariff preferences given by Austria, Finland, Norway, Sweden and Switzerland to certain products originating in developing countries, these countries apply provisions similar to those mentioned above.

Subsection 4

Final provision

Article 97

Without prejudice to Article 87, certificates of origin form A together with documentary evidence of direct transport may be produced for a period of six months from the date on which a country or territory is admitted or readmitted as a GSP beneficiary, in respect of products referred to in the Council regulations and ECSC decisions for the year in question, which are either in transit or being held in the Community in temporary storage, under the customs warehousing procedure or in a free zone or free warehouse.

Section 2

Occupied Territories

Subsection 1

Definition of the concept of originating products

Article 98

1 For the purposes of the provisions concerning tariff preferences granted by the Community to certain products originating in the Occupied Territories, the following products, on condition that they were transported direct within the meaning of Article 103, shall be considered as:

- a products originating in the Occupied Territories:
 - (i) products wholly obtained in those territories;
 - (ii) products obtained in those territories, in the manufacture of which products other than those wholly obtained in these territories are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 100. This condition shall not apply, however, to products which, within the meaning of this subsection, originate in the Community;
- b products originating in the Community:
 - (i) products wholly obtained in the Community;
 - (ii) products obtained in the Community, in the manufacture of which products other than those wholly obtained in the Community are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 100. This condition shall not apply, however, to products which, within the meaning of this subsection, originate in the Occupied Territories.

2 The term 'Occupied Territories' shall cover the West Bank of the River Jordan and the Gaza Strip, both occupied by Israel.

Article 99

The following shall be considered as wholly obtained in the Occupied Territories:

- (a) mineral products extracted from their soil or from their seabed;
- (b) vegetable products harvested there;
- (c) live animals born and raised there;
- (d) products from live animals raised there;
- (e) products obtained by hunting or fishing conducted there;
- (f) used articles collected there fit only for the recovery of raw materials;
- (g) waste and scrap resulting from manufacturing operations conducted therein;
- (h) products extracted from marine soil or subsoil outside their territorial waters, provided that the territory concerned has sole rights to work that soil or subsoil;

- (i) goods produced there exclusively from the products specified in subparagraphs (a) to (h).

Article 100

1 For the purposes of Article 98 (1) (a) (ii), and (b) (ii), non-originating materials shall be considered to have been sufficiently worked or processed when the product obtained is classified in a heading different from those in which all the non-originating materials used in its manufacture are classified, subject to paragraphs 2 and 3.

The second, third and fourth subparagraphs of Article 68 (1) shall apply.

2 For a product mentioned in columns 1 and 2 of the list in Annex 19, the conditions set out in column 3 for the product concerned must be fulfilled instead of the rule in paragraph 1.

- a The term 'value' in the list in Annex 19 shall mean the customs value at the time of the import of the non-originating materials used or, if this is not known and cannot be ascertained, the first ascertainable price paid for those materials in the territory concerned.

Where the value of the originating materials used needs to be established, the preceding subparagraph shall be applied *mutatis mutandis*.

- b The term 'ex-works price' in the list in Annex 19 shall mean the price paid to the manufacturer in whose undertaking the last working or processing is carried out, provided the price includes the value of all the materials used in manufacture, minus any internal taxes which are, or may be, repaid when the product obtained is exported.

3 For the purposes of Article 98 (1) (a) (ii) and (b) (ii), the operations referred to in Article 68 (3) (a) to (h) shall be considered as insufficient working or processing to confer the status of originating products, whether or not there is a change of heading.

Article 101

In order to determine whether goods originate in the Occupied Territories, it shall not be necessary to establish whether the electrical power, fuel, plant and equipment, and machines and tools used to obtain such goods or any materials or products used in the course of production which do not enter and which were not intended to enter into the final composition of the goods originate in third countries or not.

Article 102

The provisions of Articles 73 and 74 shall apply to this section.

Article 103

1 The following shall be considered as transported direct from the Occupied Territories to the Community and from the Community to the Occupied Territories:

- a products transported without passing through another territory;
- b products transported through territories other than the Occupied Territories or the Community, with or without transshipment or temporary warehousing, provided that transport through those territories is justified for geographical reasons or exclusively on account of transport requirements and that the products:
- have not been released for home use there, and
 - have not undergone operations other than unloading, reloading and any operation intended to keep them in good condition;
- c products which are transported by pipeline across territories other than that of the Occupied Territories.

2 Evidence that the conditions specified in paragraph 1 (b) have been fulfilled shall be supplied to the customs authorities in the Community or to the Chambers of Commerce of the Occupied Territories by the production of:

- a a single transport document drawn up in the Occupied Territories or in the Community covering the passage through the country of transit; or
- b a certification by the customs authorities of the country of transit:
 - giving an exact description of the products,
 - stating the dates of unloading and reloading of the products or of their embarkation or disembarkation, identifying the ships used,
 - certifying the conditions under which the goods remained in the transit country; or
- c failing these, any substantiating documents.

Article 104

The conditions set out in this subsection concerning the acquisition of originating status shall be fulfilled without interruption in the Community or the Occupied Territories.

If originating products exported from the Community or the Occupied Territories to another country are returned, they must be considered as non-originating unless it can be demonstrated to the satisfaction of the competent authorities that:

- the goods returned are the same goods as those exported, and
- they have not undergone any operation beyond that necessary to preserve them in good condition while in that country.

Subsection 2

Proof of origin

(a)

Movement certificate EUR.1

Article 105

Evidence of originating status, within the meaning of this section, shall be given by a movement certificate EUR.1, a specimen of which appears in Annex 21.

Article 106

1 A movement certificate EUR.1 shall be issued on written application by the exporter or, under the exporter's responsibility, his authorized representative. Such application shall be made on a form, a specimen of which appears in Annex 21, which shall be completed in accordance with the provision of this subsection.

Applications for movement certificates EUR.1 must be kept for at least two years by the Chambers of Commerce of the Occupied Territories.

2 The exporter or his representative shall submit with his request any appropriate supporting document proving that the products to be exported are such as to qualify for the issue of a movement certificate EUR.1.

He shall undertake to submit, at the request of the competent authorities, any supplementary evidence they may require for the purpose of establishing the correctness

of the originating status of the products eligible for preferential treatment and shall undertake to agree to any inspection of his accounts and to any check on the circumstances in which the products were obtained by the said authorities.

3 A movement certificate EUR.1 may be issued only where it can serve as the documentary evidence required for the purposes of implementing the tariff preferences referred to in Article 98.

4 The movement certificate EUR.1 shall be issued by the Chambers of Commerce of the Occupied Territories or by the customs authorities of the exporting Member State, if the goods to be exported can be considered originating products within the meaning of this section.

5 Since the movement certificate EUR.1 constitutes the documentary evidence for the application of the preferential arrangements laid down, it shall be the responsibility of the Chambers of Commerce of the Occupied Territories or of the customs authorities of the exporting Member State to take any steps necessary to verify the origin of the goods and to check the other statements on the certificate.

6 For the purpose of verifying whether the conditions stated in paragraph 4 have been met, the Chambers of Commerce of the Occupied Territories or the customs authorities of the exporting Member State shall have the right to call for any documentary evidence or to carry out any check which they consider appropriate.

7 It shall be the responsibility of the Chambers of Commerce of the Occupied Territories or the customs authorities of the exporting Member State to ensure that the forms referred to in paragraph 1 are duly completed. In particular, they shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions. To this end, the description of the products shall be indicated without leaving any blank lines. Where the space is not completely filled a horizontal line shall be drawn below the last line of the description, the empty space being crossed through.

8 The date of issue of the movement certificate must be indicated in the part of the certificate reserved for the customs authorities.

9 A movement certificate EUR.1 shall be issued by the Chambers of Commerce of the Occupied Territories or by the customs authorities of the exporting Member State when the products to which it relates are exported. It shall be made available to the exporter as soon as export has actually been carried out or ensured.

Article 107

1 In exceptional circumstances a movement certificate EUR.1 may also be issued after export of the products to which it relates if it was not issued at the time of export because of involuntary errors or omissions or special circumstances.

2 For the purposes of paragraph 1, the exporter's application shall:

- indicate the place and date of export of the products to which the certificate relates,
- certify that no movement certificate EUR.1 was issued at the time of export of the products in question, and state the reasons.

3 The Chambers of Commerce of the Occupied Territories or the customs authorities of the exporting Member State may issue a movement certificate EUR.1 retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.

Certificates issued retrospectively shall be endorsed with one of the following phrases:

- expedido a posteriori,
- udstedt efterfølgende,
- Nachträglich ausgestellt,
- Εκδοθέν εκ των υστέρων,
- Issued retrospectively,
- Délivré a posteriori,
- rilasciato a posteriori,
- afgegeven a posteriori,
- emitido a posteriori.

4 The endorsement referred to in paragraph 3 shall be inserted in the ‘Remarks’ box on the movement certificate EUR.1.

Article 108

1 In the event of the theft, loss or destruction of a movement certificate EUR.1, the exporter may apply to the Chambers of Commerce of the Occupied Territories or the customs authorities of the exporting Member State which issued it for a duplicate made out on the basis of the export documents in their possession.

2 The duplicate issued in this way shall be endorsed with one of the following words:

- DUPLICADO,
- DUPLIKAT,
- DUPLIKAT,
- ΑΝΤΙΓΡΑΦΟ,
- DUPLICATE,
- DUPLICATA,
- DUPLICATO,
- DUPLICAAT,
- SEGUNDA VIA.

3 The endorsement referred to in paragraph 2 shall be inserted in the ‘Remarks’ box on the movement certificate EUR.1.

4 The duplicate, which shall bear the date of issue of the original EUR.1 certificate, shall take effect as from that date.

Article 109

It shall at any time be possible to replace one or more movement certificates EUR.1 by one or more other movement certificates EUR.1 provided that this is done by the customs office in the Community where the goods are located.

Article 110

1 A movement certificate EUR.1 shall be submitted within 5 months of the date of issue by the Chambers of Commerce of the Occupied Territories to the customs authorities in the Member State where the products are presented.

2 A movement certificate EUR.1 which is submitted to the customs authorities of the Member State after the final date of presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit the certificate by the final date set is due to *force majeure* or exceptional circumstances.

3 In other cases of belated presentation, the customs authorities of the importing Member State may accept the certificates where the products have been submitted to them before the said final date.

Article 111

1 Products sent or from the Occupied Territories for exhibition in a third country and sold after the exhibition for importation into the Community shall benefit on importation from the tariff preferences referred to in Article 98 on condition that they meet the requirements of this subsection entitling them to be recognized as originating in the Occupied Territories and provided that it is shown to the satisfaction of the customs authorities that:

- a an exporter has consigned these products from the Occupied Territories to the country in which the exhibition is held and has exhibited them there;
- b the products have been sold or otherwise disposed of by that exporter to a person in the Community;
- c the products have been consigned during the exhibition or immediately thereafter to the Community in the state in which they were sent for exhibition;
- d the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.

2 A movement certificate EUR.1 shall be produced to the customs authorities in the normal manner. The name and address of the exhibition shall be indicated thereon. Where necessary, additional documentary evidence of the nature of the products and the conditions under which they have been exhibited may be required.

3 Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organized for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

Article 112

Movement certificates EUR.1 shall be submitted to the customs authorities in the Member State of importation in accordance with the procedures laid down by this section. Those authorities may require a translation of a certificate.

They may also require the declaration for release for free circulation to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the implementation of the tariff preferences referred to in Article 98.

Article 113

Where, at the request of the declarant, an unassembled or disassembled article falling within Chapter 84 or 85 of the Harmonized System is imported in several consignments on the conditions laid down by the customs authorities, it shall be considered to be a single article and a movement certificate may be submitted for the whole article upon import of the first consignment.

Article 114

Movement certificates EUR.1 shall be kept by the customs authorities of the importing Member State in accordance with the rules in force.

(b)

Form EUR.2

Article 115

1 Notwithstanding Article 106, in the case of consignments containing only originating products whose value does not exceed ECU 2 820 per consignment, the evidence of originating status, within the meaning of this section, shall be given by a form EUR.2, a specimen of which appears in Annex 22.

2 Form EUR.2 shall be completed and signed by the exporter or, under the exporter's responsibility, by his authorized representative.

3 A form EUR.2 shall be completed for each consignment.

4 These provisions do not exempt exporters from complying with any other formalities required by customs or postal regulations.

5 The exporter who made out form EUR.2 shall submit at the request of the Chamber of Commerce of the Occupied Territories all supporting documents concerning the use of this form.

Article 116

The discovery of slight discrepancies between the statements made in the movement certificate EUR.1 or in the form EUR.2 and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the materials shall not *ipso facto* render the document null and void if it is duly established that the movement certificate EUR.1 or the form EUR.2 does correspond to the goods presented.

Article 117

1 The following may be imported into the Community as originating products within the meaning of this section without it being necessary to produce documents referred to in Article 105 or in Article 115:

- a products sent as small packages from private persons to private persons, provided that the value of the products does not exceed ECU 200;
- b products contained in travellers' personal luggage, provided that the value of the products does not exceed ECU 565.

2 These provisions shall be applied only when such imports are of a non-commercial nature and have been declared as meeting the conditions required for the application of the preferences laid down, and where there is no doubt as to the veracity of such declaration.

Subsection 3

Methods of administrative cooperation

Article 118

The Occupied Territories shall send to the Commission specimens of the stamps used by the Chambers of Commerce together with the addresses of those authorities competent to issue movement certificates EUR.1 and carry out the subsequent verification of these certificates and of forms EUR.2.

The Commission shall send this information to the customs authorities of the Member States.

Article 119

1 Subsequent verifications of EUR.1 certificates or of forms EUR.2 shall be carried out at random or whenever the customs authorities in the importing Member State or the Chambers of Commerce of the Occupied Territories have reasonable doubts as to the authenticity of the document or the accuracy of the information regarding the true origin of the goods in question.

2 In order to ensure the proper application of subsection 1, the Occupied Territories shall assist the Community by allowing the customs authorities of the Member States to check the authenticity of movement certificates EUR.1 and forms EUR.2 and the accuracy of the information concerning the actual origin of the products concerned.

3 For the purposes of paragraph 1, the customs authorities of the importing Member State or territory shall return the EUR.1 certificate or form EUR.2 or a copy thereof to the Chambers of Commerce of the Occupied Territories or to the customs authorities of the exporting Member State, giving, where appropriate, the reasons of substance or form for an inquiry.

The requesting authorities shall attach the relevant commercial documents or a copy thereof to the EUR.1 certificate or form EUR.2 and shall forward, in support of the request for a subsequent verification, any documents and information that have been obtained suggesting that the particulars given on the said certificate or the said form are inaccurate.

If the customs authorities in the importing Member State decide to suspend the application of preferential treatment while awaiting the results of the verification, they shall grant release of the goods subject to any precautionary measures judged necessary.

4 The customs authorities in the importing Member State or the Chambers of Commerce of the Occupied Territories shall be informed of the results of the verification within six months. These results must make it possible to determine whether the documents returned under paragraph 3 apply to the goods actually exported, and whether these goods can, in fact, qualify for application of the preferential arrangements.

The provisions of Article 95 (5) shall apply to this paragraph.

5 For the purposes of the subsequent verification of EUR.1 certificates, the Chambers of Commerce of the Occupied Territories or the customs authorities in the exporting Member State shall keep the export documents or copies of the certificates replacing them for at least two years.

Section 3

Republics of Bosnia-Herzegovina, Croatia, Slovenia and the territory of the former Yugoslav Republic of Macedonia

Subsection 1

Definition of the concept of originating products

Article 120

For the purposes of the provisions concerning tariff preferences granted by the Community to certain products originating in the Republics of Bosnia-Herzegovina, Croatia, Slovenia and the territory of the former Yugoslav Republic of Macedonia, hereinafter referred to as a 'beneficiary Republic', the following products, on condition that they were transported direct within the meaning of Article 125, shall be considered as:

1. products originating in a beneficiary Republic:
 - (a) products wholly obtained in a beneficiary Republic;
 - (b) products obtained in a beneficiary Republic in the manufacture of which products other than those wholly obtained in that Republic are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 122. This condition shall not apply, however, to products which, within the meaning of this subsection, originate in the Community, providing they have undergone, in the beneficiary Republic concerned, working or processing exceeding the insufficient working or processing referred to in Article 122 (3);
2. products originating in the Community:
 - (a) products wholly obtained in the Community;
 - (b) products obtained in the Community, in the manufacture of which products other than those wholly obtained in the Community are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 122. This condition shall not apply, however, to products which, within the meaning of this subsection originate in a beneficiary Republic, providing they have undergone, in the Community, working or processing exceeding the insufficient working or processing referred to in Article 122 (3).

Article 121

- 1 The items referred to in Article 67 (1) (a) to (k) shall be considered as wholly obtained either in a beneficiary Republic or in the Community.
- 2 The term 'its vessels' in Article 67 (1) (f) shall apply only to vessels:
 - which are registered or recorded in a Member State or in the beneficiary Republic concerned,
 - which sail under the flag of a Member State or of the beneficiary Republic concerned,
 - which are at least 50 %-owned by nationals of the Member States or the beneficiary Republic concerned or by a company with its head office in a Member State or in

- a beneficiary Republic, of which the manager, managers, Chairman of the board of directors or of the supervisory board, and the majority of the members of such a board, are nationals of the Member States or the beneficiary Republic and of which in addition, in the case of partnerships or limited companies, at least half the capital belongs to the Member States or the beneficiary Republic concerned or to public bodies or nationals of the Member States or of a beneficiary Republic,
- of which the captain and officers are all nationals of the Member States or of the beneficiary Republic concerned, and
 - of which at least 75 % of the crew are nationals of the Member States or of the beneficiary Republic concerned.
- 3 The terms ‘Community’ and ‘beneficiary Republic’ shall also cover their territorial waters. Sea-going vessels, including factory ships, on which the fish caught is worked or processed, shall be considered as part of the territory of the State to which they belong, provided that they satisfy the conditions set out in paragraph 2.

Article 122

1 For the purposes of Article 120, non-originating materials shall be considered to be sufficiently worked or processed when the product obtained is classified in a heading different from those in which all the non-originating materials used in its manufacture are classified, subject to the provisions of paragraphs 2 and 3.

The provisions of the second, third and fourth subparagraphs of Article 68 (1) shall apply.

2 For a product mentioned in columns 1 and 2 of the list in Annex 20, the conditions set out in column 3 for the product concerned must be fulfilled instead of the rule in paragraph 1.

- a Where in the list in Annex 20 a percentage rule is applied in determining the originating status of a product obtained in the Community or in a beneficiary Republic, the value added by the working or processing shall correspond to the ex-works price of the product obtained, less the customs value of third-country materials imported into the Community or a beneficiary Republic.
- b The term ‘value’ in the list in Annex 20 shall mean the customs value at the time of the import of the non-originating materials used or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in the territory concerned.

Where the value of the originating materials used needs to be established, the preceding subparagraph shall be applied *mutatis mutandis*.

- c The term ‘ex-works price’ in the list in Annex 20 shall mean the price paid for the product to the manufacturer in whose undertaking the last working or processing is carried out, provided the price includes the value of all the materials used in manufacture, minus any internal taxes which are, or may be, repaid when the product obtained is exported.

3 For the purposes of paragraphs 1 and 2, the operations referred to in Article 68 (3) (a) to (h) shall be considered as insufficient working or processing to confer the status of originating products, whether or not there is a change of heading.

Article 123

In order to determine whether goods originate in a beneficiary Republic or in the Community it shall not be necessary to establish whether the electrical power, fuel, plant and equipment, and machines and tools used to obtain such goods or any materials or products used in the course of production which do not enter and which were not

intended to enter into the final composition of the goods originate in third countries or not.

Article 124

The provisions of Articles 73 and 74 shall apply to this section.

Article 125

1 The tariff preferences referred to in Article 120 shall apply only to originating products or materials which are transported between the territory of a beneficiary Republic and that of the Community without entering any other territory. However, goods originating in a beneficiary Republic or in the Community and constituting a single consignment may be transported through territory other than that of a beneficiary Republic or the Community with or without transshipment or temporary warehousing in such territory, provided that the goods have remained under the supervision of the customs authorities in the country of transit or of warehousing, and have not undergone operations other than unloading, reloading or any other operation designed to preserve them in good condition.

Products originating in the beneficiary Republic or in the Community may be transported by pipeline across territory other than that of the Community or of the beneficiary Republic.

2 Evidence that the conditions referred to in paragraph 1 have been fulfilled shall be supplied to the competent customs authorities by the production of:

- a a single transport document issued in the exporting country or territory covering the passage through the country of transit; or
- b a certificate issued by the customs authorities of the country of transit:
 - giving an exact description of the goods,
 - stating the dates of unloading and reloading of the goods or of their embarkation or disembarkation, identifying the ships used,
 - certifying the conditions under which the goods remained in the transit country; or
- c failing these, any substantiating documents.

Article 126

The conditions set out in this subsection concerning the acquisition of originating status shall be fulfilled without interruption in the Community or a beneficiary Republic.

If originating goods exported from the Community or a beneficiary Republic to another country are returned, they shall be considered as non-originating unless it can be demonstrated to the satisfaction of the customs authorities that:

- the goods returned are the same goods as those exported, and
- they have not undergone any operation beyond that necessary to preserve them in good condition while in that country.

Subsection 2

Proof of origin

(a)

Movement certificate EUR.1*Article 127*

Evidence of originating status of products, within the meaning of this section, shall be given by a movement certificate EUR.1, a specimen of which appears in Annex 21.

Article 128

1 A movement certificate EUR.1 shall be issued on written application by the exporter or, under the exporter's responsibility, his authorized representative. Such application shall be made on a form, a specimen of which appears in Annex 21, which shall be completed in accordance with the provisions of this subsection.

Applications for movement certificates EUR.1 must be kept for at least two years by the customs authorities of the exporting Member State or beneficiary Republic.

2 The provisions of Article 106 (2) shall apply.

3 A movement certificate EUR.1 may be issued only where it can serve as the documentary evidence required for the purpose of implementing the tariff preferences referred to in Article 120.

4 The movement certificate EUR.1 shall be issued by the customs authorities of the exporting Member State or beneficiary Republic, if the goods can be considered originating products within the meaning of this section.

5 In cases where the goods are considered originating products within the meaning of Article 120 (1) (b), last sentence, or (2) (b), last sentence, the movement certificates EUR.1 shall be issued subject to the presentation of the proof of origin previously issued or made out. This proof of origin must be kept for at least two years by the customs authorities of the exporting Member State or beneficiary Republic.

6 Since the movement certificate EUR.1 constitutes the documentary evidence for the application of the tariff preferences referred to in Article 120, it shall be the responsibility of the customs authorities of the exporting Member State or beneficiary Republic to take any steps necessary to verify the origin of the goods and to check the other statements on the certificate.

7 For the purpose of verifying whether the conditions stated in paragraphs 4 and 5 have been met, the customs authorities of the exporting Member State or beneficiary Republic shall have the right to call for any documentary evidence or to carry out any check which they consider appropriate.

8 It shall be the responsibility of the customs authorities of the exporting Member State or beneficiary Republic to ensure that the form referred to in Article 127 is duly completed. In particular, they shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions. To this end, the description of the products must be indicated without leaving any blank lines. Where the space is not completely filled a horizontal line must be drawn below the last line of the description, the empty space being crossed through.

9 The date of issue of the movement certificate must be indicated in the part of the certificate reserved for the customs authorities.

10 A movement certificate EUR.1 shall be issued by the customs authorities of the exporting Member State or beneficiary Republic when the products to which it relates are exported. It shall be made available to the exporter as soon as export has actually been carried out or ensured.

11 In the cases of the Republic of Bosnia-Herzegovina and the territory of the former Yugoslav Republic of Macedonia, the references to the 'customs authorities' in this and the following articles shall be understood as referring to the Chambers of Economy for as long as the Chambers of Economy of those republics perform the functions in question.

Article 129

The provisions of Articles 107 to 109 shall apply to this section.

Article 130

1 A movement certificate EUR.1 shall be submitted within five months of the date of issue by the customs authorities in the exporting Member State or beneficiary Republic, to the customs authorities of the importing Member State or beneficiary Republic where the products are entered.

2 A movement certificate EUR.1 which is submitted to the customs authorities of the importing Member State or beneficiary Republic after the final date of presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit the certificate by the final date set is due to force majeure or exceptional circumstances.

3 In other cases of belated presentation, the customs authorities of the importing Member State or beneficiary Republic may accept the certificates where the products have been submitted to them before the said final date.

Article 131

1 Products sent from the Community or from a beneficiary Republic for exhibition in another country and sold after the exhibition for importation into the Community shall benefit on importation from the tariff preferences referred to in Article 120 on condition that the goods meet the requirements of subsection 1 entitling them to be recognized as originating in the Community or in a beneficiary Republic and provided that it is shown to the satisfaction of the customs authorities that:

- a an exporter has consigned these products from the Community or from a beneficiary Republic to the country in which the exhibition is held and has exhibited them there;
- b the products have been sold or otherwise disposed of by that exporter to a person in a beneficiary Republic or in the Community;
- c the products have been consigned during the exhibition or immediately thereafter to a beneficiary Republic or to the Community in the state in which they were sent for exhibition;
- d the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.

2 The provisions of Article 111 (2) and (3) shall apply.

Article 132

Movement certificates EUR.1 shall be submitted to the customs authorities in the importing Member State or beneficiary Republic, in accordance with the procedures laid down by that Member State or by that beneficiary Republic. The said authorities may require a translation of a certificate.

They may also require the import declaration to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the tariff preferences referred to in Article 120.

Article 133

Without prejudice to Article 122 (3), where, at the request of the declarant, an unassembled or disassembled article falling within Chapter 84 and 85 of the Harmonized System is imported in several consignments on the conditions laid down by the customs authorities, it shall be considered to be a single article and a movement certificate may be submitted for the whole article upon import of the first consignment.

Article 134

Movement certificates EUR.1 shall be kept by the customs authorities of the importing Member State or beneficiary Republic in accordance with the rules in force in the Community or that beneficiary Republic.

(b)

Form EUR.2

Article 135

1 Notwithstanding Article 127, in the case of consignments containing only originating products whose value does not exceed ECU 3 000 per consignment, the evidence of originating status within the meaning of subsection 1 shall be given by a form EUR.2, a specimen of which appears in Annex 22.

2 Form EUR.2 shall be completed and signed by the exporter or, under the exporter's responsibility, by his authorized representative. If the goods contained in the consignment have already been subject to verification in the exporting Member State or territory by reference to the definition of the concept of originating products, the exporter may refer to this check in the 'remarks' box of form EUR.2.

3 A form EUR.2 shall be completed for each consignment.

4 These provisions do not exempt exporters from complying with any other formalities required by customs or postal regulations.

5 The exporter who made out the form EUR.2 shall submit at the request of the customs authorities of the exporting Member State or beneficiary Republic all supporting documents concerning the use of this form.

Article 136

The following originating products within the meaning of subsection 1, shall be eligible on importation into the Community or into a beneficiary Republic, for the tariff preferences referred to in Article 120 without it being necessary to produce the documents referred to in Article 127 or in Article 135:

- (a) products sent as small packages from private persons to private persons, provided that the value of the products does not exceed ECU 215;
- (b) products contained in travellers' personal luggage, provided that the value of the products does not exceed ECU 600.

The provisions of Article 117(2) and (3) shall apply to this section.

Subsection 3

Methods of Administrative Cooperation

Article 137

The beneficiary Republics shall send the Commission specimens of the stamps used together with the addresses of the customs authorities competent to issue movement certificates EUR.1 and carry out the subsequent verification of these certificates and of forms EUR.2. The Commission shall forward this information to the customs authorities of the Member States.

Article 138

1 Subsequent verifications of EUR.1 certificates or of forms EUR.2 shall be carried out at random or whenever the customs authorities of the importing Member State or beneficiary Republic have reasonable doubts as to the authenticity of the document or the accuracy of the information regarding the true origin of the goods in question.

2 In order to ensure the proper application of these provisions, the beneficiary Republic and the Member States of the Community shall assist each other, through their respective customs authorities, in checking the authenticity of movement certificates EUR.1 and forms EUR.2 and the accuracy of the information concerning the true origin of the products concerned.

3 For the purposes of paragraph 1, the customs authorities of the importing Member State or beneficiary Republic shall return the EUR.1 certificate or form EUR.2 or a copy thereof to the customs authorities of the exporting country, giving, where appropriate, the reasons of substance or form for an inquiry.

The requesting authorities shall attach to the certificate EUR.1 or form EUR.2 the invoice or a copy thereof, if it has been produced, and shall forward any documents and information that have been obtained suggesting that the particulars given on the said certificate or the said form are inaccurate.

If the customs authorities of the importing Member State decide to suspend the tariff preferences specified in Article 120 while awaiting the results of the verification, they shall grant release of the products subject to any precautionary measures considered necessary.

4 The customs authorities of the importing Member State or of the beneficiary Republic shall be informed of the results of the verification within a maximum of six months. These results must make it possible to determine whether the documents returned under paragraph 3 apply to the products actually exported, and whether these products were, in fact, eligible for the tariff preferences referred to in Article 120.

If in cases of reasonable doubt there is no reply within six months of the date of the verification request, or if the reply does not contain sufficient information to determine the authenticity of the document in question or the true origin of the products, the

requesting authorities shall refuse, except in the case of *force majeure* or exceptional circumstances, refuse entitlement to the preferential treatment.

5 For the purpose of the subsequent verification of EUR.1 certificates, the customs authorities of the exporting country shall keep copies of the certificates, as well as any export documents referring to them, for at least two years.

Subsection 4

Ceuta and Melilla

Article 139

1 The term ‘Community’ used in this section does not cover Ceuta or Melilla. The term ‘products originating in the Community’ does not cover products originating in these areas.

2 Subsections 1 to 3 of this section shall apply *mutatis mutandis* to products originating in Ceuta and Melilla, subject to the particular conditions set out in Article 140.

Article 140

1 The following paragraphs shall apply instead of Article 120 and references to that Article shall apply *mutatis mutandis* to this Article.

2 Providing they have been transported direct in accordance with the provisions of Article 125, the following shall be considered as:

- a products originating in Ceuta and Melilla:
 - (i) products wholly obtained in Ceuta and Melilla;
 - (ii) products obtained in Ceuta and Melilla in the manufacture of which products other than those referred to in (i) are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 122. This condition shall not apply, however, to products which, within the meaning of subsection 1, originate in the Community or in a beneficiary Republic, provided they undergo, in Ceuta and Melilla, working or processing which exceeds the insufficient working or processing set out in Article 122 (3);
- b products originating in a beneficiary Republic:
 - (i) products wholly obtained in a beneficiary Republic;
 - (ii) products obtained in a beneficiary Republic in the manufacture of which products other than those referred to in (i) are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 122. This condition shall not apply, however, to products which, within the meaning of subsection 1, originate in Ceuta and Melilla or the Community provided they undergo working or processing which exceeds the insufficient working or processing set out in Article 122 (3).

3 Ceuta and Melilla shall be considered as a single territory.

4 The exporter or his authorized representative shall enter the name of the beneficiary Republic concerned and ‘Ceuta and Melilla’ in box 2 of the movement certificate EUR.1.

In addition, in the case of products originating in Ceuta and Melilla, the originating status shall be indicated in box 4 of the movement certificate EUR.1.

5 The Spanish customs authorities shall be responsible for the application of these provisions in Ceuta and Melilla.

TITLE V

CUSTOMS VALUE

CHAPTER 1

General provisions

Article 141

1 In applying the provisions of Articles 28 to 36 of the Code and those of this title, Member States shall comply with the provisions set out in Annex 23.

The provisions as set out in the first column of Annex 23 shall be applied in the light of the interpretative note appearing in the second column.

2 If it is necessary to make reference to generally accepted accounting principles in determining the customs value, the provisions of Annex 24 shall apply.

Article 142

1 For the purposes of this title:

- a 'the Agreement' means the Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade concluded in the framework of the multilateral trade negotiations of 1973 to 1979 and referred to in the first indent of Article 31 (1) of the Code;
- b 'produced goods' includes goods grown, manufactured and mined;
- c 'identical goods' means goods produced in the same country which are the same in all respects, including physical characteristics, quality and reputation. Minor differences in appearance shall not preclude goods otherwise conforming to the definition from being regarded as identical;
- d 'similar goods' means goods produced in the same country which, although not alike in all respects, have like characteristics and like component materials which enable them to perform the same functions and to be commercially interchangeable; the quality of the goods, their reputation and the existence of a trademark are among the factors to be considered in determining whether goods are similar;
- e 'goods of the same class or kind' means goods which fall within a group or range of goods produced by a particular industry or industry sector, and includes identical or similar goods.

2 'Identical goods' and 'similar goods', as the case may be, do not include goods which incorporate or reflect engineering, development, artwork, design work, and plans and sketches for which no adjustment has been made under Article 32 (1) (b) (iv) of the Code because such elements were undertaken in the Community.

Article 143

1 For the purposes of Articles 29 (1) (d) and 30 (2) (c) of the Code, persons shall be deemed to be related only if:

- a they are officers or directors of one another's businesses;
- b they are legally recognized partners in business;
- c they are employer and employee;
- d any person directly or indirectly owns, controls or holds 5 % or more of the outstanding voting stock or shares of both of them;
- e one of them directly or indirectly controls the other;
- f both of them are directly or indirectly controlled by a third person;
- g together they directly or indirectly control a third person; or
- h they are members of the same family. Persons shall be deemed to be members of the same family only if they stand in any of the following relationships to one another:
 - husband and wife,
 - parent and child,
 - brother and sister (whether by whole or half blood),
 - grandparent and grandchild,
 - uncle or aunt and nephew or niece,
 - parent-in-law and son-in-law or daughter-in-law,
 - brother-in-law and sister-in-law.

2 For the purposes of this title, persons who are associated in business with one another in that one is the sole agent, sole distributor or sole concessionaire, however described, of the other shall be deemed to be related only if they fall within the criteria of paragraph 1.

Article 144

1 For the purposes of determining customs value under Article 29 of the Code of goods in regard to which the price has not actually been paid at the material time for valuation for customs purposes, the price payable for settlement at the said time shall as a general rule be taken as the basis for customs value.

2 The Commission and the Member States shall consult within the Committee concerning the application of paragraph 1.

Article 145

Where goods declared for free circulation are part of a larger quantity of the same goods purchased in one transaction, the price actually paid or payable for the purposes of Article 29 (1) of the Code shall be that price represented by the proportion of the total price which the quantity so declared bears to the total quantity purchased.

Apportioning the price actually paid or payable shall also apply in the case of the loss of part of a consignment or when the goods being valued have been damaged before entry into free circulation.

Article 146

Where the price actually paid or payable for the purposes of Article 29 (1) of the Code includes an amount in respect of any internal tax applicable within the country of origin or export in respect of the goods in question, the said amount shall not be incorporated in the customs value provided that it can be demonstrated to the satisfaction of the customs

authorities concerned that the goods in question have been or will be relieved therefrom for the benefit of the buyer.

Article 147

1 For the purposes of Article 29 of the Code, the fact that the goods which are the subject of a sale are declared for free circulation shall be regarded as adequate indication that they were sold for export to the customs territory of the Community. This indication shall also apply in the case of successive sales before valuation; in such case each price resulting from these sales may, subject to the provisions of Articles 178 to 181, be taken as a basis for valuation.

2 However, where goods are used in a third country between the time of sale and the time of entry into free circulation the customs value need not be the transaction value.

3 The buyer need satisfy no condition other than that of being a party to the contract of sale.

Article 148

Where, in applying Article 29 (1) (b) of the Code, it is established that the sale or price of imported goods is subject to a condition or consideration the value of which can be determined with respect to the goods being valued, such value shall be regarded as an indirect payment by the buyer to the seller and part of the price actually paid or payable provided that the condition or consideration does not relate to either:

- (a) an activity to which Article 29 (3) (b) of the Code applies; or
- (b) a factor in respect of which an addition is to be made to the price actually paid or payable under the provisions of Article 32 of the Code.

Article 149

1 For the purposes of Article 29 (3) (b) of the Code, the term ‘marketing activities’ means all activities relating to advertising and promoting the sale of the goods in question and all activities relating to warranties or guarantees in respect of them.

2 Such activities undertaken by the buyer shall be regarded as having been undertaken on his own account even if they are performed in pursuance of an obligation on the buyer following an agreement with the seller.

Article 150

1 In applying Article 30 (2) (a) of the Code (the transaction value of identical goods), the customs value shall be determined by reference to the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued. Where no such sale is found, the transaction value of identical goods sold at a different commercial level and/or in different quantities, adjusted to take account of differences attributable to commercial level and/or to quantity, shall be used, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustment, whether the adjustment leads to an increase or a decrease in the value.

2 Where the costs and charges referred to in Article 32 (1) (e) of the Code are included in the transaction value, an adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and the identical goods in question arising from differences in distances and modes of transport.

3 If, in applying this Article, more than one transaction value of identical goods is found, the lowest such value shall be used to determine the customs value of the imported goods.

4 In applying this Article, a transaction value for goods produced by a different person shall be taken into account only when no transaction value can be found under paragraph 1 for identical goods produced by the same person as the goods being valued.

5 For the purposes of this Article, the transaction value of identical imported goods means a customs value previously determined under Article 29 of the Code, adjusted as provided for in paragraphs 1 (b) and 2 of this Article.

Article 151

1 In applying Article 30 (2) (b) of the Code (the transaction value of similar goods), the customs value shall be determined by reference to the transaction value of similar goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued. Where no such sale is found, the transaction value of similar goods sold at a different commercial level and/or in different quantities, adjusted to take account of differences attributable to commercial level and/or to quantity, shall be used, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustment, whether the adjustment leads to an increase or a decrease in the value.

2 Where the costs and charges referred to in Article 32 (1) (e) of the Code are included in the transaction value, an adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and the similar goods in question arising from differences in distances and modes of transport.

3 If, in applying this Article, more than one transaction value of similar goods is found, the lowest such value shall be used to determine the customs value for the imported goods.

4 In applying this Article, a transaction value for goods produced by a different person shall be taken into account only when no transaction value can be found under paragraph 1 for similar goods produced by the same person as the goods being valued.

5 For the purposes of this Article, the transaction value of similar imported goods means a customs value previously determined under Article 29 of the Code, adjusted as provided for in paragraphs 1 (b) and 2 of this Article.

Article 152

- 1
- a If the imported goods or identical or similar imported goods are sold in the Community in the condition as imported, the customs value of imported goods, determined in accordance with Article 30 (2) (c) of the Code, shall be based on the unit price at which the imported goods or identical or similar imported goods are so sold in the greatest aggregate quantity, at or about the time of the importation of the goods being valued, to persons who are not related to the persons from whom they buy such goods, subject to deductions for the following:
- (i) either the commissions usually paid or agreed to be paid or the additions usually made for profit and general expenses (including the direct and indirect costs of marketing the goods in question) in connection with sales in the Community of imported goods of the same class or kind;
 - (ii) the usual costs of transport and insurance and associated costs incurred within the Community;

- (iii) the import duties and other charges payable in the Community by reason of the importation or sale of the goods.
 - b If neither the imported goods nor identical nor similar imported goods are sold at or about the time of importation of the goods being valued, the customs value of imported goods determined under this Article shall, subject otherwise to the provisions of paragraph 1 (a), be based on the unit price at which the imported goods or identical or similar imported goods are sold in the Community in the condition as imported at the earliest date after the importation of the goods being valued but before the expiration of 90 days after such importation.
- 2 If neither the imported goods nor identical nor similar imported goods are sold in the Community in the condition as imported, then, if the importer so requests, the customs value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons in the Community who are not related to the persons from whom they buy such goods, due allowance being made for the value added by such processing and the deductions provided for in paragraph 1 (a).
- 3 For the purposes of this Article, the unit price at which imported goods are sold in the greatest aggregate quantity is the price at which the greatest number of units is sold in sales to persons who are not related to the persons from whom they buy such goods at the first commercial level after importation at which such sales take place.
- 4 Any sale in the Community to a person who supplies directly or indirectly free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods any of the elements specified in Article 32 (1) (b) of the Code should not be taken into account in establishing the unit price for the purposes of this Article.
- 5 For the purposes of paragraph 1 (b), the 'earliest date' shall be the date by which sales of the imported goods or of identical or similar imported goods are made in sufficient quantity to establish the unit price.

Article 153

- 1 In applying Article 30 (2) (d) of the Code (computed value), the customs authorities may not require or compel any person not resident in the Community to produce for examination, or to allow access to, any account or other record for the purposes of determining this value. However, information supplied by the producer of the goods for the purposes of determining the customs value under this Article may be verified in a non-Community country by the customs authorities of a Member State with the agreement of the producer and provided that such authorities give sufficient advance notice to the authorities of the country in question and the latter do not object to the investigation.
- 2 The cost or value of materials and fabrication referred to in the first indent of Article 30 (2) (d) of the Code shall include the cost of elements specified in Article 32 (1) (a) (ii) and (iii) of the Code.
- It shall also include the value, duly apportioned, of any product or service specified in Article 32 (1) (b) of the Code which has been supplied directly or indirectly by the buyer for use in connection with the production of the imported goods. The value of the elements specified in Article 32 (1) (b) (iv) of the Code which are undertaken in the Community shall be included only to the extent that such elements are charged to the producer.
- 3 Where information other than that supplied by or on behalf of the producer is used for the purposes of determining a computed value, the customs authorities shall inform the

declarant, if the latter so requests, of the source of such information, the data used and the calculations based on such data, subject to Article 15 of the Code.

5 The 'general expenses' referred to in the second indent of Article 30 (2) (d) of the Code, cover the direct and indirect costs of producing and selling the goods for export which are not included under the first indent of Article 30 (2) (d) of the Code.

Article 154

Where containers referred to in Article 32 (1) (a) (ii) of the Code are to be the subject of repeated importations, their cost shall, at the request of the declarant, be apportioned, as appropriate, in accordance with generally accepted accounting principles.

Article 155

For the purposes of Article 32 (1) (b) (iv) of the Code, the cost of research and preliminary design sketches is not to be included in the customs value.

Article 156

Article 33 (c) of the Code shall apply *mutatis mutandis* where the customs value is determined by applying a method other than the transaction value.

CHAPTER 2

Provisions concerning royalties and licence fees

Article 157

1 For the purposes of Article 32 (1) (c) of the Code, royalties and licence fees shall be taken to mean in particular payment for the use of rights relating:

- to the manufacture of imported goods (in particular, patents, designs, models and manufacturing know-how), or
- to the sale for exportation of imported goods (in particular, trade marks, registered designs), or
- to the use or resale of imported goods (in particular, copyright, manufacturing processes inseparably embodied in the imported goods).

2 Without prejudice to Article 32 (5) of the Code, when the customs value of imported goods is determined under the provisions of Article 29 of the Code, a royalty or licence fee shall be added to the price actually paid or payable only when this payment:

- is related to the goods being valued, and
- constitutes a condition of sale of those goods.

Article 158

1 When the imported goods are only an ingredient or component of goods manufactured in the Community, an adjustment to the price actually paid or payable for the imported goods shall only be made when the royalty or licence fee relates to those goods.

2 Where goods are imported in an unassembled state or only have to undergo minor processing before resale, such as diluting or packing, this shall not prevent a royalty or licence fee from being considered related to the imported goods.

3 If royalties or licence fees relate partly to the imported goods and partly to other ingredients or component parts added to the goods after their importation, or to post-importation

activities or services, an appropriate apportionment shall be made only on the basis of objective and quantifiable data, in accordance with the interpretative note to Article 32 (2) of the Code in Annex 23.

Article 159

A royalty or licence fee in respect of the right to use a trade mark is only to be added to the price actually paid or payable for the imported goods where:

- the royalty or licence fee refers to goods which are resold in the same state or which are subject only to minor processing after importation,
- the goods are marketed under the trade mark, affixed before or after importation, for which the royalty or licence fee is paid, and
- the buyer is not free to obtain such goods from other suppliers unrelated to the seller.

Article 160

When the buyer pays royalties or licence fees to a third party, the conditions provided for in Article 157 (2) shall not be considered as met unless the seller or a person related to him requires the buyer to make that payment.

Article 161

Where the method of calculation of the amount of a royalty or licence fee derives from the price of the imported goods, it may be assumed in the absence of evidence to the contrary that the payment of that royalty or licence fee is related to the goods to be valued.

However, where the amount of a royalty or licence fee is calculated regardless of the price of the imported goods, the payment of that royalty or licence fee may nevertheless be related to the goods to be valued.

Article 162

In applying Article 32 (1) (c) of the Code, the country of residence of the recipient of the payment of the royalty or licence fee shall not be a material consideration.

CHAPTER 3

Provisions concerning the place of introduction into the Community

Article 163

1 For the purposes of Article 32 (1) (e) and Article 33 (a) of the Code, the place of introduction into the customs territory of the Community shall be:

- a for goods carried by sea, the port of unloading, or the port of transshipment, subject to transshipment being certified by the customs authorities of that port;
- b for goods carried by sea and then, without transshipment, by inland waterway, the first port where unloading can take place either at the mouth of the river or canal or further inland, subject to proof being furnished to the customs office that the freight to the port of unloading is higher than that to the first port;
- c for goods carried by rail, inland waterway, or road, the place where the first customs office is situated;
- d for goods carried by other means, the place where the land frontier of the customs territory of the Community is crossed.

2 The customs value of goods introduced into the customs territory of the Community and then carried to a destination in another part of that territory through the territories of Austria, Switzerland, Hungary, the Czech and Slovak Republics or Yugoslavia as it was on 1 January 1991 shall be determined by reference to the first place of introduction into the customs territory of the Community, provided the goods are carried direct through the territories of Austria, Switzerland, Hungary, the Czech and Slovak Republics or Yugoslavia as defined above by a usual route across such territory to the place of destination.

3 The customs value of goods introduced into the customs territory of the Community and then carried by sea to a destination in another part of that territory shall be determined by reference to the first place of introduction into the customs territory of the Community, provided the goods are carried direct by a usual route to the place of destination.

4 Paragraphs 2 and 3 of this Article shall also apply where the goods have been unloaded, transhipped or temporarily immobilized in the territories of Austria, Switzerland, Hungary, the Czech and Slovak Republics or Yugoslavia within the meaning of paragraph 2, for reasons relating solely to their transport.

5 For goods introduced into the customs territory of the Community and carried directly from one of the French overseas departments to another part of the customs territory of the Community or vice versa, the place of introduction to be taken into consideration shall be the place referred to in paragraphs 1 and 2 situated in that part of the customs territory of the Community from which the goods came, if they were unloaded or transhipped there and this was certified by the customs authorities.

6 When the conditions specified at paragraphs 2, 3 and 5 are not fulfilled, the place of introduction to be taken into consideration shall be the place specified in paragraph 1 situated in that part of the customs territory of the Community to which the goods are consigned.

CHAPTER 4

Provisions concerning transport costs

Article 164

In applying Article 32 (1) (e) and 33 (a) of the Code:

- (a) where goods are carried by the same mode of transport to a point beyond the place of introduction into the customs territory of the Community, transport costs shall be assessed in proportion to the distance covered outside and inside the customs territory of the Community, unless evidence is produced to the customs authorities to show the costs that would have been incurred under a general compulsory schedule of freight rates for the carriage of the goods to the place of introduction into the customs territory of the Community;
- (b) where goods are invoiced at a uniform free domicile price which corresponds to the price at the place of introduction, transport costs within the Community shall not be deducted from that price. However, such deduction shall be allowed if evidence is produced to the customs authorities that the free-frontier price would be lower than the uniform free domicile price;
- (c) where transport is free or provided by the buyer, transport costs to the place of introduction, calculated in accordance with the schedule of freight rates normally applied for the same modes of transport, shall be included in the customs value.

Article 165

1 All postal charges levied up to the place of destination in respect of goods sent by post shall be included in the customs value of these goods, with the exception of any supplementary postal charge levied in the country of importation.

2 No adjustment to the declared value shall, however, be made in respect of such charges in determining the value of consignments of a non-commercial nature.

3 Paragraphs 1 and 2 are not applicable to goods carried by the express postal services known as EMS-Datapost (in Denmark, EMS-Jetpost, in Germany, EMS-Kurierpostsendungen, in Italy, CAI-Post).

Article 166

The air transport costs to be included in the customs value of goods shall be determined by applying the rules and percentages shown in Annex 25.

CHAPTER 5

Valuation of certain carrier media for use in ADP equipment

Article 167

1 Notwithstanding Articles 29 to 33 of the Code, in determining the customs value of imported carrier media bearing data or instructions for use in data processing equipment, only the cost or value of the carrier medium itself shall be taken into account. The customs value of imported carrier media bearing data or instructions shall not, therefore, include the cost or value of the data or instructions, provided that such cost or value is distinguished from the cost or value of the carrier medium in question.

2 For the purposes of this Article:

- a the expression 'carrier medium' shall not be taken to include integrated circuits, semiconductors and similar devices or articles incorporating such circuits or devices;
- b the expression 'data or instructions' shall not be taken to include sound, cinematographic or video recordings.

CHAPTER 6

Provisions concerning rates of exchange

Article 168

For the purposes of Articles 169 to 171 of this chapter:

- (a) 'rate recorded' shall mean:
 - the latest selling rate of exchange recorded for commercial transactions on the most representative exchange market or markets of the Member State concerned, or
 - some other description of a rate of exchange so recorded and designated by the Member State as the 'rate recorded' provided that it reflects as effectively as possible the current value of the currency in question in commercial transactions;

- (b) 'published' shall mean made generally known in a manner designated by the Member State concerned;
- (c) 'currency' shall mean any monetary unit used as a means of settlement between monetary authorities or on the international market.

Article 169

1 Where factors used to determine the customs value of goods are expressed at the time when that value is determined in a currency other than that of the Member State where the valuation is made, the rate of exchange to be used to determine that value in terms of the currency of the Member State concerned shall be the rate recorded on the second-last Wednesday of a month and published on that or the following day.

2 The rate recorded on the second-last Wednesday of a month shall be used during the following calendar month unless it is superseded by a rate established under Article 171.

3 Where a rate of exchange is not recorded on the second-last Wednesday indicated in paragraph 1, or, if recorded, is not published on that or the following day, the last rate recorded for the currency in question published within the preceding 14 days shall be deemed to be the rate recorded on that Wednesday.

Article 170

Where a rate of exchange cannot be established under the provisions of Article 169, the rate of exchange to be used for the application of Article 35 of the Code shall be designated by the Member State concerned and shall reflect as effectively as possible the current value of the currency in question in commercial transactions in terms of the currency of that Member State.

Article 171

1 Where a rate of exchange recorded on the last Wednesday of a month and published on that or the following day differs by 5 % or more from the rate established in accordance with Article 169 for entry into use the following month, it shall replace the latter rate from the first Wednesday of that month as the rate to be applied for the application of Article 35 of the Code.

2 Where in the course of a period of application as referred to in the preceding provisions, a rate of exchange recorded on a Wednesday and published on that or the following day differs by 5 % or more from the rate being used in accordance with this Chapter, it shall replace the latter rate and enter into use on the Wednesday following as the rate to be used for the application of Article 35 of the Code. The replacement rate shall remain in use for the remainder of the current month, provided that this rate is not superseded due to operation of the provisions of the first sentence of this paragraph.

3 Where, in a Member State, a rate of exchange is not recorded on a Wednesday or, if recorded, is not published on that or the following day, the rate recorded shall, for the application in that Member State of paragraphs 1 and 2, be the rate most recently recorded and published prior to that Wednesday.

Article 172

When the customs authorities of a Member State authorize a declarant to furnish or supply at a later date certain details concerning the declaration for free circulation of the goods in the form of a periodic declaration, this authorization may, at the declarant's request, provide that a single rate be used for conversion into that Member State's currency of elements forming part of the customs value as expressed in a particular

currency. In this case, the rate to be used shall be the rate, established in accordance with this Chapter, which is applicable on the first day of the period covered by the declaration in question.

CHAPTER 7

Simplified procedures for certain perishable goods

Article 173

1 For the purpose of determining the customs value of products referred to in Annex 26, the Commission shall establish for each classification heading a unit value per 100 kg net expressed in the currencies of the Member States.

The unit values shall apply for periods of 14 days, each period beginning on a Friday.

2 Unit values shall be established on the basis of the following elements, which are to be supplied to the Commission by Member States, in relation to each classification heading:

- a the average free-at-frontier unit price, not cleared through customs, expressed in the currency of the Member State in question per 100 kg net and calculated on the basis of prices for undamaged goods in the marketing centres referred to in Annex 27 during the reference period referred to in Article 174(1);
- b the quantities entered into free circulation over the period of a calendar year with payment of import duties.

3 The average free-at-frontier unit price, not cleared through customs, shall be calculated on the basis of the gross proceeds of sales made between importers and wholesalers. However, in the case of the London, Milan and Rungis marketing centres the gross proceeds shall be those recorded at the commercial level at which those goods are most commonly sold at those centres.

There shall be deducted from the figures so arrived at:

- a marketing margin of 15 % for the marketing centres of London, Milan and Rungis and of 8 % for the other marketing centres,
- costs of transport and insurance within the customs territory,
- a standard amount of ECU 5 representing all the other costs which are not to be included in the customs value.

This amount shall be converted into the currencies of the Member States on the basis of the latest rates in force established in accordance with Article 18 of the Code,

- import duties and other charges which are not to be included in the customs value.

4 The Member States may fix standard amounts for deduction in respect of transport and insurance costs in accordance with paragraph 3. Such standard amounts and the methods for calculating them shall be made known to the Commission immediately.

Article 174

1 The reference period for calculating the average unit prices referred to in Article 173 (2) (a) shall be the period of 14 days ending on the Thursday preceding the week during which new unit values are to be established.

2 Average unit prices shall be notified by Member States not later than 12 noon on the Monday of the week during which unit values are established pursuant to Article 173. If that

day is a non-working day, notification shall be made on the working day immediately preceding that day.

3 The quantities entered into free circulation during a calendar year for each classification heading shall be notified to the Commission by all Member States before 15 June in the following year.

Article 175

1 The unit values referred to in Article 173 (1) shall be established by the Commission on alternate Tuesdays on the basis of the weighted average of the average unit prices referred to in Article 173 (2) (a) in relation to the quantities referred to in Article 173 (2) (b).

2 For the purpose of determining the weighted average, each average unit price as referred to in Article 173 (2) (a) shall be converted into ecu on the basis of the last conversion rates determined by the Commission and published in the *Official Journal of the European Communities* prior to the week during which the unit values are to be established. The same conversion rates shall be applied in converting the unit values so obtained back into the currencies of the Member States.

3 The last published unit values shall remain applicable until new values are published. However, in the case of major fluctuations in price in one or more Member States, as a result, for example, of an interruption in the continuity of imports of a particular product, new unit values may be determined on the basis of actual prices at the time of fixing those values.

Article 176

1 Consignments which at the material time for valuation for customs purposes contain not less than 5 % of produce unfit in its unaltered state for human consumption or the value of which has depreciated by not less than 20 % in relation to average market prices for sound produce, shall be treated as damaged.

2 Consignments which are damaged may be valued:

- either, after sorting, by application of unit values to the sound portion, the damaged portion being destroyed under customs supervision, or
- by application of unit values established for the sound produce after deduction from the weight of the consignment of a percentage equal to the percentage assessed as damaged by a sworn expert and accepted by the customs authorities, or
- by application of unit values established for the sound produce reduced by the percentage assessed as damaged by a sworn expert and accepted by the customs authorities.

Article 177

1 In declaring or causing to be declared the customs value of one or more products which he imports by reference to the unit values established in accordance with this Chapter, the person concerned joins the simplified procedure system for the current calendar year in respect of the product or products in question.

2 If subsequently the person concerned requires the use of a method other than the simplified procedures for the customs valuation of one or more of the products he imports, the customs authorities of the Member State concerned shall be entitled to notify him that he will not be allowed to benefit from the simplified procedures for the remainder of the current calendar year in regard to the product or products concerned; this exclusion can be extended for the following calendar year. Such notified exclusion shall be communicated without delay

to the Commission, which shall in turn immediately inform the customs authorities of the other Member States.

CHAPTER 8

Declarations of particulars and documents to be furnished

Article 178

1 Where it is necessary to establish a customs value for the purposes of Articles 28 to 36 of the Code, a declaration of particulars relating to customs value (value declaration) shall accompany the customs entry made in respect of the imported goods. The value declaration shall be drawn up on a form D.V. 1 corresponding to the specimen in Annex 28, supplemented where appropriate by one or more forms D.V. 1 *bis* corresponding to the specimen in Annex 29.

2 It shall be a particular requirement that the value declaration prescribed in paragraph 1 shall be made only by a person who has his residence or place of business in the customs territory of the Community and is in possession of the relevant facts.

3 The customs authorities may waive the requirement of a declaration on the form referred to in paragraph 1 where the customs value of the goods in question cannot be determined under the provisions of Article 29 of the Code. In such cases the person referred to in paragraph 2 shall furnish or cause to be furnished to the customs authorities such other information as may be requested for the purposes of determining the customs value under another Article of the said Code; and such other information shall be supplied in such form and manner as may be prescribed by the customs authorities.

4 The lodging with a customs office of a declaration required by paragraph 1 shall, without prejudice to the possible application of penal provisions, be equivalent to the engagement of responsibility by the person referred to in paragraph 2 in respect of:

- the accuracy and completeness of the particulars given in the declaration,
- the authenticity of the documents produced in support of these particulars, and
- the supply of any additional information or document necessary to establish the customs value of the goods.

5 This Article shall not apply in respect of goods for which the customs value is determined under the simplified procedure system established in accordance with the provisions of Articles 173 to 177.

Article 179

1 Except where it is essential for the correct application of import duties, the customs authorities shall waive the requirement of all or part of the declaration provided for in Article 178 (1):

- a where the customs value of the imported goods in a consignment does not exceed ECU 5 000, provided that they do not constitute split or multiple consignments from the same consignor to the same consignee; or
- b where the importations involved are of a noncommercial nature; or
- c where the submission of the particulars in question is not necessary for the application of the Customs Tariff of the European Communities or where the customs duties provided for in the Tariff are not chargeable pursuant to specific customs provisions.

2 The amount in ecu referred to in paragraph 1 (a) shall be converted in accordance with Article 18 of the Code. The customs authorities may round-off upwards or downwards the sum arrived at after conversion.

The customs authorities may maintain unamended the exchange value in national currency of the amount determined in ecu if, at the time of the annual adjustment provided for in Article 18 of the Code, the conversion of this amount, before the rounding-off provided for in this paragraph, leads to an alteration of less than 5 % in the exchange value expressed in national currency or to a reduction thereof.

3 In the case of continuing traffic in goods supplied by the same seller to the same buyer under the same commercial conditions, the customs authorities may waive the requirement that all particulars under Article 178 (1) be furnished in support of each customs declaration, but shall require them whenever the circumstances change and at least once every three years.

4 A waiver granted under this Article may be withdrawn and the submission of a D.V. 1 may be required where it is found that a condition necessary to qualify for that waiver was not or is no longer met.

Article 180

Where computerized systems are used, or where the goods concerned are the subject of a general, periodic or recapitulative declaration, the customs authorities may authorize variations in the form of presentation of data required for the determination of customs value.

Article 181

1 The person referred to in Article 178 (2) shall furnish the customs authorities with a copy of the invoice on the basis of which the value of the imported goods is declared. Where the customs value is declared in writing this copy shall be retained by the customs authorities.

2 In the case of written declarations of the customs value, when the invoice for the imported goods is made out to a person established in a Member State other than that in which the customs value is declared, the declarant shall furnish the customs authorities with two copies of the invoice. One of these copies shall be retained by the customs authorities; the other, bearing the stamp of the office in question and the serial number of the declaration at the said customs office shall be returned to the declarant for forwarding to the person to whom the invoice is made out.

3 The customs authorities may extend the provisions of paragraph 2 to cases where the person to whom the invoice is made out is established in the Member State in which the customs value is declared.

TITLE VI

INTRODUCTION OF GOODS INTO THE CUSTOMS TERRITORY

CHAPTER 1

Examination of the goods and taking of samples by the person concerned

Article 182

1 Permission to examine the goods under Article 42 of the Code shall be granted to the person empowered to assign the goods a customs-approved treatment or use at his oral request, unless the customs authorities consider, having regard to the circumstances, that a written request is required.

The taking of samples may be authorized only at the written request of the person concerned.

2 A written request as referred to in paragraph 1 shall be signed by the person concerned and lodged with the relevant customs authorities. It shall include the following particulars:

- name and address of the applicant,
- the location of the goods,
- number of the summary declaration, where it has already been presented, save where the customs office undertakes to enter such information, or indication of the previous customs procedure, or the particulars for identifying the means of transport on which the goods are located,
- all other particulars necessary for identifying the goods.

The customs authorities shall indicate their authorization on the request presented by the person concerned. Where the request is for the taking of samples, the said authorities shall indicate the quantity of goods to be taken.

3 Prior examination of goods and the taking of samples shall be carried out under the supervision of the customs authorities, which shall specify the procedures to be followed in each particular case.

The person concerned shall bear the risk and the cost of unpacking, weighing, repacking and any other operation involving the goods. He shall also pay any costs in connection with analysis.

4 The samples taken shall be the subject of formalities with a view to assigning them a customs-approved treatment or use. Where examination of the samples results in their destruction or irretrievable loss, no debt shall be deemed to have been incurred. Article 182 (5) of the Code shall apply to waste and scrap.

CHAPTER 2

Summary declaration

Article 183

1 The summary declaration shall be signed by the person making it.

2 The summary declaration shall be endorsed by the customs authorities and retained by them for the purpose of verifying that the goods to which it relates are assigned a customs-approved treatment or use within the period laid down in Article 49 of the Code.

3 The summary declaration for goods which have been moved under a transit procedure before being presented to customs shall take the form of the copy of the transit document intended for the customs office of destination.

4 The customs authorities may allow the summary declaration to be made in computerized form. In that case, the rules laid down in paragraph 2 shall be adapted accordingly.

Article 184

1 Goods covered by a summary declaration which have not been unloaded from the means of transport carrying them shall be re-presented intact by the person referred to in Article 183 (1) whenever the customs authorities so require, until such time as the goods in question are assigned a customs-approved treatment or use.

2 Any person who holds goods after they have been unloaded in order to move or store them shall become responsible for compliance with the obligation to re-present all the goods intact at the request of the customs authorities.

CHAPTER 3

Temporary storage

Article 185

1 Where the places referred to in Article 51 (1) of the Code have been approved on a permanent basis for the placing of goods in temporary storage, such places shall be called 'temporary storage facilities'.

2 In order to ensure the application of customs rules, the customs authorities may, where they do not themselves manage the temporary storage facility, require that:

- a temporary storage facilities be double-locked, one key being held by the said customs authorities;
- b the person operating the temporary storage facility keep stock accounts which enable the movements of goods to be traced.

Article 186

Goods shall be placed in a temporary storage facility on the basis of the summary declaration. However, the customs authorities may require the lodging of a specific declaration made out on a form corresponding to the model they have determined.

Article 187

Without prejudice to Article 56 of the Code or to the provisions applicable to the sale of goods by the customs authorities, the person who has made the summary declaration or, where such a declaration has not yet been lodged, the persons referred to in Article 44 (2) of the Code, shall be responsible for giving effect to the measures taken by the customs authorities pursuant to Article 53 (1) of the Code and for bearing the costs of such measures.

Article 188

Where the customs authorities sell the goods in accordance with Article 53 of the Code, this shall be done in accordance with the rules in force in the Member States.

CHAPTER 4

Special provisions applicable to goods consigned by sea or air

Section 1

General provision

Article 189

Where goods are brought into the customs territory of the Community from a third country by sea or air and are consigned under cover of a single transport document by the same mode of transport, without transshipment, to another port or airport in the Community, they shall be presented to customs, within the meaning of Article 40 of the Code, only at the port or airport where they are unloaded or transhipped.

Section 2

Special provisions applicable to the cabin baggage and hold baggage of travellers

Article 190

For the purposes of this section:

- (a) *Community airport* means any airport situated in Community customs territory;
- (b) *international Community airport* means any Community airport which, having been so authorized by the competent authorities, is approved for air traffic with third countries;
- (c) *intra-Community flight* means the movement of an aircraft between two Community airports, without any stopovers, which does not start from or end at a non-Community airport;
- (d) *Community port* means any sea port situated in Community customs territory;
- (e) *intra-Community sea crossing* means the movement between two Community ports without any intermediate calls, of a vessel plying regularly between two or more specified Community ports;
- (f) *pleasure craft* means private boats intended for journeys whose itinerary depends on the wishes of the user;
- (g) *tourist or business aircraft* means private aircraft intended for journeys whose itinerary depends on the wishes of the user;
- (h) *baggage* means all objects carried, by whatever means, by the person in the course of his journey.

Article 191

For the purposes of this section, in the case of air travel, baggage shall be considered as:

- hold baggage if it has been checked in at the airport of departure and is not accessible to the person during the flight nor, where relevant, during the stopovers referred to in Articles 192 (1) and (2) and 194 (1) and (2) of this chapter,
- cabin baggage if the person takes it into the cabin of the aircraft.

Article 192

Any controls and any formalities applicable to:

1. the cabin and hold baggage of persons taking a flight in an aircraft which comes from a non-Community airport and which, after a stopover at a Community airport, continues to another Community airport, shall be carried out at this last airport provided it is an international Community airport; in this case, baggage shall be subject to the rules applicable to the baggage of persons coming from a third country when the person carrying such baggage cannot prove the Community status of the goods contained therein to the satisfaction of the competent authorities;
2. the cabin and hold baggage of persons taking a flight in an aircraft which stops over at a Community airport before continuing to a non-Community airport, shall be carried out at the airport of departure provided it is an international Community airport; in this case, cabin baggage may be subject to control at the Community airport where the aircraft stops over, in order to ascertain that the goods it contains conform to the conditions for free movement within the Community;
3. the baggage of persons using a maritime service provided by the same vessel and comprising successive legs departing from, calling at or terminating in a non-Community port shall be carried out at the port at which the baggage in question is loaded or unloaded as the case may be.

Article 193

Any controls and any formalities applicable to the baggage of persons on board:

1. pleasure craft, shall be carried out in any Community port, whatever the origin or destination of these craft;
2. tourist or business aircraft, shall be carried out:
 - at the first airport of arrival which must be an international Community airport, for flights coming from a non-Community airport, where the aircraft, after a stopover, continues to another Community airport,
 - at the last international Community airport, for flights coming from a Community airport where the aircraft, after a stopover, continues to a non-Community airport.

Article 194

1 Where baggage arriving at a Community airport on board an aircraft coming from a non-Community airport is transferred at that Community airport, to another aircraft proceeding on an intra-Community flight:

- any controls and any formalities applicable to hold baggage shall be carried out at the airport of arrival of the intra-Community flight, provided the latter airport is an international Community airport,

- all controls on cabin baggage shall be carried out in the first international Community airport; additional controls may be carried out at the airport of arrival of an intra-Community flight, only in exceptional cases where they prove necessary following controls on hold baggage,
 - controls on hold baggage may be carried out at the first Community airport only in exceptional cases where they prove necessary following controls on cabin baggage.
- 2 Where baggage is loaded at a Community airport onto an aircraft proceeding on an intra-Community flight for transfer at another Community airport, to an aircraft whose destination is a non-Community airport:
- any controls and any formalities applicable to hold baggage shall be carried out at the airport of departure of the intra-Community flight, provided that airport is an international Community airport,
 - all controls on cabin baggage shall be carried out in the last international Community airport; prior controls on such baggage may be carried out in the airport of departure of an intra-Community flight only in exceptional cases where they prove necessary following controls on hold baggage,
 - additional controls on hold baggage may be carried out in the last Community airport only in exceptional cases where they prove necessary following controls on cabin baggage.
- 3 Any controls and any formalities applicable to baggage arriving at a Community airport on board a scheduled or charter flight from a non-Community airport and transferred, at that Community airport, to a tourist or business aircraft proceeding on an intra-Community flight shall be carried out at the airport of arrival of the scheduled or charter flight.
- 4 Any controls and any formalities applicable to baggage loaded at a Community airport onto a tourist or business aircraft proceeding on an intra-Community flight for transfer, at another Community airport, to a scheduled or charter flight whose destination is a non-Community airport, shall be carried out at the airport of departure of the scheduled or charter flight.
- 5 The Member States may carry out controls at the international Community airport where the transfer of hold baggage takes place on baggage:
- coming from a non-Community airport and transferred in an international Community airport to an aircraft bound for an international airport in the same national territory,
 - having been loaded on an aircraft in an international airport for transfer in another international airport in the same national territory to an aircraft bound for a non-Community airport.

Article 195

The Member States shall take the necessary measures to ensure that:

- on arrival, persons cannot transfer goods before controls have been carried out on the cabin baggage not covered by Article 1 of Council Regulation (EEC) No 3925/91⁽⁷⁾,
- on departure, persons cannot transfer goods after controls have been carried out on the cabin baggage not covered by Article 1 of Council Regulation (EEC) No 3925/91,
- on arrival, the appropriate arrangements have been made to prevent any transfer of goods before controls have been carried out on the hold baggage not covered by Article 1 of Council Regulation (EEC) No 3925/91,
- on departure, the appropriate arrangements have been made to prevent any transfer of goods after controls have been carried out on the hold baggage not covered by Article 1 of Council Regulation (EEC) No 3925/91.

Article 196

Hold baggage registered in a Community airport shall be identified by a tag affixed in the airport concerned. A specimen tag and the technical characteristics are shown in Annex 30.

Article 197

Each Member State shall provide the Commission with a list of airports corresponding to the definition of 'international Community airport' given in Article 190 (b). The Commission shall publish this list in the *Official Journal of the European Communities*, C Series.

TITLE VII

CUSTOMS DECLARATIONS — NORMAL PROCEDURE

CHAPTER 1

Customs declarations in writing

Section 1

General provisions

Article 198

1 Where a customs declaration covers two or more articles, the particulars relating to each article shall be regarded as constituting a separate declaration.

2 Component parts of industrial plant coming under a single CN Code shall be regarded as constituting a single item of goods.

Article 199

Without prejudice to the possible application of penal provisions, the lodging with a customs office of a declaration signed by the declarant or his representative shall render him responsible under the provisions in force for:

- the accuracy of the information given in the declaration,
- the authenticity of the documents attached,
- and
- compliance with all the obligations relating to the entry of the goods in question under the procedure concerned.

Article 200

Documents accompanying a declaration shall be kept by the customs authorities unless the said authorities provide otherwise or unless the declarant requires them for other operations. In the latter case the customs authorities shall take the necessary steps to ensure that the documents in question cannot subsequently be used except in respect of the quantity or value of goods for which they remain valid.

Article 201

1 The declaration shall be lodged with the customs office where the goods were presented. It may be lodged as soon as such presentation has taken place.

2 The customs authorities may authorize the declaration to be lodged before the declarant is in a position to present the goods. In this case, the customs authorities may set a time limit, to be determined according to the circumstances, for presentation of the goods. If the goods have not been presented within this time limit, the declaration shall be considered not to have been lodged.

3 Where a declaration has been lodged before the goods to which it relates have arrived at the customs office or at another place designated by the customs authorities, it may be accepted only after the goods in question have been presented to customs.

Article 202

1 The declaration shall be lodged with the competent customs office during the days and hours appointed for opening.

However, the customs authorities may, at the request of the declarant and at his expense, authorize the declaration to be lodged outside the appointed days and hours.

2 Any declaration lodged with the officials of a customs office in any other place duly designated for that purpose by agreement between the customs authorities and the person concerned shall be considered to have been lodged in the said office.

Article 203

The date of acceptance of the declaration shall be noted thereon.

Article 204

The customs authorities may allow or require the corrections referred to in Article 65 of the Code to be made by the lodging of a new declaration intended to replace the original declaration. In that event, the relevant date for determination of any duties payable and for the application of any other provisions governing the customs procedure in question shall be the date of the acceptance of the original declaration.

Section 2

Forms to be used

Article 205

1 The official model for written declarations to customs by the normal procedure, for the purposes of placing goods under a customs procedure or re-exporting them in accordance with Article 182 (3) of the Code, shall be the Single Administrative Document.

2 Other forms may be used for this purpose where the provisions of the customs procedure in question permit.

3 The provisions of paragraphs 1 and 2 shall not preclude:
— waiver of the written declaration prescribed in Articles 225 to 236 for release for free circulation, export or temporary importation,

- waiver by the Member States of the form referred to in paragraph 1 where the special provisions laid down in Articles 237 and 238 with regard to consignments by letter or parcel-post apply,
 - use of special forms to facilitate the declaration in specific cases, where the customs authorities so permit,
 - waiver by the Member States of the form referred to in paragraph 1 in the case of existing or future agreements or arrangements concluded between the administrations of two or more Member States with a view to greater simplification of formalities in all or part of the trade between those Member States,
 - use by the persons concerned of loading lists for the completion of Community transit formalities in the case of consignments composed of more than one kind of goods,
 - printing of export, transit or import declarations and documents certifying the Community status of goods not being moved under internal Community transit procedure by means of official or private-sector data-processing systems, if necessary on plain paper, on conditions laid down by the Member States,
 - provision by the Member States to the effect that where a computerized declaration-processing system is used, the declaration, within the meaning of paragraph 1, may take the form of the Single Administrative Document printed out by that system.
- 4 When formalities are completed using public or private computers which also print out the declarations, the customs authorities may provide that:
- the handwritten signature may be replaced by another identification technique which may be based on the use of codes and having the same legal consequences as a handwritten signature. This facility shall only be granted if the technical and administrative conditions laid down by the competent authorities are complied with,
 - the declarations thus produced may be directly authenticated by those systems, in place of the manual or mechanical application of the customs office stamp and the signature of the competent official.
- 5 Where in Community legislation, reference is made to an export, re-export or import declaration or a declaration placing goods under another customs procedure, Member States may not require any administrative documents other than those which are:
- expressly created by Community acts or provided for by such acts,
 - required under the terms of international conventions compatible with the Treaty,
 - required from operators to enable them to qualify, at their request, for an advantage or specific facility,
 - required, with due regard for the provisions of the Treaty, for the implementation of specific regulations which cannot be implemented solely by the use of the document referred to in paragraph 1.

Article 206

The Single Administrative Document form shall, where necessary, also be used during the transitional period laid down in the Act of Accession of Spain and Portugal in connection with trade between the Community as constituted on 31 December 1985 and Spain or Portugal and between those two last-mentioned Member States in goods still liable to certain customs duties and charges having equivalent effect or which remain subject to other measures laid down by the Act of Accession.

For the purposes of the first paragraph, copy 2 or where applicable copy 7 of the forms used for trade with Spain and Portugal or trade between those Member States shall be destroyed.

It shall also be used in trade in Community goods between parts of the customs territory of the Community to which the provisions of Council Directive 77/388/EEC⁽⁸⁾ apply and parts of that territory where those provisions do not apply, or in trade between parts of that territory where those provisions do not apply.

Article 207

Without prejudice to Article 205 (3), the customs administrations of the Member States may in general, for the purpose of completing export or import formalities, dispense with the production of one or more copies of the Single Administrative Document intended for use by the authorities of that Member State, provided that the information in question is available on other media.

Article 208

1 The Single Administrative Document shall be presented in subsets containing the number of copies required for the completion of formalities relating to the customs procedure under which the goods are to be placed.

2 Where the Community transit procedure or the common transit procedure is preceded or followed by another customs procedure, a subset containing the number of copies required for the completion of formalities relating to the transit procedure and the preceding or following procedure may be presented.

3 The subsets referred to in paragraphs 1 and 2 shall be taken from:
— either the full set of eight copies, in accordance with the specimen contained in Annex 31,
— or, particularly in the event of production by means of a computerized system for processing declarations, two successive sets of four copies, in accordance with the specimen contained in Annex 32.

4 Without prejudice to Articles 205 (3), 222 to 224 or 254 to 289, the declaration forms may be supplemented, where appropriate, by one or more continuation forms presented in subsets containing the declaration copies needed to complete the formalities relating to the customs procedure under which the goods are to be placed. Those copies needed in order to complete the formalities relating to preceding or subsequent customs procedures may be attached where appropriate.

The continuation subsets shall be taken from:

- either a set of eight copies, in accordance with the specimen contained in Annex 33,
- or two sets of four copies, in accordance with the specimen contained in Annex 34.

The continuation forms shall be an integral part of the Single Administrative Document to which they relate.

5 By way of derogation from paragraph 4, the customs authorities may provide that continuation forms shall not be used where a computerized system is used to produce such declarations.

Article 209

1 Where Article 208 (2) is applied, each party involved shall be liable only as regards the particulars relating to the procedure for which he applied as declarant, principal or as the representative of one of these.

2 For the purposes of paragraph 1, where the declarant uses a Single Administrative Document issued during the preceding customs procedure, he shall be required, prior to lodging his declaration, to verify the accuracy of the existing particulars for the boxes for which he is responsible and their applicability to the goods in question and the procedure applied for, and to supplement them as necessary.

In the cases referred to in the first subparagraph, the declarant shall immediately inform the customs office where the declaration is lodged of any discrepancy found between the goods in question and the existing particulars. In this case the declarant shall then draw up his declaration on fresh copies of the Single Administrative Document.

Article 210

Where the Single Administrative Document is used to cover several successive customs procedures, the customs authorities shall satisfy themselves that the particulars given in the declarations relating to the various procedures in question all agree.

Article 211

The declaration must be drawn up in one of the official languages of the Community which is acceptable to the customs authorities of the Member State where the formalities are carried out.

If necessary, the customs authorities of the Member State of destination may require from the declarant or his representative in that Member State a translation of the declaration into the official language or one of the official languages of the latter. The translation shall replace the corresponding particulars in the declaration in question.

By way of derogation from the preceding subparagraph, the declaration shall be drawn up in an official language of the Community acceptable to the Member State of destination in all cases where the declaration in the latter Member State is made on copies other than those initially presented to the customs office of the Member State of departure.

Article 212

1 The Single Administrative Document must be completed in accordance with the explanatory note in Annex 37 and any additional rules laid down in other Community legislation.

2 The customs authorities shall ensure that users have ready access to copies of the explanatory note referred to in paragraph 1.

3 The customs administrations of each Member State may, if necessary, supplement the explanatory note.

Article 213

The codes to be used in completing the forms referred to in Article 205 (1) are listed in Annex 38.

Article 214

In cases where the rules require supplementary copies of the form referred to in Article 205 (1), the declarant may use additional sheets or photocopies of the said form for this purpose.

Such additional sheets or photocopies must be signed by the declarant, presented to the customs authorities and endorsed by the latter under the same conditions as the Single Administrative Document. They shall be accepted by the customs authorities as if they were original documents provided that their quality and legibility are considered satisfactory by the said authorities.

Article 215

1 The forms referred to in Article 205 (1) shall be printed on self-copying paper dressed for writing purposes and weighing at least 40 g/m². The paper must be sufficiently opaque for the information on one side not to affect the legibility of the information on the other side and its strength should be such that in normal use it does not easily tear or crease.

The paper shall be white for all copies. However, on the copies used for Community transit (1, 4, 5 and 7), boxes 1 (first and third subdivisions), 2, 3, 4, 5, 6, 8, 15, 17, 18, 19, 21, 25, 27, 31, 32, 33 (first subdivision on the left), 35, 38, 40, 44, 50, 51, 52, 53, 55 and 56 shall have a green background.

The forms shall be printed in green ink.

2 The boxes are based on a unit of measurement of one tenth of an inch horizontally and one sixth of an inch vertically. The subdivisions are based on a unit of measurement of one-tenth of an inch horizontally.

- 3 A colour marking of the different copies shall be effected in the following manner:
- a on forms conforming to the specimens shown in Annexes 31 and 33:
 - copies 1, 2, 3 and 5 shall have at the right hand edge a continuous margin, coloured respectively red, green, yellow and blue,
 - copies 4, 6, 7 and 8 shall have at the right hand edge a broken margin coloured respectively blue, red, green and yellow;
 - b on forms conforming to the specimens shown in Annexes 32 and 34, copies 1/6, 2/7, 3/8 and 4/5 shall have at the right hand edge a continuous margin and to the right of this a broken margin coloured respectively red, green, yellow and blue.

The width of these margins shall be approximately 3 mm. The broken margin shall comprise a series of squares with a side measurement of 3 mm each one separated by 3 mm.

4 The copies on which the particulars contained in the forms shown in Annexes 31 and 33 must appear by a self-copying process are shown in Annex 35.

The copies on which the particulars contained in the forms shown in Annexes 32 and 34 must appear by a self-copying process are shown in Annex 36.

5 The forms shall measure 210 × 297 mm with a maximum tolerance as to length of 5 mm less and 8 mm more.

6 The customs administrations of the Member States may require that the forms show the name and address of the printer or a mark enabling the printer to be identified. They may also make the printing of the forms conditional on prior technical approval.

Section 3

Particulars required according to the customs procedure concerned

Article 216

1 The maximum list of boxes to be used for declarations of entry for a particular customs procedure using the Single Administrative Document is contained in Annex 37.

2 Annex 37 also contains the minimum list of boxes to be used of declarations of entry for a particular customs procedure.

Article 217

The particulars required when one of the forms referred to in Article 205 (2) is used depend on the form in question. They shall be supplemented where appropriate by the provisions relating to the customs procedure in question.

Section 4

Documents to accompany the customs declaration

Article 218

1 The following documents shall accompany the customs declaration for release for free circulation:

- a the invoice on the basis of which the customs value of the goods is declared, as required under Article 181;
- b where it is required under Article 178, the declaration of particulars for the assessment of the customs value of the goods declared, drawn up in accordance with the conditions laid down in the said Article;
- c the documents required for the application of preferential tariff arrangements or other measures derogating from the legal rules applicable to the goods declared;
- d all other documents required for the application of the provisions governing the release for free circulation of the goods declared.

2 The customs authorities may require transport documents or documents relating to the previous customs procedure, as appropriate, to be produced when the declaration is lodged.

Where a single item is presented in two or more packages, they may also require the production of a packing list or equivalent document indicating the contents of each package.

3 However, where goods qualify for duties under Article 81 of the Code, the documents referred to in paragraph 1 (b) and (c) need not be required.

In addition, where goods qualify for relief from import duty, the documents referred to in paragraph 1 (a), (b) and (c) need not be required unless the customs authorities consider it necessary for the purposes of applying the provisions governing the release of the goods in question for free circulation.

Article 219

1 The transit declaration shall be accompanied by the transport document. The office of departure may dispense with the presentation of this document at the time of completion of the

formalities. However, the transport document shall be presented at the request of the customs office or any other competent authority in the course of transport.

2 Without prejudice to any applicable simplification measures, the customs document of export/dispatch or re-exportation of the goods from the customs territory of the Community or any document of equivalent effect shall be presented to the office of departure with the transit declaration to which it relates.

3 The customs authorities may, where appropriate, require production of the document relating to the preceding customs procedure.

Article 220

1 The documents to accompany the declaration of entry for a customs procedure with economic impact, except for the outward processing procedure, shall be as follows:

- a the documents laid down in Article 218, except in cases of entry for the customs warehousing procedure in a warehouse other than type D;
- b the authorization for the customs procedure in question or a copy of the application for authorization where the second subparagraph of Article 556 (1) applies, except in cases of entry for the customs warehousing procedure or where Articles 568 (3), 656 (3) or 695 (3) apply.

2 The documents to accompany the declaration of entry for the outward processing procedure shall be as follows:

- a the documents laid down in Article 221;
- b the authorization for the procedure or a copy of the application for authorization where the second subparagraph of Article 751 (1) applies, except where Article 760 (2) applies.

3 Article 218 (2) shall apply to declarations of entry for any customs procedure with economic impact.

4 The customs authorities may allow the documents referred to in paragraphs 1 (b) and 2 (b) to be kept at their disposal instead of accompanying the declaration.

Article 221

1 The export or re-export declaration shall be accompanied by all documents necessary for the correct application of export duties and of the provisions governing the export of the goods in question.

2 Article 218 (2) shall apply to export or re-export declarations.

CHAPTER 2

Computerized customs declarations

Article 222

1 The customs authorities may authorize the declarant to replace all or part of the particulars of the written declaration referred to in Annex 37 by sending to the customs office designated for that purpose, with a view to their processing by computer, codified data, or data made out in any other form specified by those authorities, corresponding to the particulars required for written declarations.

2 The customs authorities shall determine the conditions under which the data referred to in paragraph 1 are to be sent.

Article 223

The customs authorities may authorize the use of computers, *inter alia*, as follows:

- they may stipulate that the data necessary for completing the formalities in question shall be entered in their computerized declaration-processing systems, without a written declaration being required,
- they may provide that the declaration within the meaning of Article 205 (1) shall be constituted by entry of the data in the computer if a document corresponding to a declaration is not produced.

Article 224

1 When formalities are completed using public or private computer systems, the customs authorities shall authorize persons who so request to replace the handwritten signature with a comparable identification device, which may be based on the use of codes, and which has the same legal consequences as a handwritten signature.

2 The customs authorities may authorize the persons concerned to make out and transmit by computer in whole or in part the supporting documents referred to in Articles 218 to 221.

3 The facilities referred to in paragraphs 1 and 2 shall be granted only if the technical and administrative conditions laid down by the customs authorities are met.

CHAPTER 3

Customs declarations made orally or by any other act

Section 1

Oral declarations

Article 225

Customs declarations may be made orally for the release for free circulation of the following goods:

- (a) goods of a non-commercial nature:
 - contained in travellers' personal luggage, or
 - sent to private individuals, or
 - in other cases of negligible importance, where this is authorized by the customs authorities;
- (b) goods of a commercial nature provided:
 - the total value per consignment and per declarant does not exceed the statistical threshold laid down in the Community provisions in force, and
 - the consignment is not part of a regular series of similar consignments, and
 - the goods are not being carried by an independent carrier as part of a larger freight movement;
- (c) the goods referred to in Article 229, where these qualify for relief as returned goods;

- (d) the goods referred to in Article 230 (b) and (c).

Article 226

Customs declarations may be made orally for the export of:

- (a) goods of a non-commercial nature:
— contained in travellers' personal luggage, or
— sent by private individuals;
- (b) the goods referred to in Article 225 (b);
- (c) the goods referred to in Article 231 (b) and (c);
- (d) other goods in cases of negligible economic importance, where this is authorized by the customs authorities.

Article 227

1 The customs authorities may provide that Articles 225 and 226 shall not apply where the person clearing the goods is acting on behalf of another person in his capacity as customs agent.

2 Where the customs authorities are not satisfied that the particulars declared are accurate or that they are complete, they may require a written declaration.

Article 228

Where goods declared to customs orally in accordance with Articles 225 and 226 are subject to import or export duty the customs authorities shall issue a receipt to the person concerned against payment of the duty owing.

Article 229

1 Customs declarations may be made orally for the temporary importation of the following goods, in accordance with the conditions laid down in Article 696:

- a — animals and equipment listed in Article 685,
— packings listed in Article 679,
— radio and television production and broadcasting equipment and vehicles specially adapted for use for the above purpose and their equipment imported by public or private organizations established outside the customs territory of the Community and approved by the customs authorities issuing the authorization for the procedure to import such equipment and vehicles,
— instruments and apparatus necessary for doctors to provide assistance for patients awaiting an organ transplant pursuant to Article 671 (2) (c);
- b the goods referred to in Article 232;
- c other goods, where this is authorized by the customs authorities.

2 The goods referred to in paragraph 1 may also be the subject of an oral declaration for re-exportation discharging a temporary importation procedure.

Section 2

Customs declarations made by any other act*Article 230*

The following, where not expressly declared to customs, shall be considered to have been declared for release for free circulation by the act referred to in Article 233:

- (a) goods of a non-commercial nature contained in travellers' personal luggage entitled to relief either under Chapter I, Title XI of Council Regulation (EEC) No 918/83⁽⁹⁾, or as returned goods;
- (b) goods entitled to relief under Chapter I, Titles IX and X of Council Regulation (EEC) No 918/83;
- (c) means of transport entitled to relief as returned goods;
- (d) goods imported in the context of traffic of negligible importance and exempted from the requirement to be conveyed to a customs office in accordance with Article 38 (4) of the Code, provided they are not subject to import duty.

Article 231

The following, where not expressly declared to customs, shall be considered to have been declared for export by the act referred to in Article 233 (b):

- (a) goods of a non-commercial nature not liable for export duty contained in travellers' personal luggage;
- (b) means of transport registered in the customs territory of the Community and intended to be re-imported;
- (c) goods referred to in Chapter II of Council Regulation (EEC) No 918/83;
- (d) other goods in cases of negligible economic importance, where this is authorized by the customs authorities.

Article 232

1 The following, where not declared to customs in writing or orally, shall be considered to have been declared for temporary importation by the act referred to in Article 233, in accordance with Articles 698 and 735:

- a travellers' personal effects and goods imported for sports purposes listed in Article 684;
- b the means of transport listed in Articles 718 to 725.

2 Where they are not declared to customs in writing or orally, the goods referred to in paragraph 1 shall be considered to have been declared for re-exportation discharging the temporary importation procedure by the act referred to in Article 233.

Article 233

For the purposes of Articles 230 to 232, the act which is considered to be a customs declaration may take the following forms:

- (a) in the case of goods conveyed to a customs office or to any other place designated or approved in accordance with Article 38 (1) (a) of the Code:

- going through the green or ‘nothing to declare’ channel in customs offices where the two-channel system is in operation,
 - going through a customs office which does not operate the two-channel system without spontaneously making a customs declaration;
 - affixing a ‘nothing to declare’ sticker or customs declaration disc to the windscreen of passenger vehicles where this possibility is provided for in national provisions;
- (b) in the case of exemption from the obligation to convey goods to customs in accordance with the provisions implementing Article 38 (4) of the Code, in the case of export in accordance with Article 231 and in the case of re-exportation in accordance with Article 232 (2):
- the sole act of crossing the frontier of the customs territory of the Community.

Article 234

1 Where the conditions of Articles 230 to 232 are fulfilled, the goods shall be considered to have been presented to customs within the meaning of Article 63 of the Code, the declaration to have been accepted and release to have been granted, at the time when the act referred to in Article 233 is carried out.

2 Where a check reveals that the act referred to in Article 233 has been carried out but the goods imported or taken out do not fulfil the conditions in Articles 230 to 232, the goods concerned shall be considered to have been imported or exported unlawfully.

Section 3

Provisions common to Sections 1 and 2

Article 235

The provisions of Articles 225 to 232 shall not apply to goods in respect of which the payment of refunds or other amounts or the repayment of duties is sought, or which are subject to a prohibition or restriction or to any other special formality.

Article 236

For the purposes of Sections 1 and 2, ‘traveller’ means:

- A. on import:
1. any person temporarily entering the customs territory of the Community, not normally resident there, and
 2. any person returning to the customs territory of the Community where he is normally resident, after having been temporarily in a third country;
- B. on export:
1. any person temporarily leaving the customs territory of the Community where he is normally resident, and
 2. any person leaving the customs territory of the Community after a temporary stay, not normally resident there.

Section 4

Postal traffic*Article 237*

1 The following postal consignments shall be considered to have been declared to customs:

A. for release for free circulation:

(a) at the time when they are introduced into the customs territory of the Community:

- postcards and letters containing personal messages only,
- braille letters,
- printed matter not liable for import duties, and
- all other consignments sent by letter or parcel post which are exempt from the obligation to be conveyed to customs in accordance with provisions pursuant to Article 38 (4) of the Code;

(b) at the time when they are presented to customs:

- consignments sent by letter or parcel post other than those referred to at (a), provided they are accompanied by a C1 and/or C2/CP3 declaration;

B. for export:

(a) at the time when they are accepted by the postal authorities, in the case of consignments by letter and parcel post which are not liable to export duties;

(b) at the time of their presentation to customs, in the case of consignments sent by letter or parcel post which are liable to export duties, provided they are accompanied by a C1 and/or a C2/CP3 declaration.

2 The consignee, in the cases referred to in paragraph 1A, and the consignor, in the cases referred to in paragraph 1B, shall be considered to be the declarant and, where applicable, the debtor. The customs authorities may provide that the postal administration shall be considered as the declarant and, where applicable, as the debtor.

3 For the purposes of paragraph 1, goods not liable to duty shall be considered to have been presented to customs within the meaning of Article 63 of the Code, the customs declaration to have been accepted and release granted:

- a in the case of imports, when the goods are delivered to the consignee;
- b in the case of exports, when the goods are accepted by the postal authorities.

4 Where a consignment sent by letter or parcel post which is not exempt from the obligation to be conveyed to customs in accordance with provisions pursuant to Article 38 (4) of the Code is presented without a C1 and/or C2/CP3 declaration or where such declaration is incomplete, the customs authorities shall determine the form in which the customs declaration is to be made or supplemented.

Article 238

Article 237 shall not apply:

- to consignments containing goods for commercial purposes of an aggregate value exceeding the statistical threshold laid down by the Community provisions in force; the customs authorities may lay down higher thresholds,
- to consignments containing goods for commercial purposes which form part of a regular series of like operations,
- where a customs declaration is made in writing, orally or using a data-processing technique,
- to consignments containing the goods referred to in Article 235.

TITLE VIII

EXAMINATION OF THE GOODS, FINDINGS OF THE CUSTOMS OFFICE AND OTHER MEASURES TAKEN BY THE CUSTOMS OFFICE

Article 239

1 The goods shall be examined in the places designated and during the hours appointed for that purpose by the customs authorities.

2 However, the customs authorities may, at the request of the declarant, authorize the examination of goods in places or during hours other than those referred to in paragraph 1.

Any costs involved shall be borne by the declarant.

Article 240

1 Where the customs authorities elect to examine goods they shall so inform the declarant or his representative.

2 Where they decide to examine a part of the goods only, the customs authorities shall inform the declarant or his representative which items they wish to examine. The customs authorities' choice shall be final.

Article 241

1 The declarant or the person designated by him to be present at the examination of the goods shall render the customs authorities the assistance required to facilitate their work. Should the customs authorities consider the assistance rendered unsatisfactory, they may require the declarant to designate another person able to give the necessary assistance.

2 Where the declarant refuses to be present at the examination of the goods or to designate a person able to give the assistance which the customs authorities consider necessary, the said authorities shall set a deadline for compliance, unless they consider that such an examination may be dispensed with.

If, on expiry of the deadline, the declarant has not complied with the requirements of the customs authorities, the latter, for the purpose of applying Article 75 (a) of the Code, shall proceed with the examination of the goods, at the declarant's risk and expense, calling if necessary on the services of an expert or any other person designated in accordance with the provisions in force.

3 The findings made by the customs authorities during the examination carried out under the conditions referred to in the preceding paragraph shall have the same validity as if the examination had been carried out in the presence of the declarant.

4 Instead of the measures laid down in paragraphs 2 and 3, the customs authorities shall have the option of deeming a declaration invalid where it is clear that the declarant's refusal to be present at the examination of the goods or to designate a person able to give the necessary assistance neither prevents, nor seeks to prevent, those authorities from finding that the rules governing the entry of the goods for the customs procedure concerned have been breached, and neither evades, nor seeks to evade, the provisions of Article 66 (1) or Article 80 (2) of the Code.

Article 242

1 Where the customs authorities decide to take samples, they shall so inform the declarant or his representative.

2 Samples shall be taken by the customs authorities themselves. However, they may ask that this be done under their supervision by the declarant or a person designated by him.

Samples shall be taken in accordance with the methods laid down in the provisions in force.

3 The quantities taken as samples should not exceed what is needed for analysis or more detailed examination, including possible check analysis.

Article 243

1 The declarant or the person designated by him to be present at the taking of samples shall render the customs authorities all the assistance needed to facilitate the operation.

2 Where the declarant refuses to be present at the taking of samples or to designate a person to attend, or where he fails to render the customs authorities all the assistance needed to facilitate the operation, the provisions of Article 241 (1), (2) and (3) shall apply.

Article 244

Where the customs authorities take samples for analysis or more detailed examination, they shall authorize the release of the goods in question without waiting for the results of the analysis or examination, unless there are other grounds for not doing so, and provided that, where a customs debt has been or is likely to be incurred, the duties in question have already been entered in the accounts and paid or secured.

Article 245

1 The quantities taken by the customs office as samples shall not be deducted from the quantity declared.

2 Where an export or outward processing declaration is concerned, the declarant shall be authorized, where circumstances permit, to replace the quantities of goods taken as samples by identical goods, in order to make up the consignment.

Article 246

1 Unless destroyed by the analysis or more detailed examination, the samples taken shall be returned to the declarant at his request and expense once they no longer need to be kept by the customs authorities, in particular after all the declarant's means of appeal against the decision taken by the customs authorities on the basis of the results of that analysis or more detailed examination have been exhausted.

2 Where the declarant does not ask for samples to be returned, they may either be destroyed or kept by the customs authorities. In specific cases, however, the customs authorities may require the declarant to remove any samples that remain.

Article 247

1 Where the customs authorities verify the declarations and accompanying documents or examine the goods, they shall indicate, at least in the copy of the declaration retained by the said authorities, or in a document attached thereto, the basis and results of any such verification or examination. In the case of partial examination of the goods, particulars of the consignment examined shall also be given.

Where appropriate, the customs authorities shall also indicate in the declaration that the declarant or his representative was absent.

2 Should the result of the verification of the declaration and accompanying documents or examination of the goods not be in accordance with the particulars given in the declaration, the customs authorities shall specify, at least in the copy of the declaration retained by the said authorities, or in a document attached thereto, the particulars to be taken into account for the purposes of the application of charges on the goods in question and, where appropriate, calculating any refunds or other amounts payable on exportation, and for applying the other provisions governing the customs procedure for which the goods are entered.

3 The findings of the customs authorities shall indicate, where appropriate, the means of identification adopted. They shall be dated and bear the particulars needed to identify the official issuing them.

4 Where the customs authorities neither verify the declaration nor examine the goods, they need not endorse the declaration or attached document referred to in paragraph 1.

Article 248

1 The granting of release shall give rise to the entry in the accounts of the import duties determined according to the particulars in the declaration. Where the customs authorities consider that the checks which they have undertaken may enable an amount of customs duties higher than that resulting from the particulars made in the declaration to be assessed, they shall further require the lodging of a security sufficient to cover the difference between the amount according to the particulars in the declaration and the amount which may finally be payable on the goods. However, the declarant may request the immediate entry in the accounts of the amount of duties to which the goods may ultimately be liable instead of lodging this security.

2 Where, on the basis of the checks which they have carried out, the customs authorities assess an amount of import duties different from the amount which results from the particulars in the declaration, the release of the goods shall give rise to the immediate entry in the accounts of the amount thus assessed.

3 Where the customs authorities have doubts about whether or not a prohibition or restriction applies and this cannot be resolved until the results of the checks the authorities have carried out are available, the goods in question cannot be released.

Article 249

1 The customs authorities shall determine the form of release, taking due account of the place in which the goods are located and of the special arrangements for their supervision.

2 Where the declaration is made in writing, a reference to the release and its date shall be made on the declaration or, where applicable, a document attached, and a copy shall be returned to the declarant.

Article 250

1 Where the customs authorities have been unable to grant release for one of the reasons specified in the second or third indent of Article 75 (a) of the Code, they shall give the declarant a time limit to regularize the situation of the goods.

2 Where, in the circumstances referred to in the second indent of Article 75 (a) of the Code, the declarant has not produced the requisite documents within the time limit referred to in paragraph 1, the declaration in question shall be deemed invalid and the customs office shall cancel it. The provisions of Article 66 (3) of the Code shall apply.

3 In the circumstances referred to in the third indent of Article 75 (a) of the Code, and without prejudice to any measures taken under the first subparagraph of Article 66 (1) or Article 182 of the Code, where the declarant has neither paid nor guaranteed the duties due within the time limit referred to in paragraph 1, the customs authorities may start the preliminary formalities for the sale of the goods. In this case the goods shall be sold unless the requisite conditions have been fulfilled in the interim, if necessary by forced sale where the law of the Member State of the authorities in question so permits. The customs authorities shall inform the declarant thereof.

The customs authorities may, at the risk and expense of the declarant, transfer the goods in question to special premises under their supervision.

Article 251

By way of derogation from Article 66 (2) of the Code, a customs declaration may be invalidated after the goods have been released, as provided below:

1. where it is established that the goods have been declared in error for a customs procedure entailing the payment of import duties instead of being placed under another customs procedure, the customs authorities shall invalidate the declaration if a request to that effect is made within three months of the date of acceptance of the declaration provided that:
 - any use of the goods has not contravened the conditions of the customs procedure under which they should have been placed,
 - when the goods were declared, they were intended to be placed under another customs procedure, all the requirements of which they fulfilled, and
 - the goods are immediately entered for the customs procedure for which they were actually intended.

The declaration placing the goods under the latter customs procedure shall take effect from the date of acceptance of the invalidated declaration.

The customs authorities may permit the three-month period to be exceeded in duly substantiated exceptional cases;

2. where the goods have been declared for export or for the outward processing procedure, the declaration shall be invalidated provided that:
 - (a) in the case of goods which are subject to export duty, to an application for the repayment of import duty, to refunds or other export amounts or to other special measures on export:
 - the declarant provides the customs office of export with evidence that the goods have not left the customs territory of the Community,

Status: This is the original version (as it was originally adopted).

- the declarant returns to the said office all copies of the customs declaration, together with any other documents issued to him on acceptance of the declaration,
- the declarant provides the customs office of export with evidence that any refunds and other amounts granted on the strength of the export declaration for the goods in question have been repaid or that the necessary measures have been taken by the departments concerned to ensure that they are not paid, and
- the declarant, in accordance with the provisions in force, complies with any other obligations laid down by the customs office of export to regularize the position of the goods.

Invalidation of the declaration shall entail cancellation of any adjustments made on an export licence or advance-fixing certificate presented in support of the declaration.

Where the goods declared for export are required to leave the customs territory of the Community by a specified time limit, failure to comply with that time limit shall entail invalidation of the relevant declaration;

- (b) in the case of other goods, the customs office of export has been informed in accordance with Article 796 that the goods declared have not left the customs territory of the Community.
3. In so far as the re-export of the goods entails the lodging of a declaration, (2) above shall apply *mutatis mutandis*.
 4. Where Community goods have been placed under the customs warehousing procedure within the meaning of Article 98 (1) (b) of the Code, invalidation of the declaration of entry for that procedure may be requested and effected provided that the measures provided for in the relevant legislation in the event of failure to comply with the treatment or use prescribed have been taken.

If, on the expiry of the period laid down for the goods to remain under the customs warehousing procedure, no application has been made for their assignment to a treatment or use provided for in the relevant legislation, the customs authorities shall take the measures provided for in that legislation.

Article 252

Where the customs authorities sell the goods pursuant to Article 75 of the Code, this shall be done in accordance with Article 188.

TITLE IX

SIMPLIFIED PROCEDURES

CHAPTER 1

Definitions*Article 253*

1 The procedure for incomplete declarations shall allow the customs authorities to accept, in a duly justified case, a declaration which does not contain all the particulars required, or which is not accompanied by all documents necessary for the customs procedure in question.

2 The simplified declaration procedure shall enable goods to be entered for the customs procedure in question on presentation of a simplified declaration with subsequent presentation of a supplementary declaration which may be of a general, periodic or recapulative nature, as appropriate.

3 The local clearance procedure shall enable the entry of goods for the customs procedure in question to be carried out at the premises of the person concerned or at other places designated or approved by the customs authorities.

CHAPTER 2

Declarations for release for free circulation

Section 1

Incomplete declarations*Article 254*

Declarations for release for free circulation which the customs authorities may accept, at the declarant's request, without their containing certain of the particulars referred to in Annex 37 shall contain at least the particulars referred to in Box 1 (first and second subdivisions), 14, 21, 31, 37, 40 and 54 of the Single Administrative Document and:

- a description of the goods in terms that are sufficiently precise to enable the customs authorities to determine immediately and unambiguously the combined nomenclature heading or subheading concerned,
- where the goods are liable to *ad valorem* duties, their value for customs purposes, or, where it appears that the declarant is not in a position to declare this value, a provisional indication of value which is considered acceptable by the customs authorities, due account being taken in particular of the information available to the declarant,
- any further particulars considered necessary by the customs authorities in order to identify the goods, implement the provisions governing their release for free circulation and determine the amount of any security required before the goods may be released.

Article 255

1 Declarations for release for free circulation which the customs authorities may accept at the declarant's request without their being accompanied by certain of the necessary supporting documents shall be accompanied at least by those documents which must be produced before the goods declared can be released for free circulation.

2 By way of derogation from paragraph 1, a declaration not accompanied by one or more of the documents required before the goods can be released for free circulation may be accepted once it is established to the satisfaction of the customs authorities that:

- a the document concerned exists and is valid;
- b it could not be annexed to the declaration for reasons beyond the declarant's control;
- c any delay in accepting the declaration would prevent the release of the goods for free circulation or make them liable to a higher rate of duty.

Data relating to missing documents shall in all cases be indicated in the declaration.

Article 256

1 The period allowed by the customs authorities to the declarant for the communication of particulars or production of documents missing at the time when the declaration was accepted may not exceed one month from the date of such acceptance.

In the case of a document required for the application of a reduced or zero rate of import duty, where the customs authorities have good reason to believe that the goods covered by the incomplete declaration may qualify for such reduced or zero rate of duty, a further period may, at the declarant's request, be allowed for the production of the document in question. Such additional period may not exceed three months.

Where the missing particulars to be communicated or documents to be supplied concern customs value, the customs authorities may, where this proves absolutely necessary, set a longer time limit or extend the period previously set. The total period allowed shall take account of the prescribed periods in force.

2 Where a reduced or zero rate of import duty is applicable to goods released for free circulation only within certain tariff quotas or ceilings, the goods may be charged against the authorized limits only when the document on which the granting of the reduced or zero rate is conditional is actually produced. The document must in any case be produced:

- before the date on which a Community measure re-establishes the levying of normal import duties, in the case of tariff ceilings,
- before the limits laid down have been reached, in the case of tariff quotas.

3 Subject to paragraphs 1 and 2, the document on whose presentation the granting of the reduced or zero rate of import duty is conditional may be produced after the expiry date of the period for which the reduced or zero rate was set, provided the declaration in respect of the goods in question was accepted before that date.

Article 257

1 The customs authorities' acceptance of an incomplete declaration shall not prevent or delay the release of the goods thus declared, unless other grounds exist for so doing. Without prejudice to the provisions of Article 248, release shall take place in accordance with the conditions laid down in paragraphs 2 to 5 below.

2 Where the late production of particulars or of a supporting document missing at the time when a declaration is accepted cannot affect the amount of duties to which the goods

covered by the said declaration are liable, the customs authorities shall immediately enter in the accounts the sum payable, calculated in the usual manner.

3 Where, pursuant to Article 254, a declaration contains a provisional indication of value, the customs authorities shall:

- enter immediately in the accounts the amount of duties determined on the basis of this indication,
- require, if necessary, the lodging of a security adequate to cover the difference between that amount and the amount to which the goods may ultimately be liable.

4 Where, in circumstances other than those referred to in paragraph 3, the late production of particulars or of a supporting document missing at the time when a declaration is accepted may affect the amount of duties to which the goods covered by the said declaration are liable:

- a if late production of any missing particulars or document may lead to the application of duty at a reduced rate, the customs authorities shall:
 - immediately enter in the accounts the import duties payable at the reduced rate,
 - require the lodging of a security covering the difference between that sum and the sum which would be payable were the import duties on the goods in question calculated at the normal rate;
- b if the late production of any missing particulars or document may lead to admission of the goods with total relief from duties, the customs authorities shall require the lodging of a security covering the amount which would be payable were the duties charged at the normal rate.

5 Without prejudice to any subsequent changes which may arise, particularly as a result of the final determination of the customs value, the declarant shall have the option, instead of lodging a security, of requesting the immediate entry in the accounts:

- where the second indent of paragraph 3 or the second indent of paragraph 4 (a) applies, of the amount of duties to which the goods may ultimately be liable, or
- where paragraph 4 (b) applies, of the amount of duties calculated at the normal rate.

Article 258

If, at the expiry of the period referred to in Article 256, the declarant has not supplied the details necessary for the final determination of the customs value of the goods, or has failed to provide the missing particulars or documents, the customs authorities shall immediately enter in the accounts as duties to which the goods in question are subject the amount of the security provided in accordance with the provisions of the second indent of Article 257 (3), the second indent of Article 257 (4) (a) or Article 257 (4) (b).

Article 259

An incomplete declaration accepted under the conditions set out in Articles 254 to 257 may be either completed by the declarant or, by agreement with the customs authorities, replaced by another declaration which complies with the conditions laid down in Article 62 of the Code.

In both cases, the operative date for the fixing of any duties and the application of other provisions governing the release of goods for free circulation shall be the date of acceptance of the incomplete declaration.

Section 2

Simplified declaration procedure

Article 260

1 The declarant shall, upon written request containing all the necessary information, be authorized in accordance with the conditions and in the manner laid down in Articles 261 and 262, to make the declaration for release for free circulation in a simplified form when goods are presented to customs.

2 Such simplified declaration may be in the form

- either of an incomplete declaration on a Single-Administrative Document, or
- of an administrative or commercial document, accompanied by a request for release for free circulation.

It shall contain at least the particulars necessary for identification of the goods.

3 Where circumstances permit, the customs authorities may allow the request for release for free circulation referred to in the second indent of paragraph 2 to be replaced by a general request in respect of release operations to take place over a given period. A reference to the authorization granted in response to such general request shall be entered on the commercial or administrative document presented pursuant to paragraph 1.

4 The simplified declaration shall be accompanied by all documents the production of which may be required to secure the release of the goods for free circulation. Article 255 (2) shall apply.

5 This Article shall be without prejudice to Article 278.

Article 261

1 The authorization referred to in Article 260 shall be granted to the declarant on condition that it is possible to guarantee an effective check on compliance with import prohibitions or restrictions or other provisions governing release for free circulation.

2 Such authorization shall in principle be refused where the person who has made the request:

- has committed a serious infringement or repeated infringements of customs rules,
- declares goods for release for free circulation only occasionally.

It may be refused where the person in question is acting on behalf of another person who declares goods for release for free circulation only occasionally.

3 Without prejudice to Article 9 of the Code, the authorization may be revoked where the cases referred to in paragraph 2 arise.

Article 262

1 The authorization referred to in Article 260 shall:

- designate the customs office(s) competent to accept simplified declarations,
- specify the form and content of the simplified declarations,
- specify the goods to which it applies and the particulars which must appear on the simplified declaration for the purposes of identifying the goods,
- make reference to the security to be provided by the person concerned to cover any customs debt which may arise.

It shall also specify the form and content of the supplementary declarations, and shall set the time limits within which they must be lodged with the customs authority designated for this purpose.

2 The customs authorities may waive the presentation of the supplementary declaration where the simplified declaration concerns goods the value of which is below the statistical threshold laid down by the Community provisions in force and the simplified declaration already contains all the information needed for release for free circulation.

Section 3

Local clearance procedure

Article 263

Authorization to use the local clearance procedure shall be granted in accordance with the conditions and in the manner laid down in Articles 264 to 266 to any person wishing to have goods released for free circulation at his premises or at the other places referred to in Article 253 and who submits to the customs authorities a written request to this end containing all the particulars necessary for the grant of the authorization:

- in respect of goods subject either to the Community or common transit procedure and for which the person referred to above is authorized to use the simplified procedures to be carried out at the office of destination in accordance with Articles 406 to 409,
- in respect of goods previously placed under a customs procedure with economic impact, without prejudice to Article 278,
- in respect of goods which, after having been presented to customs pursuant to Article 40 of the Code, are consigned to those premises or places in accordance with a transit procedure other than that referred to in the first indent,
- in respect of goods which are brought into the customs territory of the Community with an exemption from the requirement that they be presented to customs, pursuant to Article 41 (b) of the Code.

Article 264

- 1 The authorization referred to in Article 263 shall be granted provided that:
- the applicant's records enable the customs authorities to carry out effective checks, in particular retrospective checks,
 - it is possible to guarantee an effective check on compliance with import or export prohibitions or restrictions or any other provisions governing release for free circulation.
- 2 Authorization shall in principle be refused where the applicant:
- has committed a serious infringement or repeated infringements of customs rules,
 - declares goods for release for free circulation only occasionally.

Article 265

- 1 Without prejudice to Article 9 of the Code, the customs authorities may refrain from revoking the authorization when:
- the holder fulfils his obligations within any time limit set by them, or
 - the failure to fulfil an obligation is without any real consequence for the correct operation of the procedure.

2 An authorization shall in principle be revoked where the case referred to in the first indent of Article 264 (2) arises.

3 An authorization may be revoked where the case referred to in the second indent of Article 264 (2) arises.

Article 266

1 To enable the customs authorities to satisfy themselves as to the proper conduct of operations, the holder of the authorization referred to in Article 263 shall, upon arrival of the goods at the place designated for that purpose:

- a duly notify the customs authorities of such arrival in the form and manner specified by them for the purpose of obtaining release of the goods;
- b enter the said goods in his records. Such entry may be replaced by any other formality offering similar guarantees stipulated by the customs authorities. The entry shall indicate the date on which it is made and the particulars necessary for identification of the goods;
- c make available to the customs authorities all documents the production of which may be required for the application of the provisions governing the release of goods for free circulation.

2 On condition that checks on the proper conduct of operations are not thereby affected, the customs authorities may:

- a permit the notification referred to in paragraph 1 (a) to be effected as soon as the arrival of the goods becomes imminent;
- b in certain special circumstances, where the nature of the goods in question and the rapid turnover so warrant, exempt the holder of the authorization from the requirement to notify the competent customs office of each arrival of goods, provided that he supplies the said office with all the information it considers necessary to enable it to exercise its right to examine the goods should the need arise.

In this case, entry of the goods in the records of the person concerned shall be equivalent to release.

Article 267

The authorization referred to in Article 263 shall lay down the specific rules for the operation of the procedure and in particular shall stipulate:

- the goods to which it applies,
- the form of the obligations referred to in Article 266 and the reference to the guarantee to be provided by the person concerned,
- the time of release of the goods,
- the time limit within which the supplementary declaration must be lodged with the competent customs office designated for that purpose,
- the conditions under which goods are to be covered by general, periodic or recapitulative declarations, as appropriate.

CHAPTER 3

Declarations for a customs procedure with economic impact

Section 1

Entry for a customs procedure with economic impact

Subsection 1

Entry for the customs warehousing procedure

A.

Incomplete declarations

Article 268

1 Declarations for the customs warehousing procedure which the customs office of entry may accept at the declarant's request without their containing some of the particulars referred to in Annex 37 shall contain at least the particulars necessary for identification of the goods to which the declaration relates, including their quantity.

2 Articles 255, 256 and 259 shall apply *mutatis mutandis*.

3 This Article shall not apply to declarations for the procedure for the Community agricultural products referred to in Articles 529 to 534.

B.

Simplified declaration procedure

Article 269

1 The declarant shall, upon request, be authorized, in accordance with the conditions and in the manner laid down in Article 270, to make the declaration of entry for the procedure in a simplified form when goods are presented to customs.

Such simplified declaration may be in the form:

- either of an incomplete declaration of the type referred to in Article 268, or
- of an administrative or commercial document, accompanied by a request for entry for the procedure;

It shall contain the particulars referred to in Article 268 (1).

2 Where this procedure is applied in a type D warehouse the simplified declaration shall also include the nature of the goods concerned, in sufficient detail to permit their immediate and unambiguous classification, and their customs value.

3 The procedure of paragraph 1 shall not apply to type B and F warehouses nor to the entry of the Community agricultural products referred to in Articles 529 to 534 for the procedure in any type of warehouse.

Article 270

1 The application referred to in Article 269 (1) shall be made in writing and contain all the particulars necessary for the grant of the authorization.

Where circumstances permit, the application referred to in Article 269 (1) may be replaced by a general request in respect of operations to take place over a given period.

In this case the application shall be made under the conditions laid down in Articles 497 to 502 and shall be submitted with the application to operate the customs warehouse or as a modification to the initial authorization, to the customs authority which issued the authorization for the procedure.

2 The authorization referred to in Article 269 (1) shall be granted to the person concerned provided that the proper conduct of operations is not thereby affected.

3 Such authorization shall in principle be refused where:

- the guarantees necessary for the proper conduct of operations are not given,
- the person concerned enters goods for the procedure only occasionally,
- the person concerned has committed a serious infringement or repeated infringements of customs rules.

4 Without prejudice to Article 9 of the Code, the authorization may be revoked where the cases referred to in paragraph 3 arise.

Article 271

The authorization referred to in Article 269 (1) shall lay down the specific rules for the operation of the procedure, including:

- the office(s) of entry for the procedure,
- the form and content of the simplified declarations.

A supplementary declaration need not be provided.

C.

Local clearance procedure

Article 272

1 Authorization to use the local clearance procedure shall be granted according to the conditions and in the manner laid down in paragraph 2 and Articles 273 and 274.

2 Article 269 (2) and Article 270 shall apply *mutatis mutandis*.

Article 273

1 In order to allow the customs authorities to ensure the proper conduct of operations, the holder of by the authorization shall, upon arrival of the goods at the place designated for that purpose:

- a duly notify such arrival to the supervising office in the form and manner specified by it;
- b to make entries in the stock records;
- c keep at the disposal of the supervising office all documents concerning the entry of the goods for the procedure.

The entry in the stock records referred to in (b) shall contain at least some of the particulars used to identify the goods commercially, including their quantity.

2 Article 266 (2) shall apply.

Article 274

The authorization referred to in Article 272 (1) shall lay down the specific rules for the operation of the procedure and shall specify in particular:

- the goods to which it applies,
- the form of the obligations referred to in Article 273,
- the time of release of the goods.

A supplementary declaration need not be required.

Subsection 2

Entry for the inward processing, processing under customs control or temporary importation procedures

A.

Incomplete declarations

Article 275

1 Declarations of entry for a customs procedure with economic impact other than outward processing and customs warehousing which the customs office of entry for the procedure may accept at the declarant's request without their containing some of the particulars referred to in Annex 37 or without their being accompanied by certain documents referred to in Article 220 shall contain at least the particulars referred to in Box 14, 21, 31, 37, 40 and 54 of the Single Administrative Document and in Box 44, the reference to the authorization or:

- the reference to the request, where the second subparagraph of Article 556 (1), applies, or
- the information referred to in Articles 568 (3), 656 (3) or 695 (3) where it may be inserted in this box when the simplified procedures for issue of an authorization are applicable.

2 Articles 255, 256 and 259 shall apply *mutatis mutandis*.

3 In cases of entry for the inward processing procedure, drawback system, Articles 257 and 258 shall also apply *mutatis mutandis*.

B.

Simplified declaration and local clearance procedures

Article 276

The provisions of Articles 260 to 267 and of Article 270 shall apply *mutatis mutandis* to goods declared for the customs procedures with economic impact covered by this subsection.

Subsection 3

Goods declared for the outward processing procedure

Article 277

The provisions of Articles 279 to 289 applying to goods declared for export shall apply *mutatis mutandis* to goods declared for export under the outward processing procedure.

Section 2

Discharge of a customs procedure with economic impact

Article 278

1 In cases of discharge of a customs procedure with economic impact other than the outward processing and customs warehousing procedures, the simplified procedures for release for free circulation, export and re-exportation may be applied. In the case of re-exportation, the provisions of Articles 279 to 289 shall apply *mutatis mutandis*.

2 The simplified procedures referred to in Articles 254 to 267 may be applied to release of goods for free circulation under the outward processing procedure.

3 In cases of discharge of the customs warehousing procedure, the simplified procedures for release for free circulation, export or re-export may be applied.

However:

- a for goods entered for the procedure in a type F warehouse no simplified procedure may be authorized;
- b for goods entered for the procedure in a type B warehouse only incomplete declarations and the simplified declaration procedure shall apply;
- c issue of an authorization for a type D warehouse shall entail the automatic application of the local clearance procedure for release for free circulation.

However, in cases where the person concerned wishes to benefit from application of items of charge which cannot be checked without a physical examination of the goods, this procedure may not be applied. In this case, other procedures involving presentation of the goods to customs may be used;

- d no simplified procedure shall apply for Community agricultural goods entered for the customs warehousing procedure pursuant to Articles 529 to 534.

CHAPTER 4

Export declarations

Article 279

The formalities to be carried out at the customs office of export as provided for in Article 792 may be simplified in accordance with the provisions of this Chapter.

The provisions of Articles 793 and 796 shall apply to this Chapter.

Section 1

Incomplete declarations*Article 280*

1 Export declarations which the customs office may accept, at the declarant's request, without their containing certain of the particulars referred to in Annex 37 shall contain at least the particulars referred to in boxes 1 (first subdivision), 2, 14, 17, 31, 33, 38, 44 and 54 of the Single Administrative Document and:

- where the goods are liable for export duties or subject to any other measures provided for under the common agricultural policy, all the information required for the proper application of such duties or measures,
- any further information considered necessary in order to identify the goods, apply the provisions governing their export or determine the amount of any security required before the goods may be exported.

2 The customs authorities may allow the declarant not to complete boxes 17 and 33 on condition he declares that export of the goods in question is not subject to prohibitions or restrictions and the customs authorities have no reason for doubt in this respect and that the description of the goods allows the combined nomenclature classification to be determined immediately and unambiguously.

3 Copy No 3 shall include one of the following endorsements in box 44:

- Exportación simplificada
- Forenklet udførsel
- Vereinfachte Ausfuhr
- Απλουστευμένη εξαγωγή
- Simplified exportation
- Exportation simplifiée
- Esportazione semplificata
- Vereenvoudigde uitvoer
- Exportação simplificada.

4 Articles 255 to 259 shall apply *mutatis mutandis* to export declarations.

Article 281

Where Article 789 applies, the supplementary or replacement declaration may be lodged at the customs office responsible for the place where the exporter is established. Where the sub-contractor is established in a Member State other than where the exporter is established, this possibility shall only apply on condition that agreements have been made between the administrations of the Member States concerned.

The incomplete declaration shall include the office where the supplementary declaration will be lodged. The customs office where the incomplete declaration is lodged shall send copy Nos 1 and 2 to the customs office where the supplementary declaration or replacement declaration is lodged.

Section 2

Simplified declaration procedure

Article 282

1 On written request containing all the information required for the authorization to be granted, the declarant shall be authorized, under the conditions and in the manner laid down in Articles 261 and 262 applied *mutatis mutandis*, to make the export declaration in a simplified form when goods are presented to customs.

2 Without prejudice to Article 288, the simplified declaration shall take the form of the incomplete Single Administrative Document containing at least the particulars necessary for identification of the goods. Paragraphs 3 and 4 of Article 280 shall apply *mutatis mutandis*.

Section 3

Local clearance procedure

Article 283

On written request, authorization to use the local clearance procedure shall be granted under the conditions and in the manner laid down in Article 284 to any person, hereinafter referred to as an 'approved exporter', wishing to carry out export procedures at his premises or at the other places designated or approved by the customs authorities.

Article 284

Articles 264 and 265 shall apply *mutatis mutandis*.

Article 285

1 To enable the customs authorities to satisfy themselves as to the proper conduct of operations, the approved exporter shall, before removal of the goods from the places referred to in Article 283:

- a duly notify the customs authorities of such removal in the form and manner specified by them for the purpose of obtaining release of the goods;
- b enter the said goods in his records. Such entry may be replaced by any other formality offering similar guarantees stipulated by the customs authorities. The entry shall indicate the date on which it is made and the particulars necessary for identification of the goods;
- c make available to the customs authorities any documents the presentation of which may be required for application of the provisions governing export of the goods.

2 In certain particular circumstances justified by the nature of the goods in question and the rapid turnover of export operations, the customs authorities may exempt the approved exporter from the requirement to notify the competent customs office of each removal of goods, provided that he supplies the said office with all the information it considers necessary to enable it to exercise its right to examine the goods should the need arise.

In this case, entry of the goods in the records of the approved exporter shall be equivalent to release.

Article 286

1 To check that the goods have actually left the customs territory of the Community, Copy No 3 of the Single Administrative Document shall be used as evidence of exit.

The authorization shall stipulate that Copy No 3 of the Single Administrative Document be authenticated in advance.

2 Prior authentication may be effected in one of the following ways:

- a box A may be stamped in advance with the stamp of the competent customs office, and signed by an official from that office;
- b the approved exporter may stamp the declaration using a special stamp conforming to the model shown in Annex 62.

The imprint of this stamp may be preprinted on the forms where the printing is entrusted to a printer approved for that purpose.

3 Before the departure of the goods the approved exporter shall:

- carry out the procedures referred to in Article 285;
- indicate on Copy No 3 of the Single Administrative Document the reference to entry in his records and the date on which this was done.

4 Box 44 of Copy No 3, completed in accordance with paragraph 2, shall include:

- the number of the authorization and the name of the issuing customs office;
- one of the endorsements referred to in Article 280 (3).

Article 287

1 The authorization referred to in Article 283 shall lay down the specific rules for the operation of the procedure and in particular shall stipulate:

- the goods to which it applies,
- the form of the obligations referred to in Article 285,
- the time of release of the goods,
- the content of Copy No 3 and the means by which it is to be validated,
- the procedure for presenting the supplementary declaration and the time limit within which it must be lodged.

2 The authorization shall include an undertaking by the approved exporter to take all necessary measures to ensure the safekeeping of the special stamp or of the forms bearing the imprint of the stamp of the customs office of export or the imprint of the special stamp.

Section 4

Provisions common to Sections 2 and 3

Article 288

1 Instead of the Single Administrative Document, Member States may allow a commercial or administrative document or any other medium to be used where the whole of an export operation is carried out on the territory of a single Member State, or whenever this possibility is provided for by means of agreements concluded between the administrations of the Member States concerned.

2 The document or medium referred to in paragraph 1 shall contain at least the particulars necessary for identification of the goods plus one of the endorsements referred to in Article 280 (3) and it shall be accompanied by a request for export.

Where circumstances so permit, the customs authorities may allow this request to be replaced by a global request covering export operations to be carried out over a given period. A reference to the authorization shall be made on the document or medium in question.

3 The commercial or administrative document shall be evidence of exit from the customs territory of the Community in the same way as Copy No 3 of the Single Administrative Document. Where other media are used, the arrangements for the exit endorsement shall be defined, where appropriate, in the agreement concluded between the administrations of the Member States concerned.

Article 289

Where the whole of an export operation takes place on the territory of a single Member State, that Member State may, in addition to the procedures referred to in Sections 2 and 3 and while ensuring compliance with Community policies, provide for other simplifications.

PART II

CUSTOMS-APPROVED TREATMENT OR USE

TITLE I

RELEASE FOR FREE CIRCULATION

CHAPTER 1

General provisions

Article 290

1 Where Community goods are exported under an ATA carnet in conformity with Article 797, those goods may be released for free circulation on the basis of the ATA carnet.

2 In this case, the office where the goods are released for free circulation shall carry out the following formalities:

- a verify the information given in boxes A to G of the reimportation voucher;
- b complete the counterfoil and box H of the reimportation sheet;
- c retain the reimportation voucher.

3 Where the formalities discharging a temporary export operation in respect of Community goods are carried out a customs office other than the office where the goods enter the customs territory of the Community, conveyance of the goods from that office to the office where the said formalities are carried out shall require no formality.

CHAPTER 2

Admission of goods with favourable tariff treatment by reason of their end-use

Section 1

Goods other than horses for slaughter

Article 291

1 The admission of goods entered for free circulation with favourable tariff treatment by reason of their end-use shall be subject to the granting of written authorization to the person importing the goods or having them imported for free circulation.

2 The said authorization shall be issued at the written request of the person concerned by the customs authorities of the Member State where the goods are declared for free circulation.

3 In the case of the goods listed in Annex 39, the request shall contain *inter alia* the following information:

- a a brief description of the plant to be used for the proposed treatment;
- b the nature of the proposed treatment;
- c the type and quantity of goods to be used;
- d where Additional Notes 4 (n) and 5 to Chapter 27 of the combined nomenclature apply, the type, quantity and tariff description of the goods obtained.

4 The person concerned shall enable the customs authorities to trace the goods to their satisfaction in the establishment or establishments of the undertaking throughout their processing.

Article 292

1 The customs authorities may limit the period of validity of the authorization referred to in Article 291.

2 Where an authorization is revoked the holder shall immediately pay import duties, established in accordance with Article 208 of the Code, in respect of those goods which have not already been assigned to the prescribed end-use.

Article 293

The holder of the authorization shall be obliged:

- (a) to assign the goods to the prescribed end-use;
- (b) to keep records enabling the customs authorities to carry out any checks which they consider necessary to ensure that the goods are actually put to the prescribed end-use, and to retain such records.

Article 294

1 All the goods shall be assigned to the prescribed end-use within one year of the date on which the declaration for free circulation was accepted by the customs authorities.

2 In the case of the goods listed in Annex 40, Part 2, the period referred to in paragraph 1 shall be five years.

3 The periods laid down in paragraphs 1 and 2 may be extended by the customs authorities if the goods have not been assigned to the prescribed end-use on account either of unforeseeable circumstances or *force majeure* or of exigencies inherent in the working or processing of the goods.

4 In the case of goods listed in Annex 39, paragraphs 1 and 3 shall apply save as otherwise provided in Additional Notes 4 (n) and 5 to Chapter 27 of the combined nomenclature.

Article 295

- 1 Goods shall be considered to have been assigned to the end-use in question:
1. in the case of goods which can be used only once, when all the goods have been assigned to the prescribed end-use in accordance with the time limits laid down;
 2. in the case of goods which may be put to repeated use, two years after they are first assigned to the prescribed use; the date of such first assignment shall be entered in the records referred to in Article 293 (b); however:
 - (a) materials listed in Annex 40, Part 1, used by airlines for the maintenance and repair of their aircraft either under the terms of exchange agreements or for their own needs shall be considered to have been assigned to that end-use at the time of their first assignment to the prescribed use;
 - (b) vehicle parts for assembly shall be considered to have been assigned to that end-use when the vehicles are transferred to other persons;
 - (c) goods listed in Annex 40, Part 1, intended for certain classes of aircraft for the purposes of their construction, maintenance, conversion or equipping shall be considered to have been assigned to that end-use when the aircraft is transferred to a person other than the holder of the authorization or again made available to its owner, *inter alia* following maintenance, repair or conversion;
 - (d) goods referred to in Annex 40, Part 2, intended for certain classes of vessel or for drilling or production platforms for the purposes of their construction, repair, maintenance, conversion, fitting or equipping shall be considered to have been assigned to that end-use when the vessel or drilling platform is transferred to a person other than the holder of the authorization or again made available to its owner, *inter alia* after maintenance, repair or conversion;
 - (e) goods referred to in Annex 40, Part 2, supplied directly on board for the purposes of equipping shall be considered to have been put to the end-use at the time of such supply;
 - (f) civil aircraft shall be considered to have been put to the end-use when they are registered in the public records prescribed for that purpose.
- 2 Waste and scrap which result from the working or processing of the goods and losses due to natural wastage shall be considered as goods having been assigned to the end-use.

Article 296

1 In cases of necessity duly substantiated by the holder of the authorization, the customs authorities may allow the goods referred to in this Section to be stored with goods of the same type and quality having the same technical and physical characteristics.

Where goods are stored in this way this Section shall apply to a quantity of goods equivalent to that released for free circulation under this Section.

2 By way of derogation from paragraph 1, the customs authorities may allow goods listed in Annex 39 released for free circulation in accordance with this Section to be stored in a mixture with other goods listed in that Annex or with crude petroleum oils falling within CN code 2709 00 00.

3 Mixed storage of goods referred to in paragraph 2 which are not of the same type and quality and do not have the same technical and physical characteristics may be allowed only where the whole mixture is to undergo one of the treatments referred to in Additional Notes 4 and 5 to Chapter 27 of the combined nomenclature.

Article 297

1 Where goods are transferred within the Community, the transferee must hold an authorization issued in accordance with Article 291.

2 By way of derogation from Article 294, all the goods must have been assigned to the prescribed end-use within a year of the date of transfer; however, this period may be extended as provided for in Article 294 (3).

Article 298

1 Where goods covered by Article 297 are consigned from one Member State to another the T5 control copy provided for in Articles 471 to 495 shall be used subject to the procedure laid down in paragraphs 2 to 8.

2 The consignor shall complete the T5 control copy in sextuplicate (one original and five copies). The copies shall be numbered in an appropriate manner.

The T5 control copy shall include:

- in box A ('Office of departure'), the competent customs office in the Member State of departure,
- in box 2, the name or trading name and full address of the consignor,
- in box 8, the name or trading name and full address of the consignee,
- in the box 'Important note' (below box 14 'Declarant/Representative'), a third indent shall be inserted, between the two present indents reading in 'the case of goods forwarded under "end use" control, the consignor indicated below',
- in boxes 31 and 33, respectively, the description of the goods as at the time of consignment, including the number of items, and the relevant combined nomenclature code,
- in box 38, the net mass of the goods,
- in box 103, the net quantity of the goods in words,
- in box 104, a tick in the box 'Other (specify)', and in block capitals one of the following:
 - DESTINO ESPECIAL: MERCANCIAS QUE DEBEN PONERSE A DISPOSICIÓN DEL CESIONARIO [REGLAMENTO (CEE) No 2454/93, ARTÍCULO 298],
 - SÆRLIGT ANVENDELSESFORMÅL: SKAL STILLES TIL RÅDIGHED FOR ERHVERVEREN (FORORDNING (EØF) Nr. 2454/93, ARTIKEL 298),

Status: This is the original version (as it was originally adopted).

- BESONDERE VERWENDUNG: WAREN SIND DEM ÜBERNEHMER ZUR VERFÜGUNG ZU STELLEN (ARTIKEL 298 DER VERORDNUNG (EWG) Nr. 2454/93),
- ΕΙΔΙΚΟΣ ΠΡΟΟΡΙΣΜΟΣ: ΕΜΠΟΡΕΥΜΑΤΑ ΠΟΥ ΠΡΕΠΕΙ ΝΑ ΤΕΘΟΥΝ ΣΤΗ ΔΙΑΘΕΣΗ ΤΟΥ ΕΚΔΟΧΕΑ [ΚΑΝΟΝΙΣΜΟΣ (ΕΟΚ) αριθ. 2454/93, ΑΡΘΡΟ 298],
- END-USE: GOODS TO BE PLACED AT THE DISPOSAL OF THE TRANSFEREE (REGULATION (EEC) No 2454/93, ARTICLE 298),
- DESTINATION PARTICULIÈRE: MARCHANDISES À METTRE À LA DISPOSITION DU CESSIONNAIRE [RÈGLEMENT (CEE) N° 2454/93, ARTICLE 298],
- DESTINAZIONE PARTICOLARE: MERCI DA METTERE A DISPOSIZIONE DEL CESSIONARIO [REGOLAMENTO (CEE) N. 2454/93, ARTICOLO 298],
- BIJZONDERE BESTEMMING: GOEDEREN TER BESCHIKKING TE STELLEN VAN DE CESSIONARIS (VERORDENING (EEG) Nr. 2454/93, ARTIKEL 298),
- DESTINO ESPECIAL: MERCADORIAS A PÔR À DISPOSIÇÃO DO CESSIONÁRIO [REGULAMENTO (CEE) N° 2454/93, ARTIGO 298°];
- in box 106,
 - (a) in cases where the goods have undergone any working or processing after being put into free circulation, the description of the goods as at the time of their release for free circulation and the appropriate CN code;
 - (b) the registered number and date of the declaration for release for free circulation and the name and address of the customs office where the declaration was made.
- in box E, on the back of the form, ('For use by Member State of departure'):
 - the competent customs office of the Member State of destination,
 - the date of dispatch of the goods.

3 The consignor shall retain the first copy in the records provided for in Article 293 (b) and, before despatching the goods, transmit the second and third copies to the competent customs office in the manner described by the office. He shall send the fourth and fifth copies and the original with the goods to the consignee. The competent customs office shall retain in its records the second copy and shall forward the third copy to the competent customs office of the Member State for the consignee.

4 On receiving the goods, the consignee shall enter them in the records provided for in Article 293 (b), to which he shall attach the original; the fourth copy shall be sent without delay to the competent customs office of the Member State of destination in the manner prescribed by that Member State with an indication of the date of arrival. The consignee shall immediately notify customs of any excess, shortfall, substitution or other irregularity. In addition, he shall forward the fifth copy to the consignor.

5 The consignor's obligations under this Chapter shall pass to the consignee on the date referred to in paragraph 4. Until then, these obligations shall be incumbent on the consignor.

6 Goods consigned under the procedure laid down in this Article shall be presented neither at the office of departure nor the office of destination.

7 The provisions of this Article shall apply equally to goods which in the course of transport between two points within the Community cross the territory of an EFTA country and are reconsigned from that country.

8 The customs authorities of the Member State of departure and the Member State of destination shall carry out periodic checks at the premises of the consignor and the consignee respectively. The consignor and consignee shall cooperate in this and provide any information requested.

Article 299

1 By way of derogation from Article 298, Control Copy T5 need not be used for the transport of materials for the maintenance or repair of aircraft either under the terms of exchange agreements or for airlines' own needs, by airlines engaged in international traffic.

In this case the goods shall be carried under an air waybill or equivalent document in accordance with the conditions laid down in Article 298 (6).

2 The air waybill or equivalent document shall contain at least the following particulars:

- a the name of the consigning airline;
- b the name of the airport of departure;
- c the name of the receiving airline;
- d the name of the airport of destination;
- e the description of the materials;
- f the number of articles.

The particulars referred to in the preceding subparagraph may, alternatively, be given in coded form or by reference to an attached document.

3 The air waybill or equivalent document must bear on its face one of the following indications in block capitals:

- DESTINO ESPECIAL,
- SÆRLIGT ANVENDELSESFORMÅL,
- BESONDERE VERWENDUNG,
- ΕΙΔΙΚΟΣ ΠΡΟΟΡΙΣΜΟΣ,
- END-USE,
- DESTINATION PARTICULIÈRE,
- DESTINAZIONE PARTICOLARE,
- BIJZONDERE BESTEMMING,
- DESTINO ESPECIAL.

4 In each Member State each airline consigning or receiving the materials referred to in paragraph 1 shall make available to the competent customs authorities for the purposes of control the records provided for in Article 293 (b).

5 The consigning airline shall retain a copy of the air waybill or equivalent document as part of its records and shall, in the manner prescribed by the customs authorities of the Member State of departure, make a further copy available to the competent customs office.

The receiving airline shall retain a copy of the air waybill or equivalent document as part of its records and shall, in the manner prescribed by the customs authorities of the Member State of destination, present a further copy to the competent customs office.

6 The intact materials and the copies of the air waybill or equivalent document shall be delivered to the receiving airline in the places specified by the customs authorities in the airline's Member State of residence. The materials shall in addition be entered in the records specified in Article 293 (b).

The delivery of the materials and the copies of the air waybill or equivalent document and the entry referred to in the preceding subparagraph shall take place within five days of the date of departure of the aircraft carrying the materials.

7 The obligations arising under this Article shall pass from the consigning airline to the receiving airline at the time when the intact materials and copies of the air waybill or equivalent document are delivered to the latter.

Article 300

All transfers within a Member State shall be notified to the customs authorities. The form of the notification, the period of time in which it must be made and any other requirements shall be determined by the said authorities. The notification shall state clearly the date of the transfer of the goods.

With effect from this date the transferee shall assume the obligations arising under this Section in respect of the transferred goods.

Article 301

1 At the request of the holder of an authorization issued in accordance with Article 291, the customs authorities shall approve, on conditions which they shall determine, the places, hereinafter called 'land-based operational bases', in which the goods listed in Annex 40, Part 2, Section B, may be stored or subjected to operations of any kind.

2 Without prejudice to Article 298, no formalities other than the appropriate entry in the records provided for in Article 293 (b) shall apply to the movement of goods referred to in paragraph 1:

- a from the land-based operational bases to the platforms, whether they are within or outside territorial waters, and vice versa;
- b where applicable, from the land-based operational bases to the point of shipment of the goods to the platforms and from the point at which goods from the platforms are unloaded to the land-based operational bases;
- c from the point of shipment to the platforms, whether they are within or outside territorial waters, in cases where goods are shipped for delivery to the platforms without going via the land-based operational bases, and vice versa;
- d between platforms, whether they are within or outside territorial waters.

Article 302

1 The customs authorities shall not approve the use of the goods otherwise than as provided for by the favourable tariff treatment referred to in Article 291 unless the holder of the authorization can establish to their satisfaction that it has been impossible for reasons relating to his circumstances or to the goods themselves for the goods to be put to the prescribed end-use.

2 By way of derogation from paragraph 1, in the case of the products listed in Annex 40, Parts 1 and 2, the customs authorities shall approve use of the goods otherwise than as provided for under the favourable tariff treatment if they consider this justified on economic grounds.

3 The approval referred to in the preceding paragraphs shall be conditional on the holder of the authorization paying the amount of import duties established in accordance with Article 208 of the Code.

Article 303

1 The customs authorities shall not approve the export of the goods from the customs territory of the Community or the destruction of the goods under customs supervision unless the holder of the authorization can establish to their satisfaction that it has been impossible for reasons relating to his circumstances or to the goods themselves for the goods to be put to the prescribed end-use.

Where export of the goods from the customs territory of the Community is approved, the goods shall be considered as non-Community goods from the time of acceptance of the export declaration.

Where agricultural products are concerned, box 44 of the Single Administrative Document shall carry one of the following indications in block capitals:

- DESTINO ESPECIAL: MERCANCIAS PREVISTAS PARA LA EXPORTACIÓN [REGLAMENTO (CEE) N° 2454/93, ARTÍCULO 303]: APLICACIÓN DE LOS MONTANTES COMPENSATORIOS MONETARIOS Y RESTITUCIONES AGRARIAS EXCLUIDA,
- SÆRLIGT ANVENDELSESFØRMÅL: VARER BESTEMT TIL UDFØRSEL I (FORORDNING (EØF) Nr. 2454/93, ARTIKEL 303): ANVENDELSE AF MONETÆRE UDLIGNINGSBELØB OG LANDBRUGSRESTITUTIONER ER UDELUKKET,
- BESONDERE VERWENDUNG: ZUR AUSFUHR VORGESEHENE WAREN (ARTIKEL 303 DER VERORDNUNG (EWG) Nr. 2454/93): ANWENDUNG DER WÄHRUNGSAusGLEICHSBETRÄGE UND LANDWIRTSCHAFTLICHEN AUSFUHRERSTATTUNGEN AUSGESCHLOSSEN,
- ΕΙΔΙΚΟΣ ΠΡΟΟΡΙΣΜΟΣ: ΕΜΠΟΡΕΥΜΑΤΑ ΠΟΥ ΠΡΟΟΡΙΖΟΝΤΑΙ ΓΙΑ ΕΞΑΓΩΓΗ [ΚΑΝΟΝΙΣΜΟΣ (ΕΟΚ) αριθ. 2454/93, ΑΡΘΡΟ 303]: ΑΠΟΚΛΕΙΕΤΑΙ Η ΕΦΑΡΜΟΓΗ ΤΩΝ ΝΟΜΙΣΜΑΤΙΚΩΝ ΕΞΙΣΩΤΙΚΩΝ ΠΟΣΩΝ ΚΑΙ ΤΩΝ ΓΕΩΡΓΙΚΩΝ ΕΠΙΣΤΡΟΦΩΝ,
- END-USE: GOODS DESTINED FOR EXPORTATION (REGULATION (EEC) No 2454/93, ARTICLE 303). MONETARY COMPENSATORY AMOUNTS AND AGRICULTURAL REFUNDS NOT APPLICABLE,
- DESTINATION PARTICULIÈRE: MARCHANDISES PRÉVUES POUR L'EXPORTATION [RÈGLEMENT (CEE) N° 2454/93, ARTICLE 303]: APPLICATION DES MONTANTS COMPENSATOIRES MONÉTAIRES ET RESTITUTIONS AGRICOLES EXCLUE,
- DESTINAZIONE PARTICOLARE: MERCI PREVISTE PER L'ESPORTAZIONE [REGOLAMENTO (CEE) N. 2454/93, ARTICOLO 303]: APPLICAZIONE DEI MONTANTI COMPENSATORI MONETARI E RESTITUZIONI AGRICOLE ESCLUSA,
- BIJZONDERE BESTEMMING: VOOR UITVOER BESTEMDE GOEDEREN (VERORDENING (EEG) Nr. 2454/93, ARTIKEL 303): TOEKENNING VAN MONETAIRE COMPENSERENDE BEDRAGEN EN LANDBOUWRESTITUTIES UITGESLOTEN,
- DESTINO ESPECIAL: MERCADORIAS PREVISTAS PARA A EXPORTAÇÃO [REGULAMENTO (CEE) N° 2454/93, ARTIGO 303]: APLICAÇÃO DOS MONTANTES COMPENSATÓRIOS MONETÁRIOS E RESTITUIÇÕES AGRÍCOLAS EXCLUÍDA.

2 By way of derogation from paragraph 1, in the case of the goods listed in Annex 40, Parts 1 and 2, the customs authorities shall approve export of the goods from the customs territory of the Community where this is justified on economic grounds.

3 Paragraph 1 shall not apply to goods stored in a mixture as referred to in Article 296 (3) unless the whole mixture is exported or destroyed.

Article 304

1 Where the import duty applicable under the end-use arrangements to goods for a specific end-use is not lower than that which would otherwise be applicable to the goods, the said goods shall be classified in the CN code referring to the end-use and this Section shall not apply.

2 This Section shall not apply to the goods listed in Annex 41.

Section 2

Horses for slaughter

Article 305

1 The release for free circulation of horses intended for slaughter falling within CN code 0101 19 10 shall be subject to the following conditions:

- a provision of a security covering the customs debt liable to be incurred, in accordance with Article 208 of the Code; and
- b identification of each horse, at the time of release for free circulation to the satisfaction of the customs office, by a clearly legible mark resulting from the removal of hair, by means of scissors or otherwise, from the left shoulder, comprising the mark X to indicate that the horse is intended for slaughter and a number to enable the horse to be identified from the time of release for free circulation to the time of slaughter.

2 The details of the marking shall be shown in the declaration for release of the horses for free circulation. A copy of the declaration shall accompany the horses and shall reach the authority referred to in Article 308 (1).

3 The declarant's obligations are those referred to in Article 293.

Article 306

1 After being released for free circulation, horses shall be taken direct, by means of transport duly sealed by the customs office (without prejudice to any national provisions concerning the breaking and replacement of seals in cases of emergency), to a slaughterhouse recognized by the customs authorities, to be slaughtered.

2 On arrival at the slaughterhouse, the vehicle shall be unsealed and the horses unloaded in the presence of the competent authority.

3 Paragraphs 1 and 2 shall not apply when the customs office where release was granted is in the slaughterhouse, if the horses are immediately taken into the charge of the authority referred to in Article 308 (1).

Moreover, when the customs office where release was granted is in the immediate vicinity of the slaughterhouse, the customs authorities, instead of using seals, may take appropriate supervisory measures to ensure that the horses are transferred directly to the slaughterhouse and are taken into the charge of the authority referred to in Article 308 (1).

Article 307

If a horse cannot be identified on arrival at the slaughterhouse, or if Article 306 has not been complied with, the competent authority shall immediately inform the competent customs office, which shall take the necessary measures.

Article 308

1 Proof that the horses have been slaughtered shall be supplied in the form either of a certificate issued by the authority empowered to do so or of an endorsement added by that authority to the copy of the declaration referred to in Article 305 (2), establishing that the slaughtered animals are those referred to in the declaration for free circulation.

2 Within 30 days of the date of acceptance of the declaration for free circulation, proof of slaughter must reach the customs office where the said declaration was presented, either directly from the authority referred to in paragraph 1 or via the declarant, in accordance with the decision of the Member State concerned.

TITLE II

TRANSIT

CHAPTER 1

*General provisions**Article 309*

For the purposes of this Title:

- (a) *means of transport means*, in particular:
- any road vehicle, trailer or semi-trailer,
 - any railway coach or wagon,
 - any boat or ship,
 - any aircraft,
 - any container within the meaning of Article 670 (g);
- (b) *office of departure* means:
the customs office where the Community transit operation begins;
- (c) *office of transit* means:
- the customs office at the point of exit from the customs territory of the Community when the consignment is leaving that territory in the course of a Community transit operation via a frontier between a Member State and a third country,
 - the customs office at the point of entry into the customs territory of the Community when the goods have crossed the territory of a third country in the course of a Community transit operation;
- (d) *office of destination* means:
the customs office where goods placed under the Community transit procedure must be produced to complete the Community transit operation;

- (e) *office of guarantee* means:
the customs office where a comprehensive or flat-rate guarantee is lodged.

CHAPTER 2

Scope

Article 310

- 1 Community goods:
- which have undergone customs export formalities with a view to the grant of refunds on export to third countries under the common agricultural policy,
 - or
 - in respect of which the repayment or remission of import duties is conditional on their being re-exported from the customs territory of the Community or placed in a customs warehouse, free zone or free warehouse or under any customs procedure other than release for free circulation,
 - or
 - which are released for free circulation under the inward processing procedure, drawback system, with a view to their later export in the form of compensating products and for which an application for repayment may be presented in accordance with Article 128 of the Code, the person concerned having the intention of submitting such an application,
 - or
 - which are subject to a system of export levies and taxes, and have undergone customs formalities on export to third countries under the common agricultural policy,
 - or
 - which come from intervention stocks, are subject to measures of control as to use and/or destination, and have undergone customs formalities on export to third countries under the common agricultural policy,

shall move under the external Community transit procedure in accordance with Article 91 (1) (b) of the Code.

2 Goods referred to in paragraph 1 which have not left the customs territory of the Community shall be treated as Community goods provided it is certified that the export declaration, the customs formalities relating to the Community measures which required the goods to leave the said customs territory, and any effects of those formalities have been cancelled.

Article 311

Without prejudice to Article 310 (1), Community goods which are consigned:

- (a) from one point in the customs territory of the Community to another through the territory of one or more EFTA countries;
- (b) under the administrative cooperation methods intended, during the transitional period, to ensure the free movement, in trade between the Community as constituted on 31 December 1985 and Spain or Portugal, and in trade between those two Member States,

of goods which do not yet benefit from the total abolition of customs duties or other measures laid down in the Act of Accession;

- (c) — from a part of the customs territory of the Community where the provisions of Council Directive 77/388/EEC apply, to another part of the customs territory of the Community where the said provisions do not apply, or,
- from a part of the customs territory of the Community where the provisions of Council Directive 77/388/EEC do not apply, to another part of the customs territory of the Community where the said provisions do apply, or
- from a part of the customs territory of the Community where the provisions of Council Directive 77/388/EEC do not apply, to another part of the customs territory of the Community where the said provisions do not apply either,

shall move under the internal Community transit procedure.

Article 312

Transport of goods to which the Community transit procedure applies may be effected between two points in the customs territory of the Community through the territory of a third country other than an EFTA country under the Community transit procedure provided that transport through that third country is effected under cover of a single transport document drawn up in a Member State; in such case the operation of the procedure shall be suspended in the territory of the third country.

CHAPTER 3

Community status of goods

Article 313

1 Subject to the exceptions listed in paragraph 2, all goods transported between two points in the customs territory of the Community shall be deemed to be Community goods unless it is established that they do not have Community status.

2 The following shall not be deemed to be Community goods unless it is established in accordance with Articles 314 to 323 that they do have Community status:

- a goods moving under cover of one of the documents referred to in Article 163 (2) (b) to (e) of the Code;
- b goods moving between two points in the customs territory of the Community through the territory of a third country;
- c goods transported:
- by air from an airport in a third country to an airport in the customs territory of the Community,
 - by sea from a port in a third country to a port in the customs territory of the Community,
 - by sea from a free zone in a port situated in the customs territory of the Community where they have been taken on board or transhipped for another port in that territory unless it is established, by annotation in the ship's papers by the customs authorities, that the said vessel has come from a part of the port not included in the free zone;
- d goods contained in consignments sent from a post office situated within the customs territory of the Community, where a label conforming to the specimen in Annex 42 is affixed to the packages or the accompanying documents. The customs authorities of the

Member State of dispatch shall be required to affix such a label or cause it to be affixed to the packages and to the accompanying documents if the goods are non-Community goods;

- e goods transported by sea from a port in the customs territory of the Community to another port in that territory, if they were transported:
 - on board a vessel coming from and carrying goods loaded in a third country, which has called at one or more Community ports, or
 - on board a vessel going to a third country and carrying goods loaded in a Community port for discharge in a third country, which has called at one or more Community ports, or
 - on board a vessel which has called at one or more ports in third countries between the Community port of departure and the Community port of destination, or
 - on board a vessel arriving directly in a free zone, or
 - on board a vessel which has called at a port where there is a free zone, unless it is established, by means of an annotation in the ship's papers by the customs authorities, that the ship has come from a part of that port outside the free zone.

3

- a Without prejudice to Article 170 of the Code, the captain of the vessel or his representative shall be obliged to inform the customs authorities at the port where the goods are discharged of the arrival of the vessel and to indicate from which port the vessel set off with its initial load, as well as all the ports at which the vessel has called or intended to call before reaching the Community port of destination. On request, the captain of the vessel shall submit documents, e.g. the ship's logbook, to support the information supplied.

If the required information is not produced to the satisfaction of the customs authorities at the port of destination, all the goods transported by the vessel shall be considered non-Community goods, unless their Community status is established in accordance with Articles 314 to 323.

- b To fulfil his obligations under subparagraph (a), the captain of the vessel or his representative may present to the customs authorities of the Community ports where goods are discharged a copy of an information note, authenticated by the customs authorities at the port of departure in the customs territory of the Community, indicating the planned port of destination and all the ports at which the vessel is likely to call.

However, the use of an information note shall be mandatory if the vessel is carrying goods referred to in Article 91 (1) of the Code.

- c The customs authorities at the port of destination may waive application of subparagraphs (a) and (b) in relation to vessels:
 - which clearly, e.g. because of the nature and geographical extent of their shipping operations, ply only between Community ports and do not visit third countries, or
 - are operated by shipping companies which have been authorized to use the simplified procedure described in Article 448 (11).

Article 314

1 In the cases referred to in Article 313 (2) (a) to (c) and (e), the Community status of the goods shall be established by means of one of the documents provided for in Articles 315 to 318 or in accordance with the detailed procedures provided for in Articles 319 to 323.

2 The documents or detailed procedures referred to in paragraph 1 shall not be used in respect of goods:

- a which are intended for export;
- or
- b which are covered by the first indent of Article 310 ⁽¹⁾;
- or
- c which are in packaging not having Community status;
- or
- d which are not directly transported from one Member State to another.

The following shall be regarded as directly transported from one Member State to another:

- goods transported without passing through the territory of a third country,
- goods transported through the territory of one or more third countries on condition that carriage through such countries is effected under cover of a single transport document drawn up in a Member State.

Article 315

1 Proof of Community status shall be furnished in accordance with this Article by the production of a T2L document.

2 The T2L document shall be made out on a form conforming to copy 4 or copy 4/5 of the specimen in Annexes 31 and 32.

The said form shall be supplemented by one or more forms conforming to copy 4 or copy 4/5 of the specimen in Annexes 33 and 34.

Where Member States do not authorize the use of supplementary forms when a computerized system is used to produce declarations, the form shall be supplemented by one or more forms conforming to copy 4 or copy 4/5 of the specimen in Annexes 31 and 32.

3 The person concerned shall enter the symbol 'T2L', in the right-hand subdivision of box 1 of the form and the symbol 'T2L *bis*' in the right-hand subdivision of box 1 of any supplementary forms used.

4 Where a T2L document is to be made out in respect of a consignment comprising two or more kinds of goods, the particulars relating to those goods may be entered on one or more loading lists within the meaning of Articles 341 (2) to 344 (2) rather than in boxes 31 'Packages and description of goods', 32 'Item No', 35 'Gross mass (kg)', and, where applicable, 33 'Commodity code', 38 'Net mass (kg)' and 44 'Additional information/documents produced, certificates and authorizations' of the form used for the T2L document.

Where loading lists are used, the boxes in question on the form used for the T2L documents shall be barred.

5 The upper part of the box referred to in Article 342 (b) shall be used for the symbol 'T2L'; the lower part of that box is intended for the endorsement by the customs authorities provided for in Article 316 (2).

The column 'Country of dispatch/export' of the loading list shall not be completed.

6 The loading list shall be produced in the same number of copies as the T2L document to which it relates.

7 Where two or more loading lists are attached to one T2L document, such loading lists shall bear an order number assigned by the person concerned; the number of loading lists attached shall be entered in box 4 'Loading lists' of the form used for the T2L document.

Article 316

1 Subject to the provisions of Article 394, the T2L document shall be drawn up in a single original.

2 Document T2L and, where necessary, document(s) T2L *bis* shall be endorsed by the customs authorities of the Member State of departure at the request of the person concerned. Such endorsement shall comprise the following, which should, as far as possible, appear in box C (office of departure) of those documents:

- a in the case of document T2L, the name and stamp of the office of departure, the signature of the competent official, the date of endorsement and either a registration number or the number of the dispatch declaration when the latter is necessary;
- b in the case of document T2L *bis*, the number appearing on the document T2L. That number shall be inserted either by means of a stamp incorporating the name of the office of departure or by hand. In the latter case it shall be accompanied by the official stamp of the said office.

The documents shall be returned to the person concerned as soon as the formalities connected with the dispatch of the goods to the Member State of destination have been completed.

Article 317

1 Without prejudice to Articles 315 and 316, proof of the Community status of goods shall be furnished in accordance with this Article by the production of the invoice or transport document relating to the goods.

2 The invoice or transport document referred to in paragraph 1 shall include at least the full name and address of the consignor, or the declarant where consignor and declarant are not the same, the number and kind, marks and numbers of the packages, the description of the goods, the gross mass in kilograms and, where necessary, the container numbers.

The declarant shall indicate clearly on the said document the symbol 'T2L', accompanied by his handwritten signature.

3 The invoice or transport document, duly completed and signed by the declarant, shall, at his request, be authenticated by the customs authorities of the Member State of departure. Such authentication shall include the name and stamp of the office of departure, the signature of the competent official, the date of authentication and either a registration number or the number of the dispatch or export declaration, if such a declaration is required.

4 If the total value of the Community goods covered by the invoice or transport document, completed and signed in accordance with paragraph 2 or Article 224 (1), does not exceed ECU 10 000, the declarant shall not be required to submit that document or invoice for endorsement by the customs authorities of the Member State of departure.

In the case referred to in the preceding subparagraph, the invoice or transport document shall include, in addition to the information set out in paragraph 2, the particulars of the office of departure.

5 This Article shall apply only where the invoice or transport document relates exclusively to Community goods.

Article 318

Where the document used to prove the Community status of goods is issued retroactively it shall bear one of the following phrases in red:

- Expedido a posteriori,
- Udstedt efterfølgende,
- Nachträglich ausgestellt,
- Εκδοθέν εκ των υστέρων
- Issued retroactively,
- Délivré a posteriori,
- Rilasciato a posteriori,
- Achteraf afgegeven,
- Emitido a posteriori.

Article 319

1 Where goods are transported under cover of a TIR carnet or an ATA carnet, the declarant may, with a view to proving the Community status of the goods and subject to Article 314 (2), clearly enter the symbol 'T2L' in the space reserved for the description of goods, together with his signature, on all the relevant vouchers of the carnet used before presenting it to the office of departure for authentication. On all the vouchers where it has been entered, the symbol 'T2L' shall be authenticated with the stamp of the office of departure accompanied by the signature of the competent official.

2 Where the TIR carnet or the ATA carnet covers both Community goods and non-Community goods, those two categories of goods shall be shown separately, and the symbol 'T2L' shall be entered in such a way that it clearly relates only to the Community goods.

Article 320

If it is necessary to establish the Community status of motorized road vehicles registered in a Member State, such vehicles shall be considered to have Community status:

- (a) where they are accompanied by their registration plates and documents and the registration particulars shown on the said plates and documents unambiguously establish their Community status;
- (b) in other cases, in accordance with Articles 315 to 323.

Article 321

If it is necessary to establish the Community status of goods wagons belonging to a railway company of a Member State, such wagons shall be considered to have Community status:

- (a) where the code number and ownership mark (distinguishing letters) displayed on them unambiguously establish their Community status;
- (b) in other cases, on presentation of one of the documents referred to in Articles 315 to 318.

Article 322

1 If it is necessary to establish the Community status of packaging used for the transport of goods in intra-Community trade which can be identified as belonging to a person established in a Member State and is being returned empty after use from another Member State, the packaging shall be considered to have Community status:

- a where they are declared as Community goods and there is no doubt as to the veracity of the declaration;
- b in other cases, in accordance with Articles 315 to 323.

2 The facility provided for in paragraph 1 shall be granted for receptacles, packings, pallets and other similar equipment, excluding containers within the meaning of Article 670.

Article 323

If it is necessary to establish the Community status of goods in passenger-accompanied baggage the goods, provided that they are not intended for commercial use, shall be considered to have Community status:

- (a) where they are declared as Community goods and there is no doubt as to the truthfulness of the declaration;
- (b) in other cases, in accordance with Articles 315 to 322.

Article 324

The customs authorities of the Member States shall mutually assist one another in checking the authenticity and accuracy of the documents and the regularity of the detailed procedures which, in accordance with this Chapter, are used to prove the Community status of goods.

Article 325

Document T2M is hereby established as part of the methods of administrative cooperation referred to in the first subparagraph of Article 10 (2) of the Treaty. It shall serve as proof that fishery catches made by Member States' vessels which are introduced into the customs territory of the Community either in the unaltered state, or after being subjected on board vessels of Member States to a process which does not remove the products obtained from the scope of Chapter 3 or CN codes 1504 to 2301, satisfy the conditions laid down in Article 9 (2) of the said Treaty.

Article 326

The catches and resulting products referred to in Article 325 shall be covered by a document T2M made out in accordance with Articles 329 to 333 where:

- (a) the vessel which made the catch and, where appropriate, processed it on board, transports it direct to a Member State other than that of the said vessel;
- (b) a vessel belonging to a Member State, on to which the catch was transhipped from the vessel referred to in (a), processes the catch on board and transports the resulting products direct to the customs territory of the Community;
- (c) a vessel other than that referred to in (a) or (b) belonging to a Member State, on to which the catch or resulting products have been transhipped transports it or them direct to the customs territory of the Community;

Status: This is the original version (as it was originally adopted).

- (d) one of the vessels referred to in (a), (b) or (c) transports the catch or resulting products direct to a country or territory outside the Community, whence they are carried to the customs territory of the Community.

Article 327

- 1 The form for the T2M document shall conform to the specimen shown in Annex 43.
- 2 The original shall be printed on paper without mechanical pulp, dressed for writing purposes and weighing at least 55 g/m². It shall have a green guilloche pattern background printed on both sides so as to reveal any falsification by mechanical or chemical means.
- 3 The T2M forms shall measure 210 × 297 mm, a tolerance of between — 5 and + 8 mm being allowed in the length.
- 4 The form shall be printed in an official Community language specified by the competent authorities of the Member State to which the vessel belongs.
- 5 The T2M forms shall be bound in booklets of 10, with one detachable original and one non-detachable carbon copy of each form. Page 2 of the cover of the booklet shall contain the notes shown in Annex 44.
- 6 Each T2M form shall bear an individual serial number. This number shall be the same for both original and copy.
- 7 Member States may themselves print the T2M forms and assemble them in booklets, or entrust the work to printers approved by them. In the latter case, reference to the approval must appear on page 1 of the cover of each booklet and on the original of each form. Page 1 and the original of each form must also bear the name and address of the printer or a mark by which he can be identified.
- 8 The T2M forms shall be completed in one of the official Community languages either in typescript or legibly by hand; if the latter, in ink and in printed characters. No erasures or alterations may be made. Corrections shall be made by crossing out the wrong words and adding any necessary particulars. Any such corrections must be initialled by the person who signed the declaration containing them.

Article 328

A booklet of T2M forms shall be issued at the request of the shipowner or his representative by the customs authorities of the port of registry or home port of the vessel. It shall be issued only when the shipowner or his representative has completed, in the language of the form, boxes 1 and 2 of all the originals and copies of the forms contained in the booklet. When issuing the booklet, the customs authorities shall complete box 3 of all the originals and copies of the forms in the booklet.

Article 329

The master of the vessel making a catch shall complete boxes 4, 5 and 8 of the original and the copy of one of the forms in the booklet:

- (a) whenever catches are landed in a Member State other than that to which his vessel belongs;
- (b) whenever catches are transhipped on to another vessel belonging to a Member State;
- (c) whenever catches are landed in a country or territory outside the customs territory of the Community.

Article 330

Where the catch has been processed on board the vessel which caught it and the resulting products fall within CN codes 1504 or 2301, the master of the said vessel shall complete boxes 4 to 8 of the original and the copy of the T2M document concerned and shall record the processing in the logbook of his vessel.

Article 331

In the case of transshipment of the catch referred to in Article 329 (b) or of the resulting products referred to in Article 330, box 9 of the original and copy of the T2M document shall also be completed and the transshipment declaration shall be signed by the two masters concerned. The original of the T2M document shall be given to the master of the vessel on to which the catch or resulting products are transhipped, the transshipment operation being recorded in the logbook of each vessel.

Article 332

Where the processing referred to in Article 330 is carried out on board another vessel belonging to a Member State, on to which the catch has been transhipped, the master of this vessel shall complete box 6, 7 and 10 of the original of the T2M document given to him when the catch was transhipped and shall record the processing in the logbook of his vessel.

Article 333

In the case of a second transshipment of the catch referred to in Article 329 (b) or the resulting products referred to in Article 330, or in the case of transshipment of the resulting products referred to in Article 332, box 11 of the original of the T2M document shall also be completed and the transshipment declaration shall be signed by the two masters concerned.

The original of the T2M document shall be given to the master of the vessel on to which the catch or the resulting products are transhipped, the transshipment operation being recorded in the logbook of each vessel.

Article 334

1 The original of the T2M document made out in accordance with Article 329 and, where appropriate, Articles 330 to 333, shall be presented to the customs office where the resulting products referred to in Article 325 to which it relates are declared for entry for a customs procedure. The authorities shall have the right to require a translation. They may further require, in order to check the entries on the T2M document, the production of all relevant documents, and in particular the ship's papers of the vessels referred to in Article 326 (a), (b) and (c).

2 Where the catch or resulting products referred to in Article 325 to which the T2M document relates have been landed in a country or territory outside the Community, the said document shall be valid only if accompanied by a certificate from the customs authorities of that country or territory.

This certificate shall:

- a contain a statement that the catch or resulting products to which the document relates have been under customs control throughout their stay in the country or territory in question and have undergone no handling there other than that necessary for their preservation;

- b specify the dates of arrival and departure of the catch or resulting products and the means of transport used for their reconsignment to the Community.

In the absence of this certificate, the customs authorities of the Member State into which the catch or resulting products are brought may accept any other document recognized by them as having equivalent effect.

Article 335

1 Where the catch or resulting products referred to in Article 325 have been transported to a country or territory outside the customs territory of the Community before being consigned in split consignments to the customs territory of the Community, the original of the T2M document, made out in accordance with Article 329 and, where appropriate, with Articles 330 to 333, shall be retained in the said country or territory by the master or his representative. A copy of the document shall be sent immediately to the customs office at the fishing vessel's port of registry or home port.

2 For each part-consignment, the master or his representative shall make out an extract of the T2M document, using for this purpose a form taken from a booklet of T2M forms issued in accordance with Article 328.

Each extract shall include a reference to the original document and, in box 4, an indication of the quantity and nature of the products making up the part-consignment.

Each extract shall be clearly marked with one of the following words:

- Extracto,
- Udskrift,
- Auszug,
- Απόσπασμα
- Extract,
- Extrait,
- Estratto,
- Uittreksel,
- Extracto.

3 For each part-consignment the original of the extract of the T2M document accompanied by the certificate provided for in Article 334 (2) shall be produced to the customs office of the Member State where the products contained in the part-consignment are declared for entry for a customs procedure.

4 The customs office referred to in paragraph 3 shall immediately send the customs office at the port of registry or home port of the fishing vessel a certified copy of the extract of the T2M document. The said copy shall also include a reference to the customs declaration in respect of the designated customs procedure.

5 The original T2M document shall be retained until all the products to which it refers have been assigned to a customs-approved treatment or use.

The master or his representative shall enter in the 'Remarks' box of the original T2M, in respect of each such treatment or use, the number and nature of the packages, the gross weight (kg) and the treatment or use to which the goods are to be assigned. If such treatment consists of a split consignment being sent to the Community pursuant to paragraph 2, the number and date of the corresponding extract shall also be given. After all the fishery products covered by the original T2M document have been assigned to

a customs-approved treatment or use that document shall be sent back immediately to the customs office at the port of registry or home port of the fishing vessel.

6 To ensure the collection of any duties and other charges due, the customs authorities of the office referred to in paragraph 3 shall permit the clearance of fishery products under Community status only upon provision of a security. Such security shall be released with the consent of the customs office of the port of registry or home port of the fishing vessel. Such consent shall be granted no later than one month after receipt of the original T2M document referred to in paragraph 5.

Article 336

Packings presented at the same time as the catch or resulting products referred to in Article 325 to which the T2M document relates shall be accorded intra-Community treatment only if a document proving their Community status is presented to the customs authorities.

Article 337

Each time the fishing vessel returns to its port of registry or home port, if use has been made since its departure of the booklet of T2M forms the owner or his representative shall be required to present the booklet at the customs office of issue so that the copies may be checked.

He shall also present the booklet whenever so required by the customs authorities.

The booklet shall be returned to the holder after each check until all the forms have been used.

Article 338

When a vessel to which a booklet of T2M forms as referred to in Article 327 has been issued ceases before all the forms have been used to satisfy the requisite conditions for according its catch intra-Community treatment in other Member States the booklet shall be returned immediately to the customs office of issue.

Article 339

In order that the provisions of Articles 325 to 340 may be properly applied, the administrations of the Member States shall afford each other mutual assistance in checking the authenticity of T2M documents and the accuracy of the particulars they contain.

Article 340

1 For the purposes of Articles 325 and 326, vessels definitively entered in the registers of the competent authorities at local level (*registros de base*) of Ceuta or Melilla shall not be considered as vessels of a Member State.

2 The customs authorities at the port of registry or home port of a fishing vessel definitively entered in the registers of the competent authorities at local level (*registros de base*) of Ceuta and Melilla shall not be entitled to issue booklets of T2M forms to such a vessel.

3 Article 334 (2) shall apply to fishery catches and resulting products referred to in Article 326 which are landed under a T2M document at a port in Ceuta or Melilla for transshipment and onward consignment to the customs territory of the Community. In addition, special quays shall be set aside for the landing, storage and transshipment of such products, which are separate from those for products for consignment to another destination.

CHAPTER 4

External Community transit

Section 1

Procedure

Article 341

1 All goods which are to move under the external Community transit procedure shall be the subject of a T1 declaration in accordance with this Section. A T1 declaration means a declaration on a form corresponding to the specimens in Annexes 31 to 34 and used in accordance with the notes referred to in Annexes 37 and 38.

2 Loading lists based on the specimen in Annex 45 may be used in accordance with Articles 343 to 345 and Article 383 as the descriptive part of Community transit declarations. Such use shall in no way affect obligations in respect of any formalities attaching to a dispatch/export procedure or any procedure in the Member State of destination, or in respect of the forms used for such formalities.

The loading list means any commercial document which complies with Articles 342 to 345 and Article 383, and Articles 386 to 388.

Article 342

The loading list shall include:

- (a) the heading 'Loading List';
- (b) a box measuring 70 × 55 mm, divided into a top part measuring 70 × 15 mm for the insertion of the symbol 'T' followed by one of the endorsements referred to in Article 346 (1) and a lower part measuring 70 × 40 mm for the references referred to in Article 345 (3);
- (c) columns, in the following order and headed as shown:
 - serial No,
 - marks, numbers, number and kind of package; description of goods,
 - country of dispatch/export,
 - gross mass (in kilograms),
 - for official use only.

The width of the columns may be adapted as necessary. However, the width of the column headed 'For official use only' shall be not less than 30 mm. Spaces other than those referred to under (a), (b) and (c) above, may also be used.

Article 343

- 1 Only the front of the forms may be used as a loading list.
- 2 Each item shown on a loading list shall be preceded by a serial number.
- 3 Each item shall be followed, where appropriate, by any special reference required by Community legislation, in particular in regard to the common agricultural policy, documents produced, and certificates and authorizations.

4 A horizontal line shall be drawn after the last entry and the remaining unused spaces barred so that any subsequent addition is impossible.

Article 344

1 The customs authorities of each Member State may allow the use as loading lists within the meaning of Article 341 (2) of lists which do not comply with all the requirements of the second subparagraph of Article 341 (2), second subparagraph and Article 342, second subparagraph.

Use of such lists shall be allowed only where:

- a they are produced by firms whose records are based on an integrated electronic or automatic data processing system;
- b they are designed and completed in such a way that they can be used without difficulty by the customs authorities;
- c they include for each item, the number, kind and marks and numbers of packages, the description of the goods, the country of dispatch/export and the gross mass in kilograms.

2 Descriptive lists drawn up for the purposes of carrying out dispatch/export formalities may also be used as loading lists under paragraph 1, even where such lists are produced by firms whose records are not based on an electronic or automatic data-processing system.

3 The customs authorities of each Member State may allow firms whose records are based on an electronic or automatic data-processing system, and which are already allowed under paragraphs 1 and 2 to use loading lists of a special type, to use such lists for Community transit operations involving only one type of goods where this facility is made necessary by the computer programs of the firms concerned.

Article 345

1 Where the principal uses loading lists for a consignment comprising two or more types of goods, boxes 15 'Country of dispatch/export', 33 'Commodity code', 35 'Gross mass (kg)', 38 'Net mass (kg)' and, where necessary, 44 'Additional information, documents produced, certificates and authorizations' of the form used for the purposes of Community transit shall be barred and box 31 'Packages and description of goods' of that form shall not be used to show the marks and numbers, number and kind of the packages and description of goods. In this case, supplementary forms shall not be used.

2 The loading list shall be produced in the same number of copies as the form used for Community transit purposes to which it relates.

3 When the declaration is registered, the loading list must bear the same registration number as the form used for Community transit purposes to which it relates. That number must be entered either by means of a stamp incorporating the name of the office of departure or by hand. In the latter case it must be accompanied by the official stamp of the office of departure.

The signature of an official of the office of departure shall be optional.

4 Where two or more loading lists accompany a single form used for Community transit purposes, each number must bear a serial number allotted by the principal: the number of accompanying loading lists shall be shown in box 4 'Loading lists' of the said form.

5 A declaration on a single administrative document form bearing the symbol 'T1' or 'T2' in the right-hand subdivision of box 1 and accompanied by one or more loading lists shall be treated as equivalent to an external or internal Community transit declaration, as the case may be, for the purposes of Article 341 (1) or Article 381.

Article 346

1 Where goods have to move under the external Community transit procedure, the principal shall enter the symbol 'T1' in the right-hand subdivision of box 1 of the form used. Where supplementary forms are used, the principal shall enter the symbol 'T1 bis' in the right-hand subdivision of box 1 of the supplementary forms used.

Where Member States do not authorize the use of supplementary forms when a computerized system is used to produce declarations, the Community transit declaration form shall be supplemented by one or more forms conforming to the specimens in Annexes 31 and 32. In this case, the symbol 'T1 bis' shall be entered in the right-hand subdivision of box 1 of the form.

2 The T1 declaration shall be signed by the principal and at least three copies thereof shall be produced at the office of departure.

3 Where the Community transit procedure in the Member State of departure succeeds another customs procedure, reference shall be made on the T1 declaration to that procedure or to the corresponding customs documents.

Article 347

1 The same means of transport may be used for the loading of goods at more than one office of departure and for unloading at more than one office of destination.

2 Each T1 declaration shall include only the goods loaded or to be loaded on a single means of transport for carriage from one office of departure to one office of destination.

For the purposes of the first subparagraph, the following shall be regarded as constituting a single means of transport, on condition that the goods transported are to be dispatched together:

- a a road vehicle accompanied by its trailer(s) or semi-trailer(s);
- b a line of coupled railway carriages or wagons;
- c boats constituting a single chain;
- d containers loaded on a means of transport within the meaning of this Article.

Article 348

1 The office of departure shall accept and register the T1 declaration, prescribe the period within which the goods must be presented at the office of destination and take such measures for identification as it considers necessary.

2 The office of departure shall enter the necessary particulars on the T1 declaration, retain its own copy and return the others to the principal or his representative.

Article 349

1 As a general rule, identification of the goods shall be ensured by sealing.

2 The following shall be sealed:

- a the space containing the goods, where the means of transport has been approved under other rules or recognized by the office of departure as suitable for sealing;
- b each individual package, in other cases.

3 Means of transport may be recognized as suitable for sealing on condition that:

- a seals can be simply and effectively affixed to them;

Status: This is the original version (as it was originally adopted).

- b they are so constructed that no goods can be removed or introduced without leaving visible traces of tampering or without breaking the seals;
 - c they contain no concealed spaces where goods may be hidden;
- and
- d the spaces reserved for the load are readily accessible for inspection by the customs authorities.

4 The office of departure may dispense with sealing if, having regard to other possible measures for identification, the description of the goods in the T1 document or in the supplementary documents make them readily identifiable.

Article 350

1 The goods shall be transported under cover of the copies of the T1 document returned to the principal or his representative by the office of departure.

2 Copies of the T1 document shall be presented as required by the customs authorities.

Article 351

Each Member State shall provide the Commission with a list of the offices competent to deal with Community transit operations, stating at what hours they are open.

The Commission shall communicate this information to the other Member States.

Article 352

1 The consignment and the copies of the T1 document shall be presented at each office of transit.

2 The carrier shall give a transit advice note made out on a form conforming to the specimen in Annex 46 to each office of transit.

3 The offices of transit shall not inspect the goods unless some irregularity is suspected which could result in abuse.

4 Where goods are transported via an office of transit other than that mentioned in the T1 document, the said office shall without delay send the transit advice note to the office mentioned in the document.

Article 353

Where goods are loaded or unloaded in the presence of intermediate customs authorities the copies of the T1 document returned by the office(s) of departure shall be presented to those authorities.

Article 354

1 The goods described on a T1 document may be transferred to another means of transport under the supervision of the customs authorities of the Member State in the territory of which the transfer is to be made, without the need for a new declaration. In that case, the competent authorities shall record the relevant details on the T1 document.

2 The customs authorities, on such conditions as they shall determine, may authorize such transfer without their supervision. In that case, the carrier shall record the relevant details on the T1 document and shall inform the customs authorities of the Member State of transfer, for the purposes of obtaining their endorsement.

Article 355

1 If seals are broken in the course of the transport operation for reasons beyond the carrier's control, the carrier shall without delay request that a certified report be drawn up by the customs authorities in the Member State in which the means of transport is located. The customs authority concerned shall, if possible, affix new seals.

2 In the event of an accident necessitating transfer to another means of transport, Article 354 shall apply.

3 In the event of imminent danger necessitating immediate unloading of the whole or part of the load, the carrier may take action on his own initiative. He shall record such action on the T1 document. Paragraph 1 shall apply in such a case.

4 If, as a result of accidents or other incidents arising in the course of the transport operation, the carrier is not in a position to comply with the period referred to in Article 348, he shall inform the customs authority referred to in paragraph 1 as soon as possible. That authority shall then record the relevant details on the T1 document.

Article 356

1 The goods and the T1 document shall be presented at the office of destination.

2 The office of destination shall record on the copies of the T1 document the details of controls carried out and shall without delay send a copy to the office of departure and retain the other copy.

3 A Community transit operation may be concluded at an office other than that specified in the T1 document. That other office shall then become the office of destination.

4 The time limit prescribed by the office of departure within which the goods must be produced to the office of destination shall be binding on the customs authorities of the countries whose territory is entered during a Community transit operation and shall not be altered by those authorities.

5 Where the goods are presented at the office of destination after expiry of the time limit prescribed by the office of departure and the failure to comply with the time limit is due to circumstances which are explained to the satisfaction of the office of destination and are not attributable to the carrier or the principal, the latter shall be deemed to have complied with the time limit prescribed.

Article 357

1 The person presenting a Community transit document to the office of destination together with the consignment to which that document relates may obtain a receipt on request.

2 The form for the receipt certifying that a Community transit document and the relevant consignment have been presented at the office of destination shall conform to the specimen in Annex 47. However, the receipt in respect of the Community transit document may be made out on the specimen on the back of the return copy of that document.

3 The receipt shall be completed in advance by the person concerned. It may contain other particulars relating to the consignment, except in the space reserved for the office of destination, but the endorsement by the office of destination shall be valid only in respect of the particulars contained in that space.

Article 358

Each Member State shall have the right to designate one or more central offices to which documents shall be returned by the competent offices in the Member State of destination. Member States shall, after designating such offices for that purpose, inform the Commission accordingly and specify the category of documents to be returned thereto. The Commission shall in turn notify the other Member States.

Section 2

Guarantees

Subsection 1

General provisions

Article 359

1 The guarantee referred to in Article 94 (1) of the Code shall be valid throughout the Community.

2 The guarantee may be comprehensive, covering a number of Community transit operations, or individual, covering a single Community transit operation.

3 Subject to Article 373 (2), the guarantee shall consist of the joint and several guarantee of any natural or legal third person fulfilling the conditions referred to in Article 195 of the Code.

4 The guarantee document referred to in paragraph 3 shall conform to the specimen contained in:

- Annex 48, in the case of a comprehensive guarantee,
- Annex 49, in the case of an individual guarantee,
- Annex 50, in the case of a flat-rate guarantee.

5 Where the provisions laid down by national law, regulation or administrative action or common practice so require, each Member State may allow the guarantee to be in a different form, on condition that it has the same legal effects as the specimen document.

Subsection 2

Comprehensive guarantees

Article 360

When external Community transit operations comprising goods imported into the customs territory of the Community from third countries having been or which must be made the subject of specific information, notably by application of the provisions of Council Regulation (EEC) No 1468/81⁽¹⁰⁾, present increased risk of fraud, the customs administrations of the Member States shall, by agreement with the Commission, take specific measures with a view to temporarily forbidding the use of the comprehensive guarantee.

The decision to forbid the use of the comprehensive guarantee by the customs administration of a Member State shall apply with regard to those of other Member States.

The customs administrations of the Member States shall keep each other and the Commission informed of decisions taken under this Article.

After six months the Commission shall determine whether or not the measures taken need to be continued.

Article 361

Without prejudice to the provisions of Article 360 the level of the comprehensive guarantee shall be determined as follows:

1. The amount of the guarantee shall be set at least at 30 % of the duties and other charges payable according to the procedures laid down in 4 below.
2. The comprehensive guarantee shall be fixed at a level equal to the full amount of duties and other charges payable, under the provisions of 4 below, when it is intended to cover external Community transit operations concerning goods:
 - imported into the customs territory of the Community,
 - listed in Annex 53, and

having been the subject of specific information from the Commission concerning transit operations presenting increased risks of fraud, in particular pursuant to the provisions of Council Regulation (EEC) No 1468/81.

 - However, the customs authorities may set the amount of the guarantee at 50 % of the duties and other charges payable:

for persons:

- who are established in the Member State where the guarantee is furnished,
- who are regular users of the Community transit system,
- whose financial situation is such that they can meet their commitments, and
- who have not committed any serious infringement of customs or tax laws.

If this subparagraph is applied, the office of guarantee shall enter in box 7 of the certificate of guarantee provided for in Article 362 (3) one of the following statements:

- aplicación del punto 2 del artículo 361 del Reglamento (CEE) n^o 2454/93,
- anvendelse af artikel 361, nr. 2, i forordning (EØF) nr. 2454/93,
- Anwendung von Artikel 361 Nummer 2 der Verordnung (EWG) Nr. 2454/93,
- Εφαρμογή του άρθρου 361 σημείο 2 δεύτερο εδάφιο του κανονισμού (ΕΟΚ) αριθ. 2454/93,
- application of Article 361 (2) of Regulation (EEC) No 2454/93,
- application de l'article 361 point 2 du règlement (CEE) n^o 2454/93,
- applicazione dell'articolo 361, punto 2 del regolamento (CEE) n. 2454/93,
- toepassing van artikel 361, punt 2, van Verordening (EEG) nr. 2454/93,
- aplicação do ponto 2 do artigo 361^o do Regulamento (CEE) n^o 2454/93.

3. Where the Community transit declaration includes other goods besides those covered by paragraph 2 of this Article the provisions relating to the amount of the guarantee

shall be applied as if the two categories of goods were covered by separate declarations.

However, account shall not be taken of the presence of goods of either category if the quantity or value thereof is relatively insignificant.

4. In order to apply this Article an evaluation shall be made of:
- consignments made over a period of one week,
 - the duties and other charges payable taking account of the highest level of taxation applicable in one of the countries concerned.

This evaluation shall be made on the basis of the commercial and accounting documentation of the person concerned in respect of goods transported during the past year, the amount obtained then being divided by 52.

In the case of new operators the office of guarantee shall in collaboration with the person concerned estimate the quantity, value and taxes applicable to the goods being transported over a given period based on data already available. The office of guarantee shall by extrapolation determine the likely value of and taxes on the goods to be transported during a period of one week.

The office of guarantee shall carry out an annual review of the amount of the comprehensive guarantee, in particular on the basis of information from the offices of departure, and shall if appropriate adjust the amount.

Article 362

- 1 A comprehensive guarantee shall be lodged with an office of guarantee.
- 2 The office of guarantee shall determine the amount of the guarantee, accept the guarantor's undertaking and issue an authorization allowing the principal to carry out, within the limits of the guarantee, any Community transit operation irrespective of the office of departure.
- 3 Each person who has obtained authorization shall, subject to the conditions laid down in Articles 363 to 366, be issued with one or more copies of a guarantee certificate made out on a form conforming to the specimen in Annex 51.
- 4 Reference to the guarantee certificate shall be made in each T1 document.
- 5 The office of guarantee may revoke the authorization if the conditions under which it was issued no longer obtain.

Article 363

- 1 On issue of the certificate of guarantee or at any time during the validity thereof, the principal shall on his own responsibility designate on the reverse of the certificate the person or persons authorized to sign Community transit declarations on his behalf. The particulars shall include the surname and forename of each authorized person followed by the signature of that person. Each nomination of an authorized person shall be acknowledged by the signature of the principal. The principal shall be entitled at his discretion to cross through the unused boxes.
- 2 The principal may at any time delete the name of an authorized person from the reverse of the certificate.

Article 364

Any person named on the reverse of a guarantee certificate presented at an office of departure shall be deemed to be the authorized representative of the principal.

Article 365

The period of validity of a guarantee certificate shall not exceed two years. However, that period may be extended by the guarantee office for one further period not exceeding two years.

Article 366

If the guarantee is cancelled the principal shall be responsible for returning to the guarantee office forthwith all valid guarantee certificates issued to him.

Member States shall forward details of any unreturned valid certificates to the Commission. The Commission shall inform the other Member States of these.

Subsection 3

Flat-rate guarantees

Article 367

1 Each Member State may allow the guarantor to furnish by declaration a single guarantee for a flat-rate amount of ECU 7 000, guaranteeing payment of duties and other charges which may become chargeable in the course of a Community transit operation carried out under his responsibility, whoever the principal may be. This provision shall apply without prejudice to Article 368.

2 The flat-rate guarantee shall be lodged with an office of guarantee.

Article 368

1 Except in the cases referred to in paragraphs 2 and 3, the office of departure shall not require a guarantee in excess of the flat-rate amount of ECU 7 000 for each Community transit declaration, irrespective of the amount of duties and other charges relating to the goods covered by a particular declaration.

2 Where, because of circumstances peculiar to it, a transport operation involves increased risks and for that reason the guarantee of ECU 7 000 is clearly insufficient, the office of departure may require a guarantee of a greater amount in multiples of ECU 7 000 in order to guarantee the duties relating to the total quantity of goods to be dispatched.

3 The transport of goods listed in Annex 52 shall give rise to an increase in the amount of the flat-rate guarantee where the quantity of goods carried exceeds the quantity corresponding to the flat-rate amount of ECU 7 000.

In that case, the flat-rate amount shall be increased to the multiple of ECU 7 000 necessary to guarantee the quantity of goods to be dispatched.

4 In the cases referred to in paragraphs 2 and 3 the principal shall deliver to the office of departure flat-rate guarantee vouchers corresponding to the required multiple of ECU 7 000.

Article 369

1 Where the Community transit declaration includes other goods besides those shown in the list contained in Annex 52, the flat-rate guarantee provisions shall be applied as if the two categories of goods were covered by separate declarations.

2 By way of derogation from paragraph 1, account shall not be taken of the presence of goods of either category if their quantity or value is relatively insignificant.

Article 370

1 Acceptance by the guarantee office of the guarantor's undertaking shall confer on the guarantor authority to issue a flat-rate guarantee voucher or vouchers under the terms of the guarantee to persons who intend to act as principal in a Community transit operation from an office of departure of their choice.

2 The flat-rate guarantee voucher shall conform to the specimen in Annex 54. The entries on the back of that specimen may, however, be shown on the front, above the particulars of the individual or firm issuing the voucher, the following entries remaining unchanged.

3 The guarantor shall be liable up to an amount of ECU 7 000 in respect of each flat-rate guarantee voucher.

4 Without prejudice to Articles 368 and 371 the principal may carry out one Community transit operation under each flat-rate guarantee voucher. The voucher shall be delivered to the office of departure, where it shall be retained.

Article 371

The guarantor may issue flat-rate guarantee vouchers:

- which are not valid for a Community transit operation in respect of goods which are listed in Annex 52, and
- which may be used in multiples of up to seven vouchers per means of transport within the meaning of Article 347 (2) for goods other than those referred to in the preceding indent.

For this purpose the guarantor shall mark such flat-rate guarantee vouchers diagonally in capital letters with one of the following indications:

- VALIDEZ LIMITADA; APLICACIÓN DEL ARTÍCULO 371 DEL REGLAMENTO (CEE) N° 2454/93,
- BEGRÆNSET GYLDIGHED — ARTIKEL 371, I FORORDNING (EØF) Nr. 2454/93,
- BESCHRÄNKTE GELTUNG — ARTIKEL 371 DER VERORDNUNG (EWG) Nr. 2454/93,
- ΠΕΡΙΟΡΙΣΜΕΝΗ ΙΣΧΥΣ: ΕΦΑΡΜΟΓΗ ΤΟΥ ΑΡΘΡΟΥ 371 ΤΟΥ ΚΑΝΟΝΙΣΜΟΥ (ΕΟΚ) αριθ. 2454/93,
- LIMITED VALIDITY — APPLICATION OF ARTICLE 371 OF REGULATION (EEC) N° 2454/93,
- VALIDITÉ LIMITÉE — APPLICATION DE L'ARTICLE 371 DU RÈGLEMENT (CEE) N° 2454/93,
- VALIDITÀ LIMITATA — APPLICAZIONE DELL'ARTICOLO 371 DEL REGOLAMENTO (CEE) N. 2454/93,
- BEPERKTE GELDIGHEID — TOEPASSING VAN ARTIKEL 371 VAN VERORDENING (EEG) Nr. 2454/93,
- VALIDADE LIMITADA; APLICAÇÃO DO ARTIGO 371º DO REGULAMENTO (CEE) N° 2454/93.

Article 372

The cancellation of a guarantee shall be notified forthwith to the other Member States by the Member State to which the relevant guarantee office belongs.

Subsection 4

Individual guarantees

Article 373

1 An individual guarantee furnished for a single Community transit operation shall be lodged at the office of departure. The office of departure shall fix the amount of the guarantee.

2 The guarantee referred to in paragraph 1 may be a cash deposit lodged with the office of departure. In that case, it shall be returned when the T1 document is discharged at the office of departure.

Subsection 5

Provisions common to subsections 1 to 4

Article 374

The guarantor shall be released from his obligations as provided for in Article 199 (1) of the Code and in addition he shall be released from his obligations upon expiry of a period of 12 months from the date of registration of the T1 declaration where he has not been advised by the customs authorities of the Member State of departure of the non-discharge of the T1 document.

Where, within the period provided for in the first subparagraph, the guarantor has been advised by the customs authorities of the non-discharge of the T1 document, he shall, in addition, be notified that he is or may be required to pay the amounts for which he is liable in respect of the Community transit operation in question. This notification shall reach the guarantor not later than three years after the date of registration of the T1 declaration. Where no such notification has been made before the expiry of that time limit, the guarantor shall likewise be released from his obligations.

Subsection 6

Guarantee waiver

Article 375

1 For the purposes of granting the guarantee waiver for Community transit operations, the undertaking to be given by the person concerned in accordance with Article 95 (2) (e) of the Code shall be drawn up in accordance with the specimen shown in Annex 55.

2 Where the provisions laid down by national law, regulation or administrative action or common practice so require, each Member State may have the undertaking by the person concerned drawn up in a different form, on condition that it has the same binding effects as those of the undertaking provided for in the specimen.

Article 376

1 In accordance with Article 95 (3) of the Code, the guarantee waiver shall not apply to goods:

a the total value of which exceeds ECU 100 000 per consignment;

or

b which are listed in Annex 56 as involving increased risks.

2 The guarantee waiver shall not apply where, in accordance with the provisions of Article 360, the use of the comprehensive guarantee is forbidden.

Article 377

1 Where the guarantee waiver is applied, reference to the certificate referred to in Article 95 (4) of the Code shall be made on the corresponding T1 transit declaration.

2 The guarantee waiver certificate shall conform to the specimen in Annex 57.

3 On issue of the guarantee waiver certificate or at any other time during the validity thereof, the principal shall on his own responsibility designate on the reverse of the certificate the person or persons authorized to sign Community transit declarations on his behalf. The particulars shall include the surname and forename of each authorized person followed by the signature of that person. Each nomination of an authorized person shall be acknowledged by the signature of the principal. The principal shall be entitled at his discretion to cross through the unused boxes.

The principal may at any time delete the name of an authorized person from the reverse of the certificate.

4 Any person named on the reverse of a guarantee waiver certificate presented at an office of departure shall be deemed to be the authorized representative of the principal.

5 The period of validity of a guarantee waiver certificate shall not exceed two years. However, this period may be extended by the authorities granting the waiver for one further period not exceeding two years.

6 If the guarantee waiver is revoked the principal shall be responsible for returning forthwith to the authorities who granted the waiver all the guarantee waiver certificates issued to him which are still valid.

The Member States shall forward details of any unreturned valid certificates to the Commission.

The Commission shall inform the other Member States of these.

Section 3

Irregularities; proof of regularity

Article 378

1 Without prejudice to Article 215 of the Code, where the consignment has not been presented at the office of destination and the place of the offence or irregularity cannot be established, such offence or irregularity shall be deemed to have been committed:

— in the Member State to which the office of departure belongs,

or

- in the Member State to which the office of transit at the point of entry into the Community belongs, to which a transit advice note has been given,

unless within the period laid down in Article 379 (2), to be determined, proof of the regularity of the transit operation or of the place where the offence or irregularity was actually committed is furnished to the satisfaction of the customs authorities.

2 Where no such proof is furnished and the said offence or irregularity is thus deemed to have been committed in the Member State of departure or in the Member State of entry as referred to in the first paragraph, second indent, the duties and other charges relating to the goods concerned shall be levied by that Member State in accordance with Community or national provisions.

3 If the Member State where the said offence or irregularity was actually committed is determined before expiry of a period of three years from the date of registration of the T1 declaration, that Member State shall, in accordance with Community or national provisions, recover the duties and other charges (apart from those levied, pursuant to the second subparagraph, as own resources of the Community) relating to the goods concerned. In this case, once proof of such recovery is provided, the duties and other charges initially levied (apart from those levied as own resources of the Community) shall be repaid.

4 The guarantee covering the transit operation shall not be released until the end of the aforementioned three-year period or until the duties and other charges applicable in the Member State where the said offence or irregularity was actually committed have been paid.

Member States shall take the necessary measures to deal with any offence or irregularity and to impose effective penalties.

Article 379

1 Where a consignment has not been presented at the office of destination and the place where the offence or irregularity occurred cannot be established, the office of departure shall notify the principal of this fact as soon as possible and in any case before the end of the 11th month following the date of registration of the Community transit declaration.

2 The notification referred to in paragraph 1 shall indicate, in particular, the time limit by which proof of the regularity of the transit operation or the place where the offence or irregularity was actually committed must be furnished to the office of departure to the satisfaction of the customs authorities. That time limit shall be three months from the date of the notification referred to in paragraph 1. If the said proof has not been produced by the end of that period, the competent Member State shall take steps to recover the duties and other charges involved. In cases where that Member State is not the one in which the office of departure is located, the latter shall immediately inform the said Member State.

Article 380

Proof of the regularity of a transit operation within the meaning of Article 378 (1) shall be furnished to the satisfaction of the customs authorities *inter alia*:

- (a) by the production of a document certified by the customs authorities establishing that the goods in question were presented at the office of destination or, where Article 406 applies, to the authorized consignee. That document shall contain enough information to enable the said goods to be identified;

or

- (b) by the production of a customs document issued in a third country showing release for home use or by a copy of photocopy thereof; such copy of photocopy must be certified as being a true copy by the organization which certified the original document, by the authorities of the third country concerned or by the authorities of one of the Member States. The document shall contain enough information to enable the goods in question to be identified.

CHAPTER 5

Internal Community transit

Article 381

- 1 All goods which are to move under the internal Community transit procedure shall be the subject of a T2 declaration. A T2 declaration means a declaration on a form corresponding to the specimen in Annexes 31 to 34, used in accordance with the notice in Annex 37.
- 2 Chapter 4 shall apply *mutatis mutandis* to the procedure for internal Community transit.

CHAPTER 6

Provisions common to Chapters 4 and 5

Article 382

- 1 In the case of consignments comprising both goods which have to move under the external Community transit procedure and goods which have to move under the internal Community transit procedure, supplementary forms which bear the symbol 'T1 *bis*' or 'T2 *bis*' respectively may be attached to a single Community transit declaration form.

In this case, the symbol 'T' shall be entered in the right-hand subdivision of box 1 of the said form; the blank space after the symbol 'T' shall be crossed out; in addition, the boxes 32 'Item No', 33 'Commodity code', 35 'Gross mass (kg)', 38 'Net mass (kg)' and 44 'Additional information, documents produced, certificates and authorizations' shall be barred. A reference to the serial numbers of the supplementary documents bearing the symbol 'T1 *bis*' and the supplementary documents bearing the symbol 'T2 *bis*' shall be entered in box 31 'Packages and description of goods' of the Community transit declaration form used.

- 2 Where one of the symbols 'T1', 'T1 *bis*' or 'T2', 'T2 *bis*' has been omitted from the right-hand subdivision of box 1 of the form used or where, in the case of consignments comprising both goods moving under the external Community transit procedure and goods moving under the internal Community transit procedure, the provisions of paragraph 1 and of Article 383 have not been complied with, goods transported under cover of such documents shall be deemed to be moving under the external Community transit procedure.

However, for the application of export duties or measures prescribed in respect of exports under the common commercial policy, such goods shall be deemed to be moving under the internal Community transit procedure.

Article 383

In the case of consignments comprising both goods moving under the external Community transit procedure and goods moving under the internal Community transit procedure, separate loading lists shall be made out and may be attached to a single Community transit declaration form.

In that case, the symbol 'T' shall be entered in the right-hand subdivision of box 1 of the said form. The blank space after the symbol 'T' shall be crossed out; in addition, the boxes 15 'Country of dispatch/export', 32 'Item No', 33 'Commodity code', 35 'Gross mass (kg)', 38 'Net mass (kg)' and, where necessary, 44 'Additional information, documents produced, certificates and authorizations' shall be barred. A reference to the serial numbers of the loading lists relating to each of the two types of goods shall be entered in box 31 'Packages and description of goods' of the form used.

Article 384

Where necessary, the customs authorities of the Member States shall communicate to one another all findings, documents, reports, records of proceedings and information relating to transport operations carried out under the Community transit procedure and to irregularities and offences in connection with that procedure.

Article 385

The transit declarations and documents shall be drawn up in an official language of the Community accepted by the customs authorities of the Member State of departure. This provision shall not apply to flat-rate guarantee vouchers.

Where necessary, the customs authorities of another Member State in which the declarations and the documents must be presented may require a translation into the official language, or one of the official languages, of that Member State.

The language to be used for the guarantee certificate shall be designated by the customs authorities of the Member State responsible for the guarantee office.

The language to be used for the guarantee waiver certificate shall be designated by the customs authorities of the Member State in which the guarantee waiver is granted.

Article 386

1 The paper used for the loading lists, transit advice notes and receipts shall be dressed for writing purposes and weigh at least 40 g/m²; its strength shall be such that in normal use it does not easily tear or crease.

2 The paper used for the flat-rate guarantee voucher shall be free of mechanical pulp, dressed for writing purposes and weighing at least 55 g/m². The paper shall have a red printed guilloche pattern background so as to reveal any falsification by mechanical or chemical means.

3 The paper used for the guarantee certificate and guarantee waiver certificate forms shall be free of mechanical pulp and weigh at least 100 g/m². It shall have a guilloche pattern background on both sides so as to reveal any falsification by mechanical or chemical means. The said background shall be:

- green for guarantee certificates,
- pale blue for guarantee waiver certificates.

4 The paper referred to in paragraphs 1, 2 and 3 shall be white, except for the loading lists referred to in Article 341 (2), for which the choice of colour shall be left to the persons concerned.

Article 387

The forms shall measure:

- (a) 210 × 297 mm for the loading list, a tolerance in the length of between — 5 and + 8 mm being allowed;
- (b) 210 × 148 mm for the transit advice note, the guarantee certificate and the guarantee waiver certificate;
- (c) 148 × 105 mm for the receipt and flat-rate guarantee voucher.

Article 388

1 The flat-rate guarantee vouchers shall show the name and address of the printer or a mark enabling the printer to be identified. Each flat-rate guarantee voucher shall bear an individual serial number.

2 Member States shall be responsible for printing or arranging the printing of the guarantee certificates and the guarantee waiver certificates. Each certificate shall bear a serial number for purposes of identification.

3 Forms for guarantee certificates, guarantee waiver certificates and flat-rate guarantee vouchers shall be completed using a typewriter or other mechanographical or similar process.

4 Loading lists, transit advice notes and receipts may be completed using a typewriter or other mechanographical or similar process, or legibly by hand; in the latter case they shall be completed in ink in block letters.

5 Forms shall not contain any erasures or alterations. Corrections shall be made by crossing out the wrong words and adding any necessary particulars. Corrections shall be initialled by the person making them and explicitly authenticated by the customs authorities.

CHAPTER 7

Simplifications

Section 1

Simplified procedure for the issue of the document used to establish the Community status of goods

Article 389

Without prejudice to the application of Article 317 (4), the customs authorities of each Member State may authorize any person, hereinafter referred to as the ‘authorized consignor’, who satisfies the requirements laid down in Article 390 and who proposes to establish the Community status of goods by means of a T2L document in accordance with Article 315 (1), or by means of one of the documents stipulated in Article 317, hereinafter referred to as ‘commercial documents’, to use such documents without

having to present it for authentication to the customs authorities of the Member State of departure.

Article 390

- 1 The authorization provided for in Article 389 shall be granted only to persons:
 - a who frequently consign goods;
 - b whose records enable the customs authorities to check their operations;
 - c who have not committed serious or repeated offences against customs or tax legislation.
- 2 The customs authorities may revoke the authorization where an authorized consignor no longer fulfils the conditions laid down in paragraph 1 or fails to comply with the requirements laid down in this section or in the authorization.

Article 391

- 1 Authorizations issued by the customs authorities shall specify in particular:
 - a the office responsible for pre-authenticating the forms used for the documents concerned, as prescribed in Article 392(1)(a);
 - b the manner in which the authorized consignor must prove that those forms have been properly used.
- 2 The competent authorities shall specify the period within which and the manner in which the authorized consignor is to inform the competent office so that such office may carry out any necessary controls before departure of the goods.

Article 392

- 1 The authorization shall stipulate that box C Office of departure on the front of the forms used for the T2L document and, if applicable, the T2L *bis* document(s) or the front of the commercial documents must:
 - a be stamped in advance with the stamp of the office referred to in Article 391 (1) (a) and be signed by an official of that office;

or

 - b be stamped by the authorized consignor with a special metal stamp approved by the customs authorities conforming to the specimen in Annex 62; the imprint of the stamp may be preprinted on the forms if the printing is entrusted to a printer approved for that purpose.
- 2 Not later than on consignment of the goods, the authorized consignor shall complete and sign the form. In addition, he shall enter in the box reserved for control by the office of departure on the T2L document or in a clearly identifiable space on the commercial document used the name of the competent customs office, the date of completion of the document, and one of the following phrases:
 - Procedimiento simplificado,
 - Forenklet fremgangsmåde,
 - Vereinfachtes Verfahren,
 - Απλουστευμένη διαδικασία,
 - Simplified procedure,
 - Procédure simplifiée,
 - Procedura semplificata,
 - Vereenvoudigde regeling,

— Procedimento simplificado.

3 The completed form, bearing the phrase specified in paragraph 2 and signed by the authorized consignor, shall be equivalent to a document certifying the Community status of the goods.

Article 393

1 The customs authorities may authorize the authorized consignor not to sign the T2L documents or commercial documents used which bear the special stamp referred to in Annex 62 and are made out by an electronic or automatic data processing system. Such authorization shall be subject to the condition that the authorized consignor has previously given those authorities a written undertaking acknowledging his liability for the legal consequences arising from all T2L documents or commercial documents issued bearing the special stamp.

2 The T2L documents or the commercial documents made out in accordance with paragraph 1 shall contain in place of the authorized consignor's signature one of the following phrases:

- Dispensa de firma,
- Fritaget for underskrift,
- Freistellung von der Unterschriftsleistung,
- Δεν απαιτείται υπογραφή,
- Signature waived,
- Dispense de signature,
- Dispensa dalla firma,
- Van ondertekening vrijgesteld,
- Dispensada a assinatura.

Article 394

The authorized consignor shall make a copy of each document T2L or each commercial document issued under this section. The customs authorities shall determine the arrangements whereby the copy document shall be presented for purposes of control and retained for at least two years.

Article 395

1 The authorized consignor shall:

- a comply with the provisions of this section and of the authorization;
- b take all necessary measures to ensure the safekeeping of the special stamp or of the forms bearing the imprint of the stamp of the office referred to in Article 391 (1) (a), or of the special stamp.

2 In the event of the misuse by any person of forms for T2L documents or commercial documents stamped in advance with the stamp of the office referred to in Article 391 (1) (a) or with the special stamp the authorized consignor shall be liable, without prejudice to any criminal proceedings, for the payment of duties and other charges which are unpaid in any Member State in consequence of such misuse, unless he can satisfy the customs authorities by whom he was authorized that he took the measures required of him under paragraph 1 (b).

Article 396

The customs authorities of the Member State of consignment may exclude certain categories of goods and types of traffic from the facilities provided for in this section.

Section 2

Simplification of transit formalities to be carried out at offices of departure and destination*Article 397*

Where the Community transit procedure is applicable the formalities relating to the procedure shall be simplified in accordance with the provisions of this section.

This section shall not, however, apply to goods to which Articles 463 to 470 apply.

Subsection 1

Formalities at the office of departure*Article 398*

The customs authorities of each Member State may authorize any person who fulfils the conditions laid down in Article 399 and who intends to carry out Community transit operations (hereinafter referred as ‘the authorized consignor’) not to present at the office of departure either the goods concerned or the Community transit declaration in respect of those goods.

Article 399

- 1 The authorization provided for in Article 398 shall be granted only to persons:
 - a who frequently consign goods;
 - b whose records enable the customs authorities to check their operations;
 - c who, where a guarantee is required under the Community transit procedure, provide a comprehensive guarantee; and
 - d have not committed serious or repeated offences against customs or tax legislation.
- 2 The customs authorities may withdraw the authorization where the authorized consignor no longer fulfils the conditions laid down in paragraph 1 or fails to comply with the requirements down in this subsection or in the authorization.

Article 400

Authorizations issued by the customs authorities shall specify in particular:

- (a) the office or offices competent to act as offices of departure for the consignments;
- (b) the period within which, and the procedure by which, the authorized consignor is to inform the office of departure of the consignments to be sent, in order that the office may carry out any necessary controls before the departure of the goods;
- (c) the period within which the goods must be presented at the office of destination;
- (d) the identification measures to be taken. To this end the customs authorities may prescribe that the means of transport or the package or packages shall bear special seals, accepted by the customs authorities and affixed by the authorized consignor.

Article 401

1 The authorization shall stipulate that the box reserved for the office of departure on the front of the Community transit declaration forms must:

a be stamped in advance with the stamp of the office of departure and be signed by an official of that office;

or

b be stamped by the authorized consignor with a special metal stamp approved by the customs authorities conforming to the specimen in Annex 62. The imprint of the stamp may be preprinted on the forms where the printing is entrusted to a printer approved for that purpose.

The authorized consignor shall complete the box by indicating the date of consignment of the goods and shall allocate a number to the declaration in accordance with the rules laid down to that effect in the authorization.

2 The customs authorities may prescribe the use of forms bearing a distinctive mark as a means of identification.

Article 402

1 Not later than on consignment of the goods, the authorized consignor shall enter on the front of copies No 1 and 4 of the duly completed Community transit declaration in the box 'Control by office of departure' the period within which the goods must be presented at the office of destination, the identification measures applied and one of the following phrases:

- Procedimiento simplificado,
- Forenklet fremgangsmåde,
- Vereinfachtes Verfahren,
- Απλουστευμένη διαδικασία,
- Simplified procedure,
- Procédure simplifiée,
- Procedura simplificata,
- Vereenvoudigde regeling,
- Procedimento simplificado.

2 Following consignment, copy No 1 shall be sent without delay to the office of departure. The customs authorities shall have the right to provide in the authorization that copy No 1 be sent to the office of departure as soon as the Community transit declaration is completed. The other copies shall accompany the goods in accordance with Articles 341 to 380.

3 Where the customs authorities of the Member State of departure carry out a control on the departure of a consignment, they shall record the fact in the box 'Control by office of departure' on the front of copies No 1 and 4 of the Community transit declaration.

Article 403

The Community transit declaration, duly completed and bearing the indications specified in Article 402 (1), shall be equivalent to an external or internal Community transit document, as the case may be, and the authorized consignor who signed the declaration shall be the principal.

Article 404

1 The customs authorities may authorize the authorized consignor not to sign Community transit declarations which bear the special stamp referred to in Annex 62 and are made out by an electronic or automatic data-processing system. Such authorization shall be subject to the condition that the authorized consignor has previously given those authorities a written undertaking acknowledging that he is the principal for all Community transit operations carried out under cover of Community transit documents bearing the special stamp.

2 Community transit documents made out in accordance with paragraph 1 shall contain in the box reserved for the principal's signature one of the following phrases:

- Dispensa de firma,
- Fritaget for underskrift,
- Freistellung von der Unterschriftsleistung,
- Δεν απαιτείται υπογραφή,
- Signature waived,
- Dispense de signature,
- Dispensa dalla firma,
- Van ondertekening vrijgesteld,
- Dispensada a assinatura.

Article 405

1 The authorized consignor shall:

- a comply with the provisions of this subsection and of the authorization; and
- b take all necessary measures to ensure the safekeeping of the special stamp or of the forms bearing the imprint of the stamp of the office of departure or the imprint of the special stamp.

2 In the event of the misuse by any person of forms stamped in advance with the stamp of the office of departure or with the special stamp, the authorized consignor shall be liable, without prejudice to any criminal proceedings, for the payment of duties and other charges payable in a particular Member State in respect of goods carried under cover of such forms unless he can satisfy the customs authorities by whom he was authorized that he took the measures required of him under paragraph 1 (b).

Subsection 2

Formalities at the office of destination

Article 406

1 The customs authorities of each Member State may issue an authorization waiving presentation at the office of destination where goods transported under a Community transit procedure are intended for a person who fulfils the conditions laid down in Article 407 (hereinafter referred to as 'the authorized consignee') previously authorized by the customs authorities of the Member State to which the office of destination belongs.

2 In the case referred to in paragraph 1, the principal shall have fulfilled his obligations under Article 96 (1) (a) of the Code when the copies of the Community transit documents which accompanied the consignment, together with the goods intact, have been delivered within the prescribed period to the authorized consignee at his premises or at the place specified in the authorization, the identification measures having been duly observed.

3 The authorized consignee shall at the request of the carrier issue a receipt in respect of each consignment delivered in accordance with paragraph 2, stating that the document and the goods have been delivered.

Article 407

- 1 The authorization referred to in Article 406 shall be granted only to persons:
- a who frequently receive consignments under the Community transit procedure;
 - b whose records enable the customs authorities to check the operations;
 - c who have not committed serious or repeated offences against customs or tax legislation.
- 2 The customs authorities may revoke the authorization where the authorized consignee no longer fulfils the conditions laid down in paragraph 1 or fails to comply with the requirements laid down in this subsection or in the authorization.

Article 408

- 1 Authorizations issued by the customs authorities shall specify in particular:
- a the office or offices competent to act as offices of destination for consignments which the authorized consignee receives;
 - b the period within which, and the procedure by which, the authorized consignee is to inform the office of destination of the arrival of the goods in order that the office may carry out any necessary controls upon arrival of the goods.
- 2 Without prejudice to Article 410, the customs authorities shall specify in the authorization whether any action by the office of destination is required before the authorized consignee may dispose of goods received.

Article 409

- 1 The authorized consignee shall, in respect of consignments arriving at his premises or at the places specified in the authorization:
- a immediately inform the office of destination, in accordance with the procedure laid down in the authorization, of any excess quantities, shortages, substitutions or other irregularities such as broken seals;
 - b send the office of destination without delay the copies of the Community transit document which accompanied the consignment, indicating the date of arrival and the conditions of any seals affixed.
- 2 The office of destination shall enter the required particulars on the said copies of the Community transit document.

Subsection 3

Other provisions

Article 410

The customs authorities of the Member State of departure or destination may exclude certain categories of goods from the facilities provided for in Article 398 and 406.

Article 411

- 1 Where presentation of the Community transit declaration at the office of departure is waived in respect of goods which are to be dispatched under cover of a consignment note

CIM, or a TR transfer note, in accordance with Articles 413 to 442, the customs authorities shall determine the measures necessary to ensure that sheets 1, 2 and 3 of the consignment note CIM, or sheets 2, 3A and 3B of the TR transfer note bear the symbol 'T1' or 'T2', as the case may be.

2 Where the goods carried under Articles 413 to 442 are intended for an authorized consignee, the customs authorities may provide that, by way of derogation from Article 406 (2) and Article 409 (1) (b), sheets 2 and 3 of the consignment note CIM, or sheets 1, 2 and 3A of the TR transfer note are to be delivered direct by the railway companies or by the transport undertaking to the office of destination.

Section 3

Simplification of formalities for goods transported by rail

Subsection 1

General provisions relating to carriage by rail

Article 412

Article 352 shall not apply to the carriage of goods by rail.

Where a transit advice note still has to be submitted in accordance with Article 352 (2) the records kept by the railway companies shall take the place of such note.

Article 413

Where the Community transit procedure is applicable, formalities under that procedure shall be simplified in accordance with Articles 414 to 425, 441 and 442 for the transport of goods by railway companies under cover of a 'consignment note CIM and express parcels' hereinafter referred to as the 'consignment note CIM'.

Article 414

The consignment note CIM shall be equivalent to:

- (a) a T1 declaration or document, for goods moving under the external Community transit procedure;
- (b) a T2 declaration or document, for goods moving under the internal Community transit procedure.

Article 415

The railway company of each Member State shall make the records held at their accounting offices available to the customs authorities of their country for purposes of control.

Article 416

1 The railway company which accepts the goods for transport accompanied by a consignment note CIM serving as a T1 or T2 declaration or document shall be the principal for such operation.

2 The railway company of the Member State through whose territory the goods enter the Community shall be the principal for operations in respect of goods accepted for transport by the railways of a third country.

Article 417

The railway companies shall ensure that consignments transported under the Community transit procedure are identified by labels bearing a pictogram, a specimen of which is shown in Annex 58.

The labels shall be affixed to the consignment note CIM and to the relevant railway wagon in the case of a full load or, in other cases, to the package or packages.

Article 418

Where the contract of carriage is modified so that:

- a transport operation which was to end outside the customs territory of the Community ends within it,
- a transport operation which was to end within the customs territory of the Community ends outside it,

the railway companies shall not perform the modified contract without the prior agreement of the office of departure.

In all other cases, the railway companies may perform the modified contract; they shall forthwith inform the office of departure of the modification made.

Article 419

1 The consignment note CIM shall be produced at the office of departure in the case of a transport operation to which the Community transit procedure applies and which starts and is to end within the customs territory of the Community.

2 The office of departure shall clearly enter in the box reserved for customs on sheets 1, 2 and 3 of the consignment note CIM:

- the symbol 'T1', where goods are moving under the external Community transit procedure,
- the symbol 'T2', 'T2 ES' or 'T2 PT', as the case may be, where the goods are moving under the internal Community transit procedure in accordance with Article 311 (b) with or Article 165 of the Code.

The symbol 'T2', 'T2 ES' or 'T2 PT' shall be authenticated by the application of the stamp of the office of departure.

3 All copies of the consignment note CIM shall be returned to the person concerned.

4 The goods referred to in Article 311 (a) shall be placed under the internal Community transit procedure for the whole of the journey from the Community station of departure to the station of destination in the customs territory of the Community, in accordance with arrangements determined by each Member State, without presentation at the office of departure of the consignment note CIM in respect of the goods and without affixing the labels referred to in Article 417. However, this waiver shall not apply to consignment notes CIM drawn up for goods covered by the provisions in Articles 463 to 470.

5 For the goods referred to in paragraph 2 the customs office for the station of destination shall act as the office of destination. If, however, the goods are released for free circulation or

placed under another customs procedure at an intermediate station, the office responsible for that station shall act as the office of destination.

No formalities need be carried out at the office of destination with regard to the goods referred to in Article 311 (a).

6 For the purposes of the control referred to in Article 415, the railway companies shall, in the country of destination, make all the consignment notes CIM for the transport operations referred to in paragraph 4 available to the customs authorities, in accordance with any provisions defined by mutual agreement with those authorities.

7 When Community goods are transported by rail from a point in a Member State to a point in another Member State through the territory of a third country other than an EFTA country, the internal Community transit procedure shall apply. In this case the provisions of paragraphs 4, 5 second subparagraph and 6 shall apply *mutatis mutandis*.

Article 420

As a general rule and having regard to the identification measures applied by the railway companies, the office of departure shall not seal the means of transport or the packages.

Article 421

1 In the cases referred to in the first subparagraph of Article 419 (5), the railway company of the Member State responsible for the office of destination shall forward to the latter sheets 2 and 3 of the consignment note CIM.

2 The office of destination shall forthwith return sheet 2 to the railway company after stamping it and shall retain sheet 3.

Article 422

1 Article 419 and 420 shall apply to a transport operation which starts within the customs territory of the Community and is to end outside it.

2 The customs office for the frontier station through which the goods in transit leave the customs territory of the Community shall act as office of destination.

3 No formalities need be carried out at the office of destination.

Article 423

1 Where a transport operation starts outside the customs territory of the Community and is to end within it, the customs office for the frontier station through which the goods enter the customs territory of the Community shall act as office of departure.

No formalities need be carried out at the office of departure.

2 The customs office for the station of destination shall act as office of destination. However, where the goods are released for free circulation or placed under another customs procedure at an intermediate station, the customs office for that station shall act as the office of destination.

The formalities laid down in Article 421 shall be carried out at the office of destination.

Article 424

1 Where a transport operation starts and is to end outside the customs territory of the Community, the customs offices which are to act as office of departure and office of destination shall be those referred to in Articles 423 (1) and 422 (2) respectively.

2 No formalities need to be carried out at the offices of departure or destination.

Article 425

Goods which are transported under Articles 423(1) or 424 (1) shall be considered as moving under the external Community transit procedure unless the Community status of the goods is established in accordance with Articles 313 to 340.

Subsection 2

Provisions relating to goods carried in large containers

Article 426

Where the Community transit procedure is applicable, formalities under that procedure shall be simplified in accordance with Articles 427 to 442 for goods carried by the railway companies in large containers using transport undertakings as intermediaries, under cover of transfer notes referred to for the purposes of this Title as 'TR transfer notes'. Such operations may include the dispatch of consignments by transport undertakings using modes of transport other than rail, to the railway station of departure in the country of consignment and from the railway station of destination in the country of destination, and any transport by sea in the course of the movement between those two stations.

Article 427

For the purpose of Articles 426 to 442:

1. 'transport undertaking' means an undertaking constituted by the railway companies as a corporate entity of which they are members, such undertaking being set up for the purpose of carrying goods by means of large containers under cover of TR transfer notes;
2. 'large container' means a container within the meaning of Article 670 (g) that is:
 - designed in such a way that it can be properly sealed where the application of Article 435 requires this,
 - of a size such that the area bounded by the four lower external angles is not less than 7 m².
3. 'TR transfer note' means the document which comprises the contract of carriage by which the transport undertaking arranges for one or more large containers to be carried from a consignor to a consignee in international transport. The TR transfer note shall bear a serial number in the top right-hand corner by which it can be identified. This number shall be made up of eight digits preceded by the letters TR.

The TR transfer note shall consist of the following sheets, in numerical order:

— 1:	sheet for the head office of the transport undertaking,
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Status: This is the original version (as it was originally adopted).

— 2:	sheet for the national representative of the transport undertaking at the station of destination,
— 3A:	sheet for customs,
— 3B:	sheet for the consignee,
— 4:	sheet for the head office of the transport undertaking,
— 5:	sheet for the national representative of the transport undertaking at the station of departure,
— 6:	sheet for the consignor.

Each sheet of the TR transfer note, with the exception of sheet 3A, shall have a green band approximately four centimetres wide along its right-hand edge.

4. ‘List of large containers’, hereinafter referred to as ‘list’, means the document attached to a TR transfer note, of which it forms an integral part, which is intended to cover the consignment of several large containers from a single station of departure to a single station of destination, at which stations the customs formalities are carried out.

The list shall be produced in the same number of copies as the TR transfer note to which it relates.

The number of lists shall be shown in the box at the top right-hand corner of the TR transfer note reserved for that purpose.

In addition, the serial number of the appropriate TR transfer note shall be entered in the top right-hand corner of each list.

Article 428

The TR transfer note used by the transport undertaking shall be equivalent to:

- (a) a T1 declaration or document, as the case may be, for goods moving under the external Community transit procedure;
- (b) a T2 declaration or document, as the case may be, for goods moving under the internal Community transit procedure.

Article 429

1 In each Member State the transport undertaking shall make available to the customs authorities for control purposes, through the medium of its national representative or representatives, the records held at its accounting office or offices or at those of its national representative or representatives.

2 At the request of the customs authorities, the transport undertaking or its national representative or representatives shall communicate to them forthwith any documents, accounting records or information relating to carriage operations completed or underway which those authorities consider they should see.

3 Where, in accordance with Article 428, TR transfer notes are treated as equivalent to T1 or T2 declarations or documents, the transport undertaking or its national representatives or representatives shall:

Status: This is the original version (as it was originally adopted).

- a inform the customs office of destination of any TR transfer note, sheet 1 of which has been sent to it without a customs endorsement;
- b inform the customs office of departure of any TR transfer note, sheet 1 of which has not been returned to it and in respect of which it has been unable to determine whether the consignment has been correctly presented to the customs office of destination or has been exported from the customs territory of the Community to a third country under Article 437.

Article 430

1 In the case of transport operations referred to in Article 426 accepted by the transport undertaking in a Member State, the railway company of that Member State shall be the principal.

2 In the case of transport operations referred to in Article 426 accepted by the transport undertaking in a third country, the railway company of the Member State through which the goods enter the customs territory of the Community shall be the principal.

Article 431

If customs formalities have to be carried out during carriage by means other than rail to the station of departure or from the station of destination, only one large container may be covered by each TR transfer note.

Article 432

The transport undertaking shall ensure that transport operations carried out under the Community transit procedure are identified by labels bearing a pictogram, a specimen of which is shown in Annex 58. The labels shall be affixed to the TR transfer note and to the large container or containers concerned.

Article 433

Where a contract of carriage is modified so that:

- a transport operation which was to end outside the customs territory of the Community ends within it,
- a transport operation which was to end within the customs territory of the Community ends outside it,

the transport undertaking shall not perform the modified contract without the prior agreement of the office of departure.

In all other cases, the transport undertaking may perform the modified contract; it shall forthwith inform the office of departure of the modification made.

Article 434

1 Where a transport operation to which the Community transit procedure applies starts and is to end within the customs territory of the Community, the TR transfer note shall be presented at the office of departure.

2 The office of departure shall indicate clearly in the box reserved for customs on sheets 2, 3A and 3B of the TR transfer note:

- the symbol 'T1' where the goods are moving under the external Community transit procedure,
- the symbol 'T2', 'T2 ES' or 'T2 PT' as the case may be, where the goods are moving under the internal Community transit procedure, in accordance with Article 311 (b), and with Article 165 of the Code.

— the symbols 'T2', 'T2 ES' or 'T2 PT' shall be authenticated by application of the stamp of the office of departure.

3 Where a TR transfer note relates both to containers containing goods moving under the external Community transit procedure and containers containing goods moving under the internal Community transit procedure, in accordance with Article 311 (b) and with Article 165 of the Code, the office of departure shall enter in the box reserved for customs on sheets 2, 3A and 3B of the TR transfer note separate references to the container(s), depending upon which type of goods they contain, and shall enter the symbol 'T1' and the symbol 'T2', 'T2 ES' or 'T2 PT' respectively, alongside the reference to the corresponding container(s).

4 In cases covered by paragraph 3, where lists of large containers are used separate lists shall be made out for each category of container and the reference thereto shall be indicated by entering in the box reserved for customs on sheets 2, 3A and 3B of the TR transfer note, the serial number(s) of the list(s). The symbol 'T1' or the symbol 'T2', 'T2 ES' or 'T2 PT' shall be entered alongside the serial number(s) of the list(s) according to the category of containers to which they relate.

5 All sheets of the TR transfer note shall be returned to the person concerned.

6 The goods referred to in Article 311 (a) shall be placed under the internal Community transit procedure for the whole of the journey in accordance with arrangements determined by each Member State without presentation at the office of departure of the TR transfer note in respect of the goods and without affixing the labels referred to in Article 432. However, this waiver shall not apply to the TR transfer note drawn up for goods covered by the provisions in Articles 463 to 470.

7 For the goods referred to in paragraph 2 the TR transfer note must be produced at the office of destination where the goods are declared for release for free circulation or for another customs procedure.

No formalities need be carried out at the office of destination in respect of the goods referred to in Article 311 (a).

8 For the purposes of the control referred to in Article 429, the transport undertaking shall in the country of destination make all TR transfer notes for the transport operations referred to in paragraph 6 available to the customs authorities in accordance with any provisions defined by mutual agreement with those authorities.

9 When Community goods are transported by rail from a point in a Member State to a point in another Member State through the territory of a third country other than an EFTA country, the internal Community transit procedure shall apply. In this case the provisions of paragraphs 6, 7 second subparagraph and 8 shall apply *mutatis mutandis*.

Article 435

Identification of goods shall be ensured in accordance with Article 349. However, the office of departure shall not normally seal large containers where identification measures are taken by the railway companies. If seals are affixed this shall be indicated in the space reserved for customs use on sheets 3A and 3B of the TR transfer note.

Article 436

1 In the cases referred to in the first subparagraph of Article 434 (7) the transport undertaking shall deliver sheets 1, 2 and 3A of the TR transfer note to the office of destination.

2 The office of destination shall forthwith endorse sheets 1 and 2 and return them to the transport undertaking and shall retain sheet 3A.

Article 437

1 Where a transport operation starts within the customs territory of the Community and is to end outside it, Article 434 (1) to (5) and Article 435 shall apply.

2 The customs office responsible for the frontier station through which the goods leave the customs territory of the Community shall act as the office of destination.

3 No formalities need be carried out at the office of destination.

Article 438

1 Where a transport operation starts outside the customs territory of the Community and is to end within it, the customs office responsible for the frontier station through which the goods enter the Community shall act as the office of departure. No formalities need be carried out at the office of departure.

2 The customs office to which the goods are presented shall act as the office of destination.

The formalities laid down in Article 436 shall be carried out at the office of destination.

Article 439

1 Where a transport operation starts and is to end outside the customs territory of the Community, the customs offices which are to act as the office of departure and the office of destination shall be those referred to in Article 438 (1) and Article 437 (2) respectively.

2 No formalities need be carried out at the offices of departure or destination.

Article 440

Goods which are transported under Articles 438 (1) or 439 (1) shall be considered as moving under the external Community transit procedure unless the Community status of the goods is established in accordance with the provisions of Articles 313 to 340.

Subsection 3

Other provisions

Article 441

1 The second subparagraph of Article 341 (2) and Articles 342 to 344 shall apply to any loading lists which accompany the consignment note CIM or the TR transfer note. The number of such lists shall be shown in the box reserved for particulars of accompanying documents on the consignment note CIM or TR transfer note as the case may be.

In addition, the loading list shall include the wagon number to which the consignment note CIM refers or, where appropriate, the container number of the container containing the goods.

2 In the case of transport operations beginning within the customs territory of the Community comprising both goods moving under the external Community transit procedure and goods moving under the internal Community transit procedure, separate loading lists shall

be made out; in the case of goods carried in large containers under cover of TR transfer notes, such separate lists shall be made out for each large container which contains both categories of goods.

The serial numbers of the loading lists relating to each of the two categories of goods shall be entered in the box reserved for the description of goods on the consignment note CIM or TR transfer note, as the case may be.

3 In the cases referred to in paragraphs 1 and 2 and for the purposes of the procedures provided for in Articles 413 to 442, the loading lists accompanying the consignment note CIM or the TR transfer note shall form an integral part thereof and shall have the same legal effects.

The original of such loading lists shall be stamped by the station of dispatch.

Subsection 4

Scope of the normal procedures and the simplified procedures

Article 442

1 Where the Community transit procedure is applicable, the provisions of Articles 412 to 441 shall not preclude the use of the procedures laid down in Articles 341 to 380, and the provisions of Articles 415 and 417 or 429 and 432 shall nevertheless apply.

2 In the cases referred to in paragraph 1, a reference to the Community transit document(s) used shall be clearly entered in the box reserved for particulars of accompanying documents at the time when the consignment note CIM or TR transfer note is made out. The reference shall include the type of document, office of issue, date and registration number of each document used.

In addition, sheet 2 of the consignment note CIM or sheets 1 and 2 of the TR transfer note shall be authenticated by the railway company responsible for the last railway station involved in the Community transit operation. This company shall authenticate the document after ascertaining that transport of the goods is covered by the Community transit document or documents referred to.

3 Where a Community transit operation is carried out under cover of a TR transfer note in accordance with Articles 426 to 440, the consignment note CIM used for the operation shall be excluded from the scope of paragraphs 1 and 2 and of Articles 413 to 425. The consignment note CIM shall bear a clear reference to the TR transfer note in the box reserved for particulars of accompanying documents. That reference shall include the words 'TR transfer note' followed by the serial number.

CHAPTER 8

Special provisions applicable to certain modes of transport

Section 1

Transport by air

Article 443

The Community transit procedure shall only be compulsory in respect of goods transported by air if they are loaded or reloaded at an airport in the Community.

Article 444

1 Where, in accordance with Article 443, the Community transit procedure is compulsory for goods transported by air from a Community airport, the manifest, provided it contains the information specified in Appendix 3 of Annex 9 to the Convention on International Civil Aviation, shall be equivalent to a Community transit declaration.

2 Where the transport operation relates both to goods which must move under the external Community transit procedure and to goods which must move under the internal Community transit procedure, such goods shall be listed on separate manifests.

3 The manifest or manifests referred to in paragraphs 1 and 2 shall bear an endorsement dated and signed by the airline identifying them as a Community transit declaration and specifying the customs status of the goods to which they relate. Thus completed and signed, the manifest or manifests shall be treated as a T1 declaration or a T2 declaration, as the case may be.

The manifest or manifests referred to in paragraphs 1 and 2 shall contain the following:

- the name of the airline transporting the goods,
- the flight number,
- the date of the flight,
- the name of the airport of loading (airport of departure) and unloading (airport of destination);

and for each consignment on the manifest:

- the number of the air waybill,
- the number of packages,
- a summary description of the goods or, where appropriate, the indication 'consolidated', if necessary in an abbreviated form, (equivalent to groupage),
- the gross mass.

4 An airline which transports goods accompanied by the manifests referred to in paragraphs 1 to 3 shall be the principal for the transport operation in question.

5 Except where the airline has the status of an authorized consignor within the meaning of Article 398, the manifests referred to in paragraphs 1 to 3 shall be presented for authentication in two or more copies to the customs authorities at the airport of departure, who shall retain a copy.

The said authorities may, for control purposes, require production of all the air waybills relating to the consignments listed on the manifest.

6 The airline transporting the goods shall inform the customs authorities at the airport of destination of the name of the airport or airports of departure.

The customs authorities at the airport of destination may waive this requirement in respect of airlines for which, *inter alia* because of the nature of the routes flown or regions served by the airlines concerned, there is no doubt as to the airport or airports of departure.

7 A copy of the manifests provided for in paragraphs 1 to 5 shall be presented to the customs authorities at the airport of destination. The said authorities shall retain a copy of such manifests.

8 Without prejudice to paragraph 7, the customs authorities at the airport of destination may, for control purposes, require production of the manifests relating to all the goods unloaded at the airport.

The said authorities may also, for control purposes, require production of the air waybills relating to the consignments listed on the manifest.

9 The customs authorities at the airport of destination shall transmit monthly to the customs authorities at each airport of departure a list drawn up by the airlines of the manifests referred to in paragraphs 1 to 3 which were presented to them during the previous month. The list shall be authenticated by the customs authorities at the airport of destination.

The description of each manifest in the said list shall comprise the following information:

- the reference number of the manifest,
- the name (which may be abbreviated) of the airline which transported the goods,
- the flight number,
- the date of the flight.

On conditions which they shall determine the customs authorities may by bilateral or multilateral arrangement authorize the airlines themselves, in accordance with the first subparagraph, to transmit the information to the customs authorities of each airport of departure. Customs authorities granting such authorizations shall advise the customs authorities of the other Member States accordingly.

In the event of irregularities being found in connection with the information on the manifests appearing on the said list, the office of destination shall inform the office of departure, referring in particular to the air waybills which relate to the goods in question.

10 The customs authorities in the Member States, at the request of the airlines concerned, may by bilateral or multilateral arrangement allow the use of simplified Community transit procedures, using data exchange technology in operation between the airlines concerned, instead of the manifest specified in paragraph 1.

11

- a In the case of international airlines which are either established or have a regional office in the customs territory of the Community and:
 - use data exchange systems to transmit information between airports of departure and destination in the said territory, and
 - fulfil the conditions of subparagraph (b),

the Community transit procedure described in paragraphs 1 to 9 shall be simplified on request.

Status: This is the original version (as it was originally adopted).

On receipt of a request, the customs authorities of the Member State where the airline is established shall notify the customs authorities of the other Member States in whose territories the airports of departure and destination connected by data exchange technology are situated.

Provided no objection is received within sixty days of the date of notification the customs authorities shall allow the simplified procedure described in subparagraph (c), subject to Article 97 (2) (a) of the Code.

This authorization shall be valid in all the Member States concerned and shall apply only to transit operations between the airports referred to in it.

- b The simplified procedure provided for in subparagraph (c) shall be granted only to airlines:
 - which operate a significant number of intra-Community flights,
 - which frequently consign and receive goods,
 - whose written or computer records enable the customs authorities to verify their operations at departure and destination,
 - which have not committed serious or repeated offences against customs or tax legislation,
 - which make all records available to the customs authorities,
 - which agree to be fully accountable to the customs authorities in meeting their obligations and collaborating to resolve all offences and irregularities.
- c The simplified procedure shall apply as follows:
 - the airline shall keep evidence of the status of all consignments in its commercial records,
 - the manifest at the airport of departure which is transmitted by data exchange technology shall become the manifest at the airport of destination,
 - the airline shall indicate the appropriate status T1, T2, TE (equivalent to T2 ES), TP (equivalent to T2 PT), and C (equivalent to T2L) against each item on the manifest,
 - the Community transit procedure shall be considered discharged when the data exchange manifest is made available to the customs authorities of the airport of destination and the goods have been presented to them,
 - a printout of the data exchange manifest shall be presented on request to the customs authorities at the airports of departure and destination,
 - the customs authorities at the airport of departure shall carry out retrospective systems audit checks based on a level of perceived risk analysis,
 - the customs authorities at the airport of destination shall carry out systems audit checks based on a level of perceived risk analysis and if necessary send details of data-exchange manifests to the customs authorities at the airport of departure for verification,
 - the airline shall be responsible for identifying and notifying to the customs authorities all offences and irregularities found at the airport of destination,
 - the customs authorities at the airport of destination shall, after a reasonable time, notify all offences and irregularities to the customs authorities at the airport of departure,
 - these offences and irregularities may be resolved under procedures to be agreed between the airlines and the customs authorities at destination and departure.

Article 445

Where, in accordance with Article 443, the Community transit procedure is compulsory for goods transported by air from a Community airport, the provisions of Article 444 shall not preclude the use by any person concerned of the Community transit procedure laid down in Articles 341 to 380. In that case, the procedures laid down in Article 444 shall not apply.

Section 2

Transport by sea

Article 446

The Community transit procedure shall only be compulsory in respect of goods transported by sea if they are loaded or transhipped at a port in the Community.

Article 447

The Community transit procedure shall not apply when goods referred to in Article 91 (1) of the Code are loaded on a vessel in a port situated in the customs territory of the Community:

- for export to a third country without unloading or transhipment in another port situated in the customs territory of the Community, or
- for transport to a free zone situated in a port; in this case, the use of the information note referred to in Article 313 (3) (b) shall be compulsory.

Article 448

1 Where, in accordance with Article 446, the Community transit procedure is compulsory for goods transported by sea from a Community port, the customs authorities of the Member States may, at the request of the shipping companies concerned and subject to the conditions laid down in paragraphs 2 to 10, simplify the Community transit procedures allowing the manifest relating to these goods to be used as a Community transit declaration or document.

2 On receipt of a request, the customs authorities of the Member State where the shipping company is established shall notify the customs authorities of the other Member States in whose territories the intended ports of departure and destination are situated.

Provided no objection is received within sixty days of the date of notification, the customs authorities shall authorize the shipping company concerned. The authorization shall be valid in all the Member States concerned as a bilateral or multilateral arrangement referred to in Article 97 (2) (a) of the Code.

Where such authorization is not given the Community transit procedure laid down in Articles 341 to 380 shall apply.

The provisions of this Article shall not preclude the use by any person concerned, including the shipping companies which have been granted an authorization, of the Community transit procedures laid down in Article 341 to 380 where appropriate.

3 The authorization referred to in paragraph 1 shall be granted only to shipping companies:

- whose records enable the customs authorities to check on their operations,

- which have not committed any serious or repeated offences against customs or tax legislation,
- which use manifests:
 - the format of which includes at least the name and full address of the shipping company concerned, the identity of the ship, place of loading, place of unloading, a reference to the bill of lading, and for each consignment the number, description of the goods, the gross mass in kilograms and, if applicable, the identifying numbers of containers,
 - which can easily be checked and used by the customs authorities,
 - which can be presented, duly completed and signed, to the customs authorities before the departure of the vessels to which they refer.

4 The authorization referred to in paragraph 1 shall stipulate that where the transport operation relates both to goods which must move under the external Community procedure and to goods which must move under the internal Community transit procedure, such goods shall be listed on separate manifests.

5 The manifest or manifests referred to in paragraphs 1 and 3 shall bear an endorsement dated and signed by the shipping company identifying them as a Community transit declaration and specifying the customs status of the goods to which they relate. Thus completed and signed, the manifest or manifests shall be equivalent to a T1 declaration or T2 declaration, as the case may be.

6 A shipping company which transports goods accompanied by the manifests referred to in paragraphs 1 to 4 shall be the principal for the transport operation in question.

7 Except where the shipping company has the status of an authorized consignor within the meaning of Article 398, the manifests referred to in paragraphs 1 to 4 shall be presented for endorsement, in two or more copies, to the customs authorities at the port of departure, who shall retain a copy.

8 The manifests provided for in paragraphs 1 to 4 shall be presented for endorsement to the customs authorities at the port of destination. Those authorities shall retain one copy of the manifests in order that the goods may be placed under customs supervision, if necessary.

9 Without prejudice to paragraph 8, the customs authorities of the port of destination may, for control purposes, require production of manifests and bills of lading relating to any goods discharged in the port.

10 The customs authorities of the port of destination shall transmit monthly to the customs authorities at each port of departure a list drawn up by the shipping companies or their representatives of the manifests referred to in paragraphs 1 to 4 which were presented during the previous month. The list shall be authenticated by the customs authorities at the port of destination.

The description of each manifest in the said list shall comprise the following information:

- the reference number of the manifest,
- the name (which may be abbreviated) of the shipping company which transported the goods,
- the date of shipment.

In the event of irregularities being found in connection with the information on the manifests appearing on the said list, the office of destination shall inform the office

of departure, referring in particular to the bills of lading which relate to the goods in question.

11

- a In the case of international shipping companies which are either established or have a regional office in the customs territory of the Community and fulfil the conditions of subparagraph (b), the Community transit procedure described in paragraphs 1 to 10 may be simplified further on request.

On receipt of a request, the customs authorities of the Member State where the shipping company is established shall notify the customs authorities of the other Member States in whose territories the intended ports of departure and destination are situated.

Provided no objection is received within sixty days of the date of notification, the customs authorities, shall allow the simplified procedure described in subparagraph (c), subject to Article 97 (2) (a) of the Code.

This authorization shall be valid in all the Member States concerned and shall apply only to transit operations between the ports referred to in it.

- b The simplified procedure provided for in subparagraph (c) shall be granted only to shipping companies:
- which are authorized to use manifests in accordance with the provisions of this Article,
 - which operate a significant number of intra-Community voyages on recognized routes,
 - which frequently consign and receive goods,
 - which agree to be fully accountable to the customs authorities in meeting their obligations and collaborating to resolve all offences and irregularities.
- c The simplified procedure shall apply as follows:
- the shipping company shall keep evidence of the status of all consignments in its commercial records and in copies of the manifests,
 - the shipping company may use a single manifest for all goods transported and shall indicate the appropriate status T1, T2, TE (equivalent to T2 ES), TP (equivalent to T2 PT), and C (equivalent to T2L) against each item on the manifest,
 - the Community transit procedure shall be considered discharged on presentation of the manifests and the goods to the customs authorities at the port of destination,
 - the customs authorities at the port of departure shall carry out retrospective systems audit checks based on a level of perceived risk analysis,
 - the customs authorities at the port of destination shall carry out systems audit checks based on a level of perceived risk analysis and if necessary send details of data exchange manifests to the customs authorities at the port of departure for verification,
 - the shipping company shall be responsible for identifying and notifying to the customs authorities all offences and irregularities found at the port of destination,
 - the customs authorities at the port of destination shall notify all offences and irregularities to the customs authorities at the port of departure within a reasonable time.

Article 449

By way of derogation from Article 446, goods taken on board or transhipped in a free zone in a port situated in the customs territory of the Community shall be deemed to have been taken on board or transhipped in a third country unless it is established, by annotation in the ship's papers by the customs authorities, that the said vessel is coming from a part of that port other than the free zone.

Section 3

Transport by pipeline

Article 450

1 Where the Community transit procedure applies, the formalities relating to the procedure shall be adapted in accordance with paragraphs 2 to 6 for goods transported by pipeline.

2 Goods transported by pipeline shall be deemed to be placed under the Community transit procedure:

- on entry into the customs territory of the Community for those goods which enter that territory by pipeline,
- on placing into the pipeline system for those goods which are already within the customs territory of the Community.

Where necessary, the Community status of the goods shall be established in accordance with Articles 313 to 340.

3 For the goods referred to in paragraph 2, the operator of the pipeline established in the Member State through the territory of which the goods enter the customs territory of the Community or the operator of the pipeline in the Member State in which the movement starts shall be the principal.

4 For the purposes of Article 96 (2) of the Code, the operator of a pipeline established in a Member State through the territory of which the goods are transported by pipeline shall be regarded as the carrier.

5 The Community transit operation shall be deemed to end when the goods transported by pipeline arrive at the consignee's plant or are accepted into the distribution network of a consignee, and are entered in his records.

6 The undertakings involved in carriage of the goods shall keep records and make them available to the customs authorities for the purpose of any controls considered necessary in connection with the Community transit operations referred to in paragraphs 2 to 4.

CHAPTER 9

Transport under the TIR or A TA carnet procedure

Section 1

Common Provisions

Article 451

1 Where, in accordance with Articles 91 (2) (b) and (c) and 163 (2) (b) of the Code, goods are transported from one point in the customs territory of the Community to another:

- under the procedure for the international transport of goods under cover of TIR carnets (TIR Convention),
- under cover of ATA carnets (ATA Convention)

the customs territory of the Community shall, for the purposes of the rules governing the use of the TIR or ATA carnet for such transport, be considered to form a single territory.

2 For the purposes of using ATA carnets as transit documents, 'transit' shall mean the transport of goods from a customs office situated in the customs territory of the Community to another customs office situated within the same territory.

Article 452

Where, in the course of transport from one point in the customs territory of the Community to another, goods pass through the territory of a third country, the controls and formalities associated with the TIR or ATA procedure shall be carried out at the points where the goods temporarily leave the customs territory of the Community and where they re-enter that territory.

Article 453

1 Goods transported under cover of TIR or ATA carnets within the customs territory of the Community shall be deemed to be non-Community goods, unless their Community status is duly established.

2 The Community status of the goods referred to in paragraph 1 shall be determined in accordance with Articles 314 to 324.

Article 454

1 This Article shall apply without prejudice to the specific provisions of the TIR and ATA Conventions concerning the liability of the guaranteeing associations when a TIR or an ATA carnet is being used.

2 Where it is found that, in the course of or in connection with a transport operation carried out under cover of a TIR carnet or a transit operation carried out under cover of an ATA carnet, an offence or irregularity has been committed in a particular Member State, the recovery of duties and other charges which may be payable shall be effected by that Member State in accordance with Community or national provisions, without prejudice to the institution of criminal proceedings.

3 Where it is not possible to determine in which territory the offence or irregularity was committed, such offence or irregularity shall be deemed to have been committed in the Member State where it was detected unless, within the period laid down in Article 455 (1), proof of

the regularity of the operation or of the place where the offence or irregularity was actually committed is furnished to the satisfaction of the customs authorities.

Where no such proof is furnished and the said offence or irregularity is thus deemed to have been committed in the Member State in which it was detected, the duties and other charges relating to the goods concerned shall be levied by that Member State in accordance with Community or national provisions.

If the Member State where the said offence or irregularity was actually committed is subsequently determined, the duties and other charges (apart from those levied, pursuant to the second subparagraph, as own resources of the Community) to which the goods are liable in that Member State shall be returned to it by the Member State which had originally recovered them. In that case, any overpayment shall be repaid to the person who had originally paid the charges.

Where the amount of the duties and other charges originally levied and returned by the Member State which had recovered them is smaller than that of the duties and other charges due in the Member State where the offence or irregularity was actually committed, that Member State shall levy the difference in accordance with Community or national provisions.

The customs administrations of the Member States shall take the necessary measures to deal with any offence or irregularity and to impose effective penalties.

Article 455

1 Where an offence or irregularity is found to have been committed in the course of or in connection with a transport operation carried out under cover of a TIR carnet or a transit operation carried out under cover of an ATA carnet, the customs authorities shall notify the holder of the TIR carnet or ATA carnet and the guaranteeing association within the period prescribed in Article 11 (1) of the TIR Convention or Article 6 (4) of the ATA Convention, as the case may be.

2 Proof of the regularity of the operation carried out under cover of a TIR carnet or an ATA carnet within the meaning of the first subparagraph of Article 454 (3) shall be furnished within the period prescribed in Article 11 (2) of the TIR Convention or Article 7 (1) and (2) of the ATA Convention, as the case may be.

3 Such proof may be furnished to the satisfaction of the customs authorities *inter alia*:

- a by production of a document certified by the customs authorities establishing that the goods in question have been presented at the office of destination. This document must include information enabling the goods to be identified; or
- b by the production of a customs document issued in a third country showing release for home use, or a copy or photocopy thereof; such copy or photocopy must be certified as a true copy either by the body which endorsed the original document, or by the authorities of the third country concerned, or by the authorities of one of the Member States. This document must include information enabling the goods in question to be identified; or
- c for the purposes of the ATA Convention, by the evidence referred to in Article 8 of that Convention.

Section 2

Provisions relating to the TIR carnet procedure*Article 456*

For the purposes of Article 1 (h) of the TIR Convention, ‘customs office en route’ shall mean any customs office through which a road vehicle, combination of vehicles or container, as defined in the TIR Convention, is imported into or exported from the customs territory of the Community in the course of a TIR operation.

Article 457

For the purposes of Article 8 (4) of the TIR Convention, where a consignment enters the customs territory of the Community or starts from a customs office of departure situated in the customs territory of the Community, the guaranteeing association shall become or shall be responsible to the customs authorities of each Member State the territory of which the TIR consignment enters, up to the point at which it leave the customs territory of the Community or up to the customs office of destination in that territory.

Section 3

Provisions relating to the ATA carnet procedure*Article 458*

1 The customs authorities shall designate a coordinating office in each Member State for any action concerning infringements or irregularities relating to ATA carnets.

Those authorities shall inform the Commission of the designation of the coordinating offices together with their full address. A list of the offices shall be published in the *Official Journal of the European Communities*, C series.

2 For the purposes of determining the Member State responsible for levying the duties and other charges due, the Member State in which an offence or irregularity committed during a transit operation carried out under cover of an ATA carnet is detected within the meaning of the second subparagraph of Article 454 (3) shall be the Member State where the goods were found or, if they have not been found, the Member State whose coordinating office holds the most recent voucher from the carnet.

Article 459

1 Where the customs authorities of a Member State establish that a customs debt has been incurred, a claim shall be sent to the guaranteeing association with which that Member State is linked as soon as possible. Where the incurrence of the debt is due to the fact that the goods covered by the ATA carnet have not been re-exported or have not been assigned a customs-approved treatment or use within the periods laid down by the ATA Convention, this claim shall be sent at the earliest three months after the date of expiry of the carnet.

2 The coordinating office making the claim shall at the same time, as far as possible, send to the coordinating office in the jurisdiction of which the office of temporary admission is situated, an information memo drawn up in accordance with the model shown in Annex 59.

The information memo shall be accompanied by a copy of the undischarged voucher, if the coordinating office has it in its possession. The information memo may also be used whenever this is deemed necessary.

Article 460

1 The amount of duties and taxes arising from the claim referred to in Article 459 shall be calculated by means of the model taxation form set out in Annex 60 completed in accordance with the instructions attached to it.

The taxation form may be sent later than the claim, though not more than three months from the claim and in any event not more than six months from the date on which the customs authorities initiate the recovery proceedings.

2 In accordance with Article 461 and as provided therein, the sending of this form to a guaranteeing association by the customs administration with which that association is connected shall not release the other guaranteeing associations in the Community from an obligation to pay duties and other charges if it is found that the offence or irregularity was committed in a Member State other than the one in which the proceedings were initiated.

3 The taxation form shall be completed in duplicate or triplicate, as necessary. The first copy shall be for the guaranteeing association connected with the customs authority of the Member State in which the claim is made. The second copy shall be retained by the issuing coordinating office. Where necessary the issuing coordinating office shall send the third copy to the coordinating office in whose jurisdiction the office of temporary admission is situated.

Article 461

1 Where it is established that the offence or irregularity was committed in a Member State other than the one in which the proceedings were initiated, the coordinating office of the first Member State shall close the file as far as it is concerned.

2 For the purposes of closure it shall send to the coordinating office of the second Member State the contents of the file in its possession and if necessary shall refund to the guaranteeing association with which it is connected any sums which that association may have deposited or provisionally paid.

However, the file shall be closed only if the coordinating office of the first Member State receives a discharge from the coordinating office of the second Member State indicating that claim proceedings have been initiated in the latter Member State, in accordance with the rules of the ATA Convention. This discharge shall be drawn up in accordance with the model in Annex 61.

3 The coordinating office of the Member State where the offence or irregularity was committed shall take over the recovery proceedings and where necessary collect from the guaranteeing association with which it is connected the amount of duties and other charges due at the rates in force in the Member State where this office is situated.

4 The proceedings must be transferred within a period of one year counting from the expiry of the carnet on condition that payment has not become definitive pursuant to Article 7 (2) or (3) of the ATA Convention. Should this time limit be exceeded the third and fourth paragraphs of Article 454 (3) shall apply.

CHAPTER 10

Transport under the form 302 procedure

Article 462

1 Where, in accordance with Articles 91 (2) (e) and 163 (2) (e) of the Code, goods are transported from one point in the customs territory of the Community to another under cover of form 302 established under the Convention between the Parties to the North Atlantic Treaty on the Status of their Forces, signed in London on 19 June 1951, the customs territory of the Community shall be considered, for the purposes of the rules governing the use of the said form for such transport, to form a single territory.

2 Where, in the course of a transport operation referred to in paragraph 1, goods pass through the territory of a third country, the controls and formalities associated with form 302 shall be carried out at the points where the goods temporarily leave the customs territory of the Community and where they re-enter that territory.

3 Where it is found that, in the course of or in connection with a transport operation carried out under cover of form 302, an offence or irregularity has been committed in a particular Member State, the recovery of duties and other charges which may be payable shall be effected by that Member State in accordance with Community or national provisions, without prejudice to the institution of criminal proceedings.

4 Article 454 (3) shall apply *mutatis mutandis*.

CHAPTER 11

Use of community transit documents to apply measures relating to the export of certain goods

Article 463

1 This Chapter lays down the conditions applicable to goods moving within the customs territory of the Community under a Community transit procedure or under another customs transit procedure where export of those goods from the Community is prohibited or is subject to restrictions, duties or other charges.

2 These conditions shall, however, apply only in so far as the measure introducing the prohibition, restriction, duty or other charge so provides and without prejudice to any special provisions which that measure may comprise.

Article 464

Where the goods referred to in Article 463 (1) are placed under a Community transit procedure, the principal shall enter in the box headed 'Description of goods' on the Community transit document one of the following phrases:

- Salida de la Comunidad sometida a restricciones,
- Udpassage fra Fællesskabet undergivet restriktioner,
- Ausgang aus der Gemeinschaft — Beschränkungen unterworfen,
- Έξοδος από την Κοινότητα υποκειμένη σε περιορισμούς,
- Export from the Community subject to restrictions,
- Sortie de la Communauté soumise à des restrictions,
- Uscita dalla Comunità assoggettata a restrizioni,

- Verlaten van de Gemeenschap aan beperkingen onderworpen,
- Saída da Comunidade sujeita a restrições,
- Salida de la Comunidad sujeta a pago de derechos,
- Udpassage fra Fællesskabet betinget af afgiftsbetaling,
- Ausgang aus der Gemeinschaft — Abgabenerhebungen unterworfen,
- Έξοδος από την Κοινότητα υποκείμενη σε επιβάρυνση,
- Export from the Community subject to duty,
- Sortie de la Communauté soumise à imposition,
- Uscita dalla Comunità assoggettata a tassazione,
- Verlaten van de Gemeenschap aan belastingheffing onderworpen,
- Saída da Comunidade sujeita a pagamento de imposições.

Article 465

1 Where the goods referred to in Article 463 (1) are placed under a transit procedure other than the Community transit procedure, the customs office at which dispatch formalities are carried out shall require completion of control copy T5, provided for in Article 472. The person concerned shall enter in box 104 of control copy T5, as appropriate, one of the indications set out in Article 464.

2 The customs office referred to in paragraph 1 shall enter in the customs document under cover of which the goods are to be transported, as appropriate, one of the phrases set out in Article 464.

Article 466

Articles 464 and 465 shall not apply where, on declaration of the goods for export from the customs territory of the Community, proof is furnished to the customs office at which export formalities are carried out that an administrative measure freeing the goods from restriction has been taken, that any export duties or charges due have been paid or that, in the circumstances obtaining, the goods may leave the customs territory of the Community without further formalities.

Article 467

1 Where the measure referred to in Article 463 (2) provides for the lodging of a guarantee, such guarantee shall be furnished in cases where, according to the information contained in the customs document, the goods referred to in Article 463 (1) moving between two points in the customs territory of the Community are, during their transport, to leave that territory otherwise than by air.

2 The guarantee shall be lodged either at the office at which the formalities required on consignment of the goods are completed or with any other body designated for that purpose by the Member State to which that office belongs, in accordance with rules laid down by the customs authorities of that Member State. In the case of measures imposing an export duty or other charge, the guarantee need not be furnished where the goods are carried under the Community transit procedure, where a guarantee has been furnished otherwise than in cash or the guarantee is waived by reason of the identity of the principal.

Article 468

1 Article 465 shall also apply to goods referred to in Article 463 (1) which, in the course of transport between two points within the customs territory of the Community, cross the territory of an EFTA country and are reconsigned from such a country.

By way of derogation from Article 482, the original of control copy T5 shall accompany the goods to the competent customs office of the Member State of destination.

The office of departure shall specify the period within which the goods must be reimported into the customs territory of the Community.

2 If the measure referred to in Article 463 (2) provides for the lodging of a guarantee, then by way of derogation from Article 467 such guarantee shall be furnished for all transactions covered by paragraph 1.

Article 469

Where the goods are not restored to free movement immediately following their arrival at the office of destination, it shall be for that office to take the necessary steps to implement the measures referred to in Article 463 (2).

Article 470

Where the goods referred to in Article 463 (1) move as described in Article 467, whether or not by air, and are not reimported into the customs territory of the Community within the prescribed period, they shall be deemed to have been irregularly exported to a third country from the Member State whence they were consigned unless it is established that they were lost through *force majeure* or unforeseeable circumstances.

CHAPTER 12

Provisions relating to documents (Control copy T5) to be used for applying Community measures involving controls on the use and/or destination of goods

Article 471

For the purposes of this Chapter:

- (a) 'competent authorities' means:
the customs authorities or any other authority responsible for applying this Chapter;
- (b) 'office' means:
the customs office or an organization responsible at the local level for applying this Chapter.

Article 472

1 Where implementation of a Community measure is subject to proof that the conditions prescribed by that measure as to the use and/or destination of goods imported into, exported from, or moving within the customs territory of the Community have been complied with, such proof shall be furnished by production of control copy T5. A control copy T5 is a completed form T5, accompanied, where appropriate, by one or more forms T5 *bis*, as provided for in Article 478, or by one or more loading lists T5, as provided for in Article 479 or 480.

It is not excluded to use at the same time but for different purposes, several control copies T5, in so far as each of them is provided for in Community legislation.

2 Any person who signs a control copy T5 within the meaning of paragraph 1 shall be required to put the goods described in that document to the declared use and/or dispatch the goods to the declared destination.

Article 473

The forms for control copy T5 shall correspond to the specimens in Annexes 63, 64 and 65. They shall be completed in accordance with the explanatory note in Annex 66 and, where appropriate, any additional rules laid down in other Community legislation. Each Member State may, if necessary, supplement the explanatory note.

Control copy T5 shall be issued and used in accordance with Articles 476 to 485.

Article 474

1 The paper used shall be pale blue, dressed for writing purposes and weighing at least 40 g/m². It shall be sufficiently opaque for the information on one side not to affect the legibility of the information on the other side. Its strength shall be such that in normal use it does not easily tear or crease.

2 The sizes of the forms shall be:

- a 210 × 297 mm for form T5 (Annex 63) and form T5 *bis* (Annex 64), a tolerance in the length of between — 5 and + 8 mm being allowed;
- b 297 × 240 mm for loading lists T5 (Annex 65), a tolerance in the length of between — 5 and + 8 mm being allowed.

3 A colour marking of the different copies of the forms shall be effected in the following manner:

- the originals shall have at the right-hand edge a continuous margin coloured black,
- the width of this margin shall be approximately 3 mm.

4 The address for return and the important note on the front of the form may be printed in red.

Article 475

The competent authorities of the Member States may require that control copy T5 forms show the name and address of the printer, or a symbol enabling the printer to be identified.

Article 476

Control copy T5 shall be made out in an official language of the Community which is acceptable to the competent authorities of the Member State of departure.

The competent authorities of another Member State in which such a document is presented may, as necessary, require a translation into the official language, or one of the official languages, of that Member State.

Article 477

1 Control copy T5 shall be completed by typewriter or by a mechanographical or similar process. It may also be filled in legibly by hand, in ink and in block capitals.

The form shall contain no erasures or overwriting. Any alterations shall be made by crossing out the incorrect particulars and, where appropriate, adding those required. Any alterations made in this way shall be initialled by the person making them and expressly authenticated by the competent authorities.

2 Control copy T5 may also be produced and completed using an automatic reproduction process provided that the provisions as regards the specimens, the paper, the size, the language

used, the legibility, the prohibition of erasures and overwriting and amendments are strictly observed.

Article 478

1 The competent authorities of each Member State may allow undertakings established in their territory to supplement a control copy T5 with one or more continuation forms T5 *bis* in cases where all the forms relate to a single consignment of goods, loaded on a single means of transport and destined for a single consignee and a single use and/or destination.

2 The number of continuation forms T5 *bis* used shall be shown in box 3 of the control copy T5 which they accompany. The registration number of the control copy T5 shall be shown in the box for registration particulars of each continuation form T5 *bis*. The total number of packages covered by the control copy T5 and the T5 *bis* continuation forms shall be shown in box 6 of the control copy T5.

Article 479

1 The competent authorities of each Member State may allow undertakings established in their territory to supplement a control copy T5 with one or more loading lists T5 giving the particulars normally shown in boxes 31, 33, 35, 38, 100, 103 and 105 of form T5, provided that all the forms relate to a single consignment of goods, loaded on a single means of transport and destined for a single consignee and a single use and/or destination.

2 Only the front of the loading list T5 form may be used. Each item shown on loading list T5 shall be preceded by a serial number and all the particulars indicated in the column headings shall be supplied.

A horizontal line shall be drawn after the last entry and the remaining unused spaces crossed through so that no subsequent additions can be made. The total number of packages containing the goods listed and the total gross and net mass of those goods shall be shown at the foot of the appropriate columns.

3 Where loading lists T5 are used, boxes 31, 33, 35, 38, 100, 103 and 105 of the control copy T5 to which they refer shall be crossed through and the control copy may not be accompanied by a form T5 *bis*.

4 The number of loading lists T5 used shall be shown in box 4 of control copy T5. The registration number of the control copy T5 shall be shown in the box for registration particulars of each loading list T5. The total number of packages covered by the various loading lists shall be shown in box 6 of the control copy T5.

Article 480

1 The authorization referred to in Article 479 (1) may allow undertakings whose records are based on an electronic or automatic data-processing system to use loading lists T5 made out by that data-processing system which, although they include all the particulars provided for in the list as printed in Annex 65, do not comply with all the conditions of Articles 473 to 475 and 477 or with the stipulation in Article 479 (2) that each item shown on the list must be preceded by a serial number. Such lists shall, however, be designed and completed in such a way that they can be used without difficulty by the competent offices in question.

2 The authorization shall be granted only to those undertakings which offer the safeguards considered appropriate by the competent authorities.

3 Use as loading lists as referred to in Article 479 (1) of descriptive lists drawn up for the purposes of carrying out dispatch/export formalities may also be allowed even where such

lists are produced by firms whose records are not based on an electronic or automatic data-processing system.

4 The holder of the authorization shall be liable in the event of any fraudulent use by any person of loading lists which it draws up.

Article 481

1 Control copy T5 forms and, where appropriate, continuation forms T5 *bis* or loading lists T5 shall be made out by the person concerned in one original and at least one copy. Each of these must bear the original signature of the person concerned.

2 Control copy T5 and, where appropriate, continuation forms T5 *bis* or loading lists T5 shall include all the particulars, regarding the description of goods and any additional information, required by the provisions relating to the Community measure imposing the control.

3 Where goods are not entered under the Community transit procedure the control copy T5 must bear a reference to the document relating to the transit procedure, if any, used. If no transit procedure is used it shall contain one of the following phrases:

- mercancías fuera del procedimiento de tránsito,
- ingen forsendelsesprocedure,
- nicht im Versandverfahren befindliche Waren,
- είτε σε μνεία 'Εμπορεύματα εκτός διαδικασίας διαμετακόμισης',
- goods not covered by a transit procedure,
- marchandises hors procédure de transit,
- merci non vincolate ad una procedura di transito,
- goederen niet geplaatst onder een regeling voor douanevervoer,
- mercadorias não abrangidas por um procedimento de trânsito.

4 The Community transit document or the document relating to the transit procedure used shall bear a reference to the control copy or copies T5 issued.

Article 482

1 Where goods move under a Community transit procedure, or under another customs transit procedure, the control copy T5 shall be issued by the office of departure. The office of departure shall keep a copy of control copy T5. The original of control copy T5 shall accompany the goods at least to the office at which the use and/or destination of the goods is certified under the same conditions as the document relating to the transit procedure used.

2 Where goods subject to controls as to their use and/or destination are not placed under a transit procedure, a control copy T5 shall be issued by the competent authorities of the Member State of consignment. They shall keep a copy of control copy T5.

The control copy T5 shall contain one of the phrases referred to in Article 481 (3).

3 Control copy T5 and, where necessary, form(s) T5 *bis* and/or loading list(s) T5 shall be authenticated by the competent authorities of the Member State of departure. Such authentication shall comprise the following, which should appear in box A (office of departure) of those documents:

- a in the case of control copy T5, the name and stamp of the office of departure, the signature of the competent person, the date of authentication and a registration number which may be pre-printed;

- b in the case of form T5 *bis* and/or loading list T5, the number appearing on the control copy T5. That number shall be inserted either by means of a stamp incorporating the name of the office of departure or by hand. In the latter case it shall be accompanied by the official stamp of the said office.

The originals of these documents shall be returned to the person concerned as soon as all administrative formalities have been completed.

- 4 The goods and the original control copies T5 shall be presented at the office of destination.

Article 483

1 The office of destination shall carry out, or cause to be carried out under its responsibility, controls as to the use and/or destination provided for or prescribed.

2 The office of destination shall register the particulars in control copy T5, by keeping a photocopy of the said document if appropriate, and the result of the controls which have been carried out.

3 Without prejudice to the provisions of Article 485, the office of destination shall, on completion of all the necessary formalities and after the appropriate endorsement by the office of destination, send the original of control copy T5 to the address shown under the heading 'Return to'.

Article 484

Any person who presents a control copy T5 and the consignment to which it relates to the office of destination may, on request, obtain a receipt made out on a form corresponding to the specimen in Annex 47.

The receipt may not replace control copy T5.

Article 485

1 In the case of a consignment of goods accompanied by a control copy T5, the competent authorities of the Member States shall permit such consignment and the control copy T5 to be divided before completion of the procedure for which the form was issued. Consignments resulting from such division may themselves be further divided.

2 Paragraph 1 shall be without prejudice to the application of Community measures to products from intervention which are to be subjected to control of use and/or destination and which are processed in another Member State before being put to their final use and/or reaching their final destination.

3 The division referred to in paragraph 1 shall be carried out in accordance with paragraphs 4 to 7. Member States shall have the right to derogate from these provisions in cases where all the consignments which result from the division are to be put to their final use or are to reach their final destination in the Member State where the division takes place.

4 The office at which the division takes place shall issue, in accordance with Article 481, an extract of control copy T5 for each part of the divided consignment, using for this purpose a control copy T5.

Each extract shall contain *inter alia* the additional information shown in boxes 100, 104, 105, 106 and 107 of the initial control copy T5 and state the net mass and net quantity of the goods to which that extract applies. Box 106 of each extract shall show

the registration number, and date, office and country of issue of the initial control copy T5, using one of the following forms of wording:

- Extracto del ejemplar de control: ...
(número, fecha, oficina y país de expedición)
- Udskrift af kontroleksemplar: ...
(nummer, dato, udstedelsessted og land)
- Auszug aus dem Kontroll exemplar: ...
(Nummer, Datum, ausstellende Stelle und Ausstellungsland)
- Απόσπασμα του αυτιτύπου ελέγχου: ...
(αριθμός, ημερομηνία, γραφείο και χώρα εκδόσεως)
- Extract of control copy: ...
(Number, date, office and country of issue)
- Extrait de l'exemplaire de contrôle: ...
(numéro, date, bureau et pays de délivrance)
- Estratto dell'esemplare di controllo: ...
(numero, data, ufficio e paese di emissione)
- Uittreksel uit controle-exemplaar: ...
(nummer, datum, kantoor en land van afgifte)
- Extracto do exemplar de controlo: ...
(número, data, estância, país de emissão)

5 The office where the division takes place shall state on the initial control copy T5 that the form has been divided. It shall do this by entering one of the following in the 'control of use and/or destination' box:

- ... (número) extractos expedidos — copias adjuntas,
- ... (antal) udstedte udskrifter — kopier vedføjjet,
- ... (Anzahl) Auszüge ausgestellt — Durchschriften liegen bei,
- ... (αριθμός) εκδοθέντα — συνημμένα αντίγραφα,
- ... (number) extracts issued — copies attached,
- ... (nombre) extraits délivrés — copies ci-jointes,
- ... (numero) estratti rilasciati — copie allegate,
- ... (aantal) uittreksels afgegeven — kopieën bijgevoegd,
- ... (quantidade) extractos emitidos — cópias juntas

The initial control copy T5 shall be returned without delay to the address shown under the heading 'Return to', accompanied by the copies of the extracts issued.

The office where the division takes place shall keep a copy of the original control copy T5 and the extracts which have been issued.

6 The originals of the extract control copies T5 together with the documents relating to the procedure, if any, used shall accompany each part of the divided consignment.

7 The competent offices in the Member States of destination of the parts of the divided consignment shall carry out, or cause to be carried out under their responsibility, controls as to

the use and/or destination provided for or prescribed. They shall enter the appropriate particulars on the extracts and return them, in accordance with Article 483 (3), to the address shown under the heading 'Return to'.

8 In the case of further division as provided for in paragraph 1, paragraphs 2 to 7 shall be applied *mutatis mutandis*.

Article 486

1 Control copy T5 may be issued retrospectively on condition that:

- the person concerned is not responsible for the failure to apply for or to issue that document when the goods were dispatched or he can produce evidence to the satisfaction of the competent authorities that the failure is not due to negligence or habitual carelessness on his part,
- the person concerned furnishes proof that the control copy T5 relates to goods in respect of which all the administrative formalities have been completed,
- the person concerned produces the documents required for the issue of the control copy T5,
- it is established to the satisfaction of the competent authorities that the retrospective issue of control copy T5 cannot give rise to the securing of financial benefits which would not be warranted in the light of any transit procedure used, the customs status of the goods and their use and/or destination.

2 Where control copy T5 is issued retrospectively, it shall contain in red one of the following phrases:

- Expedido a posteriori,
- Udstedt efterfølgende,
- Nachträglich ausgestellt,
- Εκδοθέν εκ των υστέρων,
- Issued retroactively,
- Délivré a posteriori,
- Rilasciato a posteriori,
- Achteraf afgegeven,
- Emitido a posteriori.

In addition, the person concerned shall enter on such control copy T5 the identity of the means of transport by which the goods were dispatched, the date of departure and, if appropriate, the date on which the goods were produced at the office of destination.

3 Control copy T5 issued retrospectively may be annotated by the office of destination only where that office establishes that the goods covered by the document in question have been used for the purpose and/or have reached the destination provided for or prescribed by the Community measure on the importation, exportation or movement within the customs territory of the Community of those goods.

4 Duplicate control copies T5, extract control copies T5, continuation forms T5 *bis* and loading lists T5 may be issued where the originals have been lost. The duplicate must bear in bold red letters the word 'DUPLICATE' as well as the stamp of the office which issued the duplicate and the signature of the competent official.

Article 487

By way of derogation from Article 472 and unless otherwise stipulated in the provisions relating to the relevant Community measure, each Member State shall have the right

to require proof that the goods have been used for the purpose and/or have reached the destination provided for or prescribed to be furnished in accordance with a national procedure, provided that the goods do not leave its territory before they have been used for the purpose and/or have reached the destination provided for or prescribed.

Article 488

The competent authorities of each Member State may, within the scope of their competence, authorize any person who fulfils the conditions laid down in Article 489 and who intends to consign goods in respect of which a control copy T5 must be made out (hereinafter referred as 'the authorized consignor') not to present at the office of departure either the goods concerned or the control copy T5 covering them.

Article 489

- 1 The authorization provided for in Article 488 shall be granted only to persons:
 - a who frequently consign goods;
 - b whose records enable the competent authorities to check on their operations;
 - c who provide a guarantee, where the issue of a control copy T5 is conditional upon a guarantee being provided;and
 - d who have not committed serious or repeated offences against of the legislation concerned.
- 2 The competent authorities shall take the appropriate measures to ensure that the guarantee referred to in paragraph 1 (c) is provided.

Article 490

The authorization issued by the competent authorities shall specify in particular:

- (a) the office or offices competent to act as offices of departure for consignments;
- (b) the period within which, and the procedure by which, the authorized consignor is to inform the office of departure of the consignments to be sent, in order that the office may carry out any necessary controls before the departure of the goods;
- (c) the period within which the goods must be presented at the office of destination; this period shall be determined according to the conditions of transport;
- (d) the identification measures to be taken. To this end the competent authorities may prescribe that the means of transport or the package or packages shall bear special seals, accepted by the competent authorities and affixed by the authorized consignor.

Article 491

- 1 The authorization shall stipulate that the box reserved for the office of departure on the front of the control copy T5 declaration form:
 - a be stamped in advance with the stamp of the office of departure and be signed by an official of that office;or
 - b be stamped by the authorized consignor with a special metal stamp approved by the competent authorities and conforming to the specimen in Annex 62. The imprint of the stamp may be preprinted on the forms where the printing is entrusted to a printer approved for that purpose.

The authorized consignor shall complete that box by indicating the date of consignment of the goods and shall allocate a number to the declaration in accordance with the rules laid down to that effect in the authorization.

2 The competent authorities may prescribe the use of forms bearing a distinctive mark as a means of identification.

Article 492

1 The authorized consignor shall, not later than the time of dispatching the goods, enter on the front of the duly completed control copy T5, in the box 'Control by office of departure', where appropriate, particulars of the period within which the goods must be presented at the office of destination and references to the export documents as required by the Member State of consignment, and the identification measures applied together with one of the following endorsements in the box:

- Procedimiento simplificado,
- Forenklet fremgangsmåde,
- Vereinfachtes Verfahren,
- Απλουστευμένη διαδικασία,
- Simplified procedure,
- Procédure simplifiée,
- Procedura semplificata,
- Vereenvoudigde regeling,
- Procedimento simplificado.

2 After dispatch of the goods, the authorized consignor shall without delay send the office of departure a copy of control copy T5, together with any special document on the basis of which the control copy T5 was drawn up.

3 Where the office of departure carries out a control on the departure of a consignment, it shall record the fact in the box 'Control by office of departure' on the front of the control copy T5.

4 A control copy T5 duly completed and containing the indications specified in paragraph 1 and signed by the authorized consignor shall be deemed to have been issued by the office of departure which carried out the prior authentication of the forms in accordance with Article 491 (1) (a) or which is named in the imprint of the special stamp referred to in Article 491 (1) (b), for the purpose of providing proof that the goods referred to therein have been used for the purpose and/or reached the destination specified.

Article 493

1 The authorized consignor shall:

- a comply with the provisions of this Chapter and the conditions of the authorization;
- b take all necessary measures to ensure the safekeeping of the special stamp or of the forms bearing the imprint of the stamp of the office of departure or the imprint of the special stamp.

2 The authorized consignor shall bear all the consequences, in particular the financial consequences, of any errors, omissions or other faults in the control copies T5 which he draws up or in the performance of the procedures incumbent upon him under the authorization provided for in Article 488.

3 In the event of the misuse by any person of control copy T5 forms stamped in advance with the stamp of the office of departure or with the special stamp, the authorized consignor shall be liable, without prejudice to any criminal proceedings, for the payment of duties and other charges which have not been paid and for the repayment of any financial benefits which have been wrongly obtained following such misuse unless he can satisfy the competent authorities by whom he was authorized that he took the measures required of him under paragraph 1 (b).

Article 494

1 The competent authorities may authorize the authorized consignor not to sign control copy T5 forms bearing the special stamp referred to in Annex 62 which are made out by an electronic or automatic data-processing system. Such authorization shall be subject to the condition that the authorized consignor has previously given those authorities a written undertaking acknowledging that he is liable, without prejudice to any criminal proceedings, for the payment of any duties and other charges which have not been paid and for the repayment of any financial benefits which have been wrongly obtained following the use of control copy T5 forms bearing the imprint of the special stamp.

2 Control copy T5 forms made out in accordance with paragraph 1 shall contain in the box reserved for the signature of the declarant one of the following endorsements:

- Dispensa de firma,
- Fritaget for underskrift,
- Freistellung von der Unterschriftsleistung,
- Δεν απαιτείται υπογραφή,
- Signature waived,
- Dispense de signature,
- Dispensa dalla firma,
- Van ondertekening vrijgesteld,
- Dispensada a assinatura.

Article 495

The forms set out in Annexes I, II and III to Commission Regulation (EEC) No 2823/87⁽¹¹⁾ which were in use prior to the date of entry into force of this Regulation may continue to be used until stocks are exhausted and, at the latest, until 31 December 1995.

TITLE III

CUSTOMS PROCEDURES WITH ECONOMIC IMPACT

CHAPTER 1

Common provisions

Section 1

Definitions

Article 496

For the purposes of this Title:

- (a) *supervising customs office* means: the customs office empowered by the customs authorities of each Member State issuing an authorization to supervise the procedure, as indicated in the authorization;
- (b) *office of entry for the procedure* means: the customs office or offices empowered by the customs authorities of the Member State which issued the authorization to accept declarations entering goods for the procedure or procedures, as indicated in the authorization;
- (c) *office of discharge* means: the customs office or offices empowered by the customs authorities of the Member State which issued the authorization to accept declarations assigning goods, following entry for a customs procedure with economic impact, to an accepted customs-approved treatment or use, as indicated in the authorization.

Section 2

Authorizing use of the procedure — normal procedure

Article 497

1 Without prejudice to paragraph 3 and Articles 568, 656, 695 and 760, an application for authorization to use a customs procedure with economic impact (including applications for authorization to operate a customs warehouse or use the customs warehousing procedure), hereinafter referred to as the ‘application’, shall be made out in writing.

It shall conform to the appropriate model in Annex 67. The applicant shall provide in the application all the information required under the various headings listed in that model by heading number, as shown in Annexes 67/A to 67/E, including the notes. The text of the notes need not, however, be reproduced in the application. Applications shall be signed and dated.

Where the designated customs authorities consider that the information given in the application is inadequate, nothing in this paragraph shall preclude its requiring the applicant to furnish additional information, nor its requiring other particulars needed for the application of provisions in fields other than those governed by this Title.

2 The application shall refer to and be accompanied by originals or copies of all supporting evidence or documents relating to particulars to be given in the application whose presentation is necessary for its appraisal. It may be accompanied by additional sheets where more extensive information is to be provided. All such documents, evidence or additional sheets shall constitute an integral part of the application they accompany. The number of annexes shall be indicated on the application.

3 On a case-by-case basis, the customs authorities may allow the holder of an authorization to apply for its renewal or modification by written request, giving particulars of the earlier authorization and indicating any changes which need to be made.

4 Without prejudice to the simplified procedures provided for in Articles 568, 656, 695 and 760, an application which does not fulfil the requirements laid down by this Article and which is not presented in accordance with Article 509, 555, 651, 691 and 750 shall be inadmissible.

Article 498

The lodging of an application signed by the applicant shall indicate that the person concerned wishes to use the customs procedure applied for and, without prejudice to the possible application of penal provisions, shall be responsible, under the provisions in force in the Member States, for:

- the accuracy of the information given in the declaration,
- the authenticity of the documents accompanying it, and
- compliance with all the obligations relating to the customs procedure applied for.

Article 499

1 Before issuing an authorization, the customs authorities competent to grant it shall satisfy themselves that all the conditions for granting the authorization are fulfilled.

2 An authorization shall not be granted where the application is inadmissible within the meaning of Article 497 (4).

Article 500

1 Without prejudice to Articles 568, 656, 695 and 760, an authorization to use a customs procedure with economic impact as provided for in Article 85 of the Code (including authorizations to operate a customs warehouse or use the customs warehousing procedure), shall be made out on a model conforming to the relevant provisions in Annexes 68/A to 68/E. It shall be signed and dated.

2 The applicant shall be notified that the authorization has been issued.

3 Without prejudice to the derogations provided for in Articles 556 (1) and 751 (1), authorizations shall take effect on the date of issue.

4 Authorizations may cover one or more entries for the procedure concerned, as appropriate.

5 By way of derogation from paragraph 1, in the case of renewal or modification of an authorization previously issued following an application presented in accordance with Article 497 (3), the customs authorities, on a case-by-case basis, may either adopt a decision indicating the boxes to be changed by reference to the authorization being modified, or issue a new authorization.

Article 501

1 Where one of the conditions for granting the authorization is not fulfilled, the customs authorities shall reject the application.

2 The decision rejecting the application shall be set out in writing and shall be communicated to the applicant, in conformity with Article 6 (3) of the Code.

Article 502

1 The customs authorities shall keep applications and their annexes, together with any authorization issued.

2 Where an authorization is granted, the application, annexes and authorization shall be kept for at least three years from the end of the calendar year in which the authorization expires or, in the case of an authorization to operate a customs warehouse or use the customs warehousing procedure, for at least three years from the end of the calendar year in which the authorization is cancelled or withdrawn.

3 Where an application is rejected or an authorization is annulled or revoked, the application and either the decision rejecting the application or the authorization, as the case may be, and all annexes shall be kept for at least three years from the end of the calendar year in which the application was rejected or the authorization was annulled or revoked.

CHAPTER 2

Customs warehousing

Section 1

General provisions

Subsection 1

Definitions and types of warehouse

Article 503

For the purposes of this Chapter:

- (a) *agricultural goods* means: goods covered by the Regulations referred to in Article 1 of Council Regulation (EEC) No 565/80⁽¹²⁾. Goods coming under Council Regulation (EEC) No 3033/80⁽¹³⁾ (goods resulting from the processing of agricultural products) or (EEC) No 3035/80⁽¹⁴⁾ (agricultural products exported in the form of goods not coming under Annex II to the Treaty) shall be treated as agricultural goods;
- (b) *advance payment* means: the payment of an amount equal to the export refund before the goods are exported, where such payment is provided for in Council Regulation (EEC) No 565/80;
- (c) *prefinanced goods* means: any goods intended for export in the unaltered state which are the subject of an advance payment, however described in the Community rules permitting such payment;
- (d) *prefinanced basic product* means: any product intended for export after processing more extensive than the handling referred to in Article 532 in the form of a processed product which is the subject of an advance payment;
- (e) *processed goods* means: any product or goods resulting from the processing of a prefinanced basic product, however described in the Community rules permitting advance payment.

Article 504

1 Without prejudice to paragraphs 2 and 3, customs warehouses in which goods are stored under the customs warehousing procedure shall be classified as follows:

- type A: public warehouse conforming to the first indent of the second paragraph of Article 99 of the Code under the responsibility of the warehouse-keeper,
- type B: public warehouse conforming to the first indent of the second paragraph of Article 99 of the Code under the responsibility of each depositor, in accordance with

Status: This is the original version (as it was originally adopted).

Article 102 (1) of the Code, having regard to the second sub-paragraph of Article 105 of the Code,

- type C: private warehouse conforming to the second indent of the second paragraph of Article 99 of the Code where the warehousekeeper is the same person as the depositor but is not necessarily the owner of the goods,
- type D: private warehouse conforming to the second indent of the second paragraph of Article 99 of the Code where the warehousekeeper is the same person as the depositor but is not necessarily the owner of the goods, the procedure referred to in Article 112 (3) of the Code being applied.

2 A customs warehouse as a private warehouse conforming to the second indent of the second paragraph of Article 99 of the Code where the warehousekeeper is the same person as the depositor but is not necessarily the owner of the goods, may also be applied under a system permitting the warehousing of goods in storage facilities belonging to the holder of the authorization in accordance with Article 98 (3) of the Code. This system is classified as a type E warehouse.

3 Where a customs warehouse is applied in respect of a public warehouse conforming to the first indent of the second paragraph of Article 99 of the Code and is operated by the customs authorities, this is classified as a type F warehouse.

4 The combination in the same premises or location of the types of warehouse referred to in paragraphs 1, 2 and 3 shall not be permitted.

Subsection 2

Location of customs warehouses

Article 505

1 With the exception of type E and type F warehouses, a customs warehouse shall consist of premises or any other defined location approved by the customs authorities.

2 Where the customs authorities decide to operate a type F warehouse, they shall designate the premises or location which constitute the warehouse. The decision shall be published in the form used by the Member State for publishing its administrative or legal instruments.

3 A place approved by the customs authorities as a ‘temporary storage facility’ in accordance with Article 185 or operated by the customs authorities may also be approved as a type A, type B, type C or type D warehouse or operated as a type F warehouse.

Article 506

Type A, type C, type D and type E warehouses may also be approved as victualling warehouses in accordance with Article 38 of Commission Regulation (EEC) No 3665/87⁽¹⁵⁾.

Subsection 3

Commercial policy measures*Article 507*

Where Community acts provide that commercial policy measures are to apply to:

- (a) the release of goods for free circulation, they shall not apply when the goods are entered for the customs warehousing procedure, nor for such time as the goods remain there;
- (b) the introduction of goods into the customs territory of the Community, they shall apply when non-Community goods are entered for the customs warehousing procedure;
- (c) the export of goods, they shall apply when Community goods are exported from the customs territory of the Community after being entered for the customs warehousing procedure.

Section 2

Provisions concerning the granting of authorization*Article 508*

The provisions of this Section shall apply to all types of warehouse except type F.

Article 509

The application for authorization shall be submitted, in accordance with Article 497 and Annex 67/A, to the customs authorities designated by the Member State where the places to be approved as customs warehouses are situated or, in the case of a type E warehouse, to the customs authorities designated by the Member State where the warehousekeeper's main accounts are kept.

Article 510

1 Authorization may be granted only if the applicant shows that there is a real economic need for warehousing and if the warehouse is intended principally for the storage of goods; however, the goods may undergo usual forms of handling, inward processing or processing under customs control under the conditions referred to in Articles 106 and 109 of the Code, provided that such operations do not predominate over the storage of the goods.

2 For the purposes of Article 86 of the Code, the assessment of whether the administrative costs of supervision and control of the customs warehouse are in proportion to the economic needs for customs warehousing shall take account *inter alia* of the type of customs warehouse and the procedures which may be applied therein.

Article 511

1 Authorizations shall be issued by the customs authorities designated by each Member State in which an application has been presented under Article 509.

Authorizations shall take effect on the date of issue or on a later date if they so provide. However, where an applicant is seeking authorization to operate a private warehouse and the customs authorities exceptionally notifies him of its agreement to issue such authorization in writing otherwise than by means of the form referred to in Annex 68/

A, the authorization shall take effect on the date of such notification. A copy of the notification shall be annexed to the authorization and shall form an integral part thereof.

2 Without prejudice to the rules governing annulment, revocation and amendment, authorizations shall be for an unlimited period.

3 Authorizations shall specify *inter alia* the customs office responsible for supervising the customs warehouse. They may also specify, where appropriate, that goods which present a danger or are likely to spoil other goods or which, for other reasons, require special facilities, must be placed in premises specially equipped to receive them.

In the case of a private warehouse, the authorization may also specify the categories of goods which may be admitted to that warehouse.

4 Where the person concerned asks permission to present the goods or declare them for the procedure at customs offices other than the supervising office and the proper conduct of the operations would not be affected, the customs authorities may empower one or more offices to act as office(s) of entry for the procedure.

Where more than one Member State is affected, the customs authorities which issued the authorization shall send a copy to the other customs authorities concerned.

Article 512

1 The economic need criterion referred to in Article 510 (1) shall be held to be no longer fulfilled where the person concerned asks in writing for the authorization to be revoked.

2 An authorization may also be revoked where the customs authorities considers that the customs warehouse is not or is no longer sufficiently used to warrant its existence.

Section 3

Entry of goods for the procedure

Article 513

1 Goods to be entered for the customs warehousing procedure and the corresponding declarations of entry for the procedure shall be presented at the supervising office or, where Article 511 (4) is applied, at an office of entry for the procedure indicated in the authorization.

2 Where the second subparagraph of Article 511 (4) is applied, a copy or additional sheet of the declaration referred to in paragraph 1 or a copy of the administrative or commercial document used to enter the goods for the procedure shall be sent by the office of entry for the procedure to the supervising office as soon as release is granted. The name and address of the said office shall be indicated in box 44 of the declaration or on the commercial or administrative document.

Where the office of entry for the procedure sees fit, it may ask the supervising office to inform it of the arrival of the goods.

The provisions governing the customs warehousing procedure shall be applicable from the date on which the office of entry for the procedure accepts the declaration of entry for the procedure; such declaration shall also be used for transport of the goods, which shall take place as soon as possible, and their introduction into the premises of the customs warehouse without presentation to the supervising office.

This procedure shall not apply in a type B warehouse.

3 The procedure referred to in paragraph 2 may also be used without a request to that effect from the persons concerned, for reasons relating to the internal administration of the customs offices, in particular the use of computerized procedures.

Subsection 1

Normal procedure

Article 514

The declaration referred to in Article 513 shall be made in accordance with Articles 198 to 252.

Subsection 2

Simplified procedures

Article 515

The simplified procedures provided for in Article 76 of the Code shall apply in accordance with Articles 268 to 274.

Article 516

The procedures provided for in Articles 514 and 515 shall also apply in respect of the transfer of goods in a temporary storage facility referred to in Article 505 (3) to the customs warehousing procedure.

Section 4

Operation of customs warehouses and the customs warehousing procedure

Subsection 1

Stock records

Article 517

1 In type A, type C, type D and type E warehouses, the customs authorities shall designate the warehouse-keeper as the person required to keep the stock records referred to in Article 105 of the Code.

The stock records shall be made available to the supervising office to enable it to carry out any checks.

2 In type B customs warehouses, the supervising office shall keep the declarations of entry for the procedure or the administrative documents used for such entry in order to monitor their discharge. Stock records shall not be kept.

Without prejudice to other Community provisions governing the keeping of customs documents, the supervising office may decide as part of its internal administration how long such declarations will be kept there. Such time limit may be extended.

Where the goods to which the declaration or document relates have not been assigned to a customs-approved treatment or use within the time limit the supervising office shall require that the goods be assigned such treatment or use or that the initial declaration or document of entry for the procedure be replaced by a new declaration reproducing all the particulars of the old declaration or old document.

3 In a type F warehouse, the customs records shall contain all the information referred to in Article 520. The said records shall replace the stock records referred to in Article 105 of the Code.

Article 518

Without prejudice to Article 517 (3), the supervising office shall not keep stock records. However, for administrative purposes it may keep a register of all declarations accepted.

Article 519

Where records kept for commercial or tax purposes by the depositor contain all the particulars necessary for supervision, taking into account the type of customs warehouse and the procedures applicable for entry and discharge, and such particulars are usable for the purposes of supervision, the customs authorities shall approve those records as the stock records referred to in Article 105 of the Code.

Article 520

1 The stock records referred to in Article 105 of the Code shall contain all the particulars necessary for the proper application and supervision of the procedure.

They shall include:

- a the information contained in boxes 1, 31, 37 and 38 of the declaration of entry for the procedure;
- b reference particulars of the declarations by means of which the goods are assigned to a customs-approved treatment or use discharging the customs warehousing procedure;
- c the date and reference particulars of other customs documents and all other documents relating to entry and discharge;
- d information enabling the goods to be monitored, including their location and particulars of any transfer of goods between customs warehouses without termination of the arrangements;
- e information concerning the common storage of goods referred to in Article 524;
- f any other details which may be needed to identify the goods;
- g information concerning the usual forms of handling to which the goods are subject;
- h information concerning the temporary removal of goods from the premises of the customs warehouse.

2 The stock records of a type D warehouse shall contain, in addition to the particulars listed in paragraph 1, the information referred to in the minimum list provided for in Annex 37.

3 The stock records shall at all times show the current stock of goods which are still under the customs warehousing procedure. At the times laid down by the customs authorities, the warehousekeeper shall lodge at the supervising office a list of the said stock.

4 Where Article 112 (2) of the Code applies, the customs value of the goods before handling shall appear in the stock records.

5 Where the simplified (entry or discharge) procedures apply, the provisions of this Article shall apply *mutatis mutandis*.

Article 521

1 Goods entered for the customs warehousing procedure in a type A, type C or type D warehouse shall be entered in the stock records in accordance with Article 107 of the Code at the time when they are physically placed in the customs warehouse, on the basis of particulars recognized or accepted by the supervising office or the office of entry for the procedure, in accordance with Article 513 (2).

2 Where goods are entered for the procedure in a type E warehouse, the entry in the stock records referred to in paragraph 1 shall take place at the time when they arrive at the storage facilities of the holder of the authorization.

3 Where the customs warehouse also serves as a temporary storage facility in accordance with Article 505 (3), the entry in the stock records referred to in paragraph 1 shall take place:

- before expiry of the time limit set under Article 49 of the Code, where the local clearance procedure referred to in Article 272 is applied in respect of transfer from temporary storage to the customs warehousing procedure,
- in other cases, at the time when the goods are released following the lodging of the declaration entering the goods for the customs warehousing procedure.

4 Particulars relating to discharge of the procedure must be entered in the stock records:

- by the time the goods leave the customs warehouse premises, where one of the simplified procedures is applied,
- at the time when the goods are released following presentation of a declaration entering them for a customs-approved treatment or use, in other cases.

Subsection 2

Usual forms of handling

Article 522

1 Without prejudice to paragraphs 2 and 3, the usual forms of handling which non-Community goods may undergo are listed in Annex 69.

2 Where handling could give rise to an advantage in terms of the import duties applicable to the goods after handling compared with those applicable before handling, it may be authorized only on condition that the request referred to in Article 112 (2) of the Code is lodged at the same time as the application for authorization to carry out usual forms of handling.

In that case, a request for the more favourable items of charge to apply in a type D warehouse as referred to in Article 112 (3) of the Code cannot be accepted.

3 Where handling would result in higher import duties than those applying to the goods before handling, the person concerned shall not present the request referred to in Article 112 (2) of the Code.

In this case, the warehousekeeper of a type D warehouse shall waive any advantage he might gain from the application of the items of charge recognized or accepted for the handled goods when they were entered for the procedure.

4 Where goods placed under the customs warehousing procedure are declared for a customs-approved treatment or use other than release for free circulation and paragraph 2 applies, box 31 of the declaration entering the goods for the customs-approved treatment or use in question shall contain one of the following indications:

- Mercancías MU,
- SB varer,
- UB-Waren,
- Εμπορεύματα ΣΕ,
- UFH goods,
- Marchandises MU,
- Merci MU,
- GB-goederen,
- Mercadorias MU.

Such indication shall be carried over to any document relating to the customs procedure under which or temporary storage in which the goods are subsequently placed.

5 Where goods to which paragraph 2 applies, having been placed under one customs procedure, are released for free circulation or placed under another customs procedure which could result in the incurrence of a customs debt, information sheet INF 8 shall be used. It shall be made out in an original and one copy on a form complying with the model and provisions set out in Annex 70.

The customs authorities with which the declaration for free circulation or for another customs procedure which could result in the incurrence of a customs debt is lodged shall use information sheet INF 8, which it shall endorse, to ask the supervising office for the customs warehouse where the usual forms of handling were carried out to indicate the nature, customs value and quantity of the declared goods which would be taken into account if they had not undergone the said handling.

The original of the INF 8 sheet shall be sent to the supervising office for the customs warehouse; the copy shall be retained by the customs authorities which endorsed box 14 of the form.

The supervising office for the customs warehouse shall provide the information requested in boxes 11, 12 and 13, endorse box 15 and send the original of the INF 8 sheet back to the customs office referred to in box 4.

6 The declarant may ask for the INF 8 sheet to be issued at the time when the declaration referred to in paragraph 4 is lodged.

In this case, the supervising office shall provide the information referred to in boxes 11, 12 and 13, endorse box 15 and return the original of the INF 8 sheet to the declarant.

Article 523

1 The person concerned must apply to the supervising office in writing, on a case-by-case basis, for authorization to carry out usual forms of handling before such handling is carried out.

2 Applications for authorization to carry out usual forms of handling must provide all particulars necessary for application of the provisions governing the customs warehousing procedure, in particular Article 522 (2) and (3).

If the application is approved, the supervising office shall grant authorization by endorsing the application to that effect and stamping it. In that case Article 502 shall apply *mutatis mutandis*.

3 Without prejudice to Article 522, an authorization to operate a customs warehouse or, in the case of a type E warehouse, an authorization to use the procedure, may indicate the usual forms of handling which are expected to be carried out under the procedure. In this case notification to the supervising office, in the manner it shall determine, that handling is to be carried out shall replace the application referred to in paragraph 1.

Subsection 3

Common storage of goods of different customs status

Article 524

1 Provided the proper conduct of operations is not thereby affected, the supervising office shall allow Community goods other than those referred to in Article 98 (1) (b) of the Code and non-Community goods to be stored together in the same storage facilities.

2 Where common storage, as referred to in paragraph 1, makes it impossible to identify at all times the customs status of each type of goods, it shall be permitted only if the goods are equivalent.

Equivalent goods are those falling within the same subheading of the combined nomenclature, having the same commercial quality and the same technical characteristics.

Subsection 4

Temporary removal

Article 525

1 Before temporarily removing goods from the premises of the customs warehouse, the person concerned shall apply to the supervising office in writing, on a case-by-case basis, for authorization to do so.

2 Applications for authorization to remove goods temporarily shall provide all particulars necessary for the application of the provisions governing the customs warehousing procedure. If the application is approved, the supervising office shall grant authorization by endorsing the application to that effect and stamping it.

In that case Article 502 shall apply *mutatis mutandis*.

3 Authorizations to operate customs warehouses may indicate that goods can be temporarily removed. In this case notification to the supervising office, in the manner it shall determine, that the goods are to be temporarily removed shall replace the application referred to in paragraph 1.

4 Articles 522 and 523 shall apply where usual forms of handling are to be carried out while the goods are temporarily absent from the warehouse.

Subsection 5

Transfer of goods between customs warehouses without termination of the procedure

Article 526

1 To transfer goods between customs warehouses without termination of the customs warehousing procedure, a form corresponding to the specimen form, made out in accordance with Article 205, shall be used in accordance with the procedure described in Annex 71.

- 2 The simplified procedure described in Annex 72 shall apply:
- where the customs warehouse from which the goods are dispatched is authorized to use the local clearance procedure, as referred to in Article 253 (3), and the customs warehouse in which the goods are to be placed is authorized to use the simplified local clearance procedure for entry of goods for the procedure, as referred to in Article 272,
 - or
 - where the same person is responsible for both warehouses,
 - or
 - where the stock records are interconnected by electronic means.

3 Responsibility for goods transferred between warehouses shall pass to the warehousekeeper of the customs warehouse in which the goods are to be placed when he receives the goods and enters them in his stock records.

4 When the goods to be transferred have undergone usual forms of handling and Article 522 (2) applies, the document referred to in paragraph 1 must include the nature, customs value and quantity of the transferred goods which would be taken into account in the event of the incurrence of a customs debt if the goods concerned had not undergone the said handling.

Article 522 (4), (5) and (6) shall apply to these goods where appropriate.

5 Goods entered for the procedure cannot be transferred from one customs warehouse to another without termination of the procedure where the warehouse from or to which the transfer is made is a type B warehouse.

Subsection 6

Inventory

Article 527

The supervising office may, where it considers this necessary to ensure the proper operation of the customs warehouse, require an inventory to be made of all or some of the goods placed under the customs warehousing procedure, periodically or otherwise.

Section 5

Discharge

Article 528

1 Where equivalent goods are stored in common, as referred to in Article 524 (2), goods declared for a customs-approved treatment or use may be considered to be either Community or non-Community goods, at the choice of the person concerned.

In no case may application of the first subparagraph result in a given customs status being assigned to a quantity of goods greater than the quantity actually having that status which is stored at the customs warehouse when the goods declared for a customs-approved treatment or use are removed.

2 In the event of the total destruction or irretrievable loss of goods, the portion of goods entered for the procedure which has been destroyed or lost shall be established by reference to the proportion of goods of the same type under the procedure on the premises of the customs warehouse at the time when the destruction or loss occurred, unless the warehousekeeper can produce evidence of the actual quantity of goods under the procedure which was destroyed or lost.

Section 6

Special provisions concerning Community agricultural products

Article 529

Sections 1 to 5, excluding Articles 522 and 524, shall apply to prefinanced goods which are entered for the customs warehousing procedure in accordance with Article 98 (1) (b) of the Code.

Article 530

1 Where the declaration referred to in Article 513 (1) concerns prefinanced goods, it shall be made on the form provided for in Article 205.

2 A copy of the document referred to in paragraph 1 shall constitute the 'payment declaration' provided for in Article 25 (1) of Commission Regulation (EEC) No 3665/87.

3 The declaration shall be accompanied by all documents whose production is necessary to enter the prefinanced goods for the procedure, including the export licences or advance fixing certificates referred to in Commission Regulation (EEC) No 3719/88⁽¹⁶⁾.

Article 531

1 Without prejudice to paragraph 2, the declaration referred to in Article 530 entering prefinanced goods for the customs warehousing procedure may be accepted only after a security has been lodged in accordance with Article 6 of Council Regulation (EEC) No 565/80 and Article 31 (1) and (2) of Commission Regulation (EEC) No 3665/87. Commission Regulation (EEC) No 2220/85⁽¹⁷⁾ shall apply.

2 The customs authorities may allow the security referred to in paragraph 1 to be lodged after the declaration of entry for the procedure has been accepted, on the conditions laid down in Article 31 (3) of Commission Regulation (EEC) No 3665/87.

Article 532

Without prejudice to Commission Regulation (EEC) No 815/89⁽¹⁸⁾ concerning coloured barley, prefinanced goods entered for the customs warehousing procedure may undergo the forms of handling provided for in Article 28 (4) of Commission Regulation (EEC) No 3665/87; the forms of handling are listed in Annex 73.

Article 533

1 The customs warehousing procedure shall be discharged when an export declaration is accepted.

2 Following acceptance of the export declaration the goods shall remain under customs control until they leave the customs territory of the Community.

During this period the goods may be stored on the premises of a customs warehouse without being under the customs warehousing procedure.

3 Application of this Article by the supervising office shall be without prejudice to the verifications to be carried out by the competent authorities for the purposes of the common agricultural policy.

Article 534

1 Prefinanced goods entered for the customs warehousing procedure shall be declared for export using the form provided for in Article 205.

2 The declaration shall be accompanied by all the documents referred to in Article 221, including the export licence or advance fixing certificate referred to in Commission Regulation (EEC) No 3719/88.

3 The date on which the goods leave the customs territory of the Community shall be noted on the back of the document referred to in paragraph 1.

If, before leaving the customs territory of the Community, goods in respect of which an export declaration has been accepted transit through part of that territory, the procedures laid down in Articles 6, 6a and 7 of Commission Regulation (EEC) No 3665/87 shall apply.

4 Goods which have been assigned to a customs treatment considered equivalent to export pursuant to Articles 34 and 42 of Commission Regulation (EEC) No 3665/87 shall be considered to have left the customs territory of the Community.

Section 7

Use of a customs warehouse without entry of goods for the procedure

Subsection 1

Community goods*Article 535*

The processing of prefinanced basic products on the premises of a customs warehouse shall be carried out in accordance with Article 4 of Council Regulation (EEC) No 565/80.

Article 536

1 Where the customs authorities require Community goods other than those referred to in Article 98 (2) (b) and (3) of the Code which are stored on the premises of a customs warehouse to be listed in the stock records referred to in Article 105 of the Code in accordance with Article 106 (3) of the Code, the entry must make clear their customs status.

2 Without prejudice to Article 524, the supervising office may lay down specific methods of identifying such goods, with a view in particular to distinguishing them from goods entered for the customs warehousing procedure stored on the same premises.

3 The goods referred to in paragraph 1 may be used for usual forms of handling, inward processing or processing under customs control.

Article 537

The following may be stored on the premises of a customs warehouse without being entered for the customs warehousing procedure:

- goods which are required to remain under customs control in accordance with Article 3 (6) of Commission Regulation (EEC) No 3665/87,
- goods temporarily present in the customs territory of the Community with a view to their transshipment pursuant to Article 6a of the said Regulation.

Article 536 (1) and (2) shall apply to such goods.

Subsection 2

Non-Community goods*Article 538*

1 This subsection shall apply to inward processing operations (suspension system) or processing under customs control carried out on the premises of customs warehouses of types A, C and D in which use of the local clearance procedure is authorized for entry for the procedure, re-export or release for free circulation.

2 Where not otherwise provided in this subsection, the provisions laid down for inward processing and processing under customs control shall apply to:

- inward processing operations using the drawback system,

- inward processing operations (suspension or drawback system) or processing under customs control carried out on the premises of warehouses of types B or F, or on premises used for the storage of goods placed under the customs warehousing procedure in a type E warehouse,
- operations to be carried out on the premises of type A, C or D warehouses not fulfilling the conditions laid down in paragraph 1.

Article 539

The customs authorities shall withhold authorization to use the simplified procedures referred to in this subsection where the necessary guarantees for the proper conduct of the operations are not afforded. The customs authorities may withhold authorization from persons who do not frequently carry out inward processing operations or processing under customs control, without prejudice to Article 510.

Article 540

Processing operations carried out under the inward processing procedure or the procedure for processing under customs control on the premises of a customs warehouse referred to in Article 538 (1) shall not take place until the authorization referred to in Article 556 or 651 has been granted.

The authorization must specify the customs warehouse (indicating type) where the operations will be carried out.

Article 541

1 To use the procedures provided for in this subsection, the holder of the authorization shall keep either 'inward processing records' or 'records of processing under customs control' as appropriate, as referred to in Articles 556 (3) and 651 (3), which shall also contain the reference particulars of the authorization.

2 For the purpose of drawing up the bill of discharge referred to in Article 595 or Article 664, a reference to the entries specified in paragraph 1 shall replace the reference to the declarations and documents referred to in Article 595 (3) or Article 664 (3).

3 Entries in the 'inward processing records' or 'records of processing under customs control' shall allow the customs authorities to monitor the precise situation of all goods or products under one of these procedures at any time.

Article 542

1 Where goods are placed under the inward processing procedure or the procedure for processing under customs control at the time when they are brought onto the premises of the customs warehouse, the local clearance procedure referred to in Article 276 shall apply.

2 The entry in the inward processing records or records of processing under customs control shall refer to the document under which the goods were carried.

Article 543

1 Where goods already on the premises of a customs warehouse are placed under the inward processing procedure or the procedure for processing under customs control, the local clearance procedure referred to in Article 276 shall apply.

2 The customs warehousing procedure shall be discharged by entry in the inward processing records or records of processing under control, as the case may be. The reference particulars of such entry shall be recorded in the stock records of the customs warehouse.

Article 544

1 Where compensating products or goods in the unaltered state which have been placed under the inward processing procedure on the premises of a customs warehouse or processed products or goods in the unaltered state which have been placed under the procedure for processing under customs control on the premises of a customs warehouse are placed under the customs warehousing procedure, the local clearance procedure referred to in Article 272 shall apply.

2 The inward processing procedure and procedure for processing under customs control shall be discharged by entry in the stock records of the customs warehouse. Reference particulars of such entry shall be recorded in the inward processing records or records of processing under customs control, as the case may be.

3 The indications provided for in Article 610 shall be entered in the stock records of the customs warehouse.

Article 545

1 Where the inward processing procedure or the procedure for processing under customs control is discharged at the time when the compensating products, processed products or goods in the unaltered state are removed from the premises of the customs warehouse by the re-export of those products or goods, the local clearance procedure referred to in Article 283 shall apply.

2 Where the inward processing procedure or the procedure for processing under customs control is discharged at the time when the compensating products, processed products or goods in the unaltered state are removed from the premises of the customs warehouse by the release for free circulation of those products or goods, the local clearance procedure referred to in Articles 263 to 267 shall apply.

3 Where the inward processing procedure or the procedure for processing under customs control is discharged at the time when the compensating products, processed products or goods in the unaltered state are removed from the premises of the customs warehouse by their entry for a procedure other than release for free circulation or re-export, the normal or simplified procedures laid down for that purpose shall apply.

4 The removal of compensating products, processed products or goods in the unaltered state from the premises of a customs warehouse need not be entered in the stock records of the customs warehouse.

Article 546

Articles 544 (2) and 545 (2) and (4) shall be without prejudice to the application of Articles 122, 135 and 136 of the Code concerning the application of charges to goods or products placed under the inward processing procedure or the procedure for processing under customs control.

Article 547

1 Provided the proper conduct of operations is not affected, the customs authorities shall allow non-Community goods placed under the customs warehousing procedure and import goods or compensating products placed under the inward processing procedure to be stored together in the same storage facilities.

2 Where the status of goods placed under the customs warehousing procedure or of compensating products or goods in the unaltered state placed under the inward processing procedure is assigned to goods, those goods shall be subject to all provisions governing the

procedure in question, including in particular those concerning charges and the collection of compensatory interest.

3 Articles 524 (2) and 528 (1) and (2) shall apply *mutatis mutandis*.

Section 8

Exchange of information

Article 548

Pursuant to this Chapter each Member State shall inform the Commission of the general measures as regards:

- determination of the customs authorities pursuant to Article 509,
- Article 104 of the Code,
- Article 106 (3) of the Code,
- Article 513 (3).

The Commission shall publish this information in the C series of the *Official Journal of the European Communities*.

CHAPTER 3

Inward processing

Section 1

General provisions

Article 549

For the purposes of this Chapter:

- (a) *main compensating products* means: the compensating products for the production of which the use of the inward processing procedure was authorized;
- (b) *secondary compensating products* means: compensating products other than the main compensating products which are a necessary by-product of the processing operation;
- (c) *losses* means: the proportion of the import goods destroyed and lost during the processing operation, in particular by evaporation, desiccation, venting as gas or leaching;
- (d) *quantitative scale method* means: calculation of the proportion of import goods incorporated in the various compensating products by reference to the quantity of the import goods;
- (e) *value scale method* means: calculation of the proportion of import goods incorporated in the various compensating products by reference to the value of the compensating products;
- (f) *operators* means: persons who carry out all or part of the processing operations;

- (g) *equivalent compensation* means: the system which, in accordance with Article 115 (1) (a) of the Code, allows the compensating products to be obtained from equivalent goods, which must fulfil the conditions laid down in Article 569 (1);
- (h) *prior exportation* means: the system which, in accordance with Article 115 (1) (b) of the Code, allows compensating products obtained from equivalent goods to be exported from the customs territory of the Community before the import goods are entered for the procedure using the suspension system;
- (i) *triangular traffic* means: the system whereby the import goods are entered for the procedure in the Community at a customs office other than the one at which the prior exportation of the compensating products took place;
- (j) *period for re-exportation* means: the time by which the products must have been assigned to one of the customs-approved treatments provided for under Article 89 of the Code;
- (k) *monthly aggregation* means: application of the second subparagraph of Article 118 (2) of the Code in respect of periods for re-exportation which begin to run during a given calendar month;
- (l) *quarterly aggregation* means: application of the second subparagraph of Article 118 (2) of the Code in respect of periods for re-exportation which begin to run during a given quarter.

Article 550

The goods referred to in Article 114 (2) (d) of the Code which can be used as production accessories are listed in Annex 74.

Section 2

Authorizing use of the procedure — normal procedure

Article 551

1 An authorization to use the suspension system shall be granted only where the applicant has the actual intention of re-exporting the main compensating products from the customs territory of the Community. In that case use of the suspension system may be authorized for all the goods to be processed.

2 An authorization for use of the drawback system shall be granted only in the cases referred to in Article 124 of the Code, where opportunities exist for export of the main compensating products from the customs territory of the Community.

3 Where the conditions for use of both systems are fulfilled, the applicant may request that the authorization be for either the suspension system or the drawback system.

Article 552

1 The economic conditions laid down in Article 117 (c) of the Code shall be considered fulfilled *inter alia* where:

- a the processing consists of one of the following, referred to by the appropriate code:
 - (i) operations carried out under a job-processing contract concluded with a person established in a third country. 'Job processing' means any processing

Status: This is the original version (as it was originally adopted).

of import goods directly or indirectly placed at the disposal of the holder of the authorization which is carried out according to the specifications and on behalf of a principal established outside the customs territory, generally against payment of processing costs alone (code 6201);

- (ii) operations involving goods of a non-commercial nature (code 6202);
- (iii) repairs, including overhaul and adjustments (code 6301);
- (iv) usual forms of handling intended to preserve goods, improve their appearance or marketable quality or prepare them for distribution or resale (code 6302);
- (v) operations in which the value of each type of goods, by eight-digit CN code, imported under the authorization does not exceed ECU 200 000 per applicant and per calendar year, irrespective of the number of operators carrying out the processing operation.

However, the value limit for goods and products listed in Annex 75 shall be ECU 100 000. The said value shall be the customs value of the goods estimated on the basis of the particulars known and the documents presented at the time when the application is lodged.

This paragraph may be waived in respect of particular import goods in accordance with the Committee procedure (code 6400);

- b no goods comparable to the goods to be processed are produced in the Community (code 6101);

‘Comparable goods’ means goods falling within the same eight-digit CN code, being of the same commercial quality and having the same technical characteristics, having regard to the compensating products to be obtained;

- c comparable goods as defined in paragraph (b) are not produced in the Community in sufficient quantity (code 6102);
- d comparable goods as defined in paragraph (b) cannot be made available to the applicant within a suitable time by producers established in the Community. Such goods shall be considered unavailable within a ‘suitable time’ where producers established in the Community cannot make them available to the operator in time for the proposed commercial operation to be carried out, despite a request having been made to them in good time (code 6103);
- e comparable goods as defined in paragraph (b) are produced in the Community but cannot be used for one of the following reasons:
 - (i) their price would make the proposed commercial operation uneconomic (code 6104).

In deciding whether the price of comparable goods produced in the Community would make the proposed commercial operation uneconomic, it shall be necessary to take account *inter alia* of the impact that the use of Community-produced goods would have on the cost price of the compensating product and hence on the disposal of the product on the third-country market, having regard to:

- the price before duty of the goods for processing and the price of comparable goods produced in the Community less domestic taxes refunded or refundable on export, including any refunds or other amounts applying under the common agricultural policy.

- Conditions of sale, in particular payment terms, and proposed delivery terms for the Community goods shall also be taken into account when comparing prices,
- the price obtainable for the compensating products on the third-country market, as ascertained from commercial correspondence or other information;
- (ii) they do not have the quality or characteristics necessary for the operator to produce the required compensating products (code 6105);
 - (iii) they do not conform to the expressly stated requirements of the third-country purchaser of the compensating products (code 6106);
 - (iv) the compensating products must be obtained from import goods in order to comply with provisions concerning the protection of industrial or commercial property rights (code 6107);
- f the applicant for an authorization in respect of a particular type of goods to be entered for the procedure within a given period:
- (i) during the period in question, obtains 80 % of his total requirements for such goods incorporated in the compensating products in the customs territory of the Community in the form of comparable goods, as defined in paragraph (b), produced in the Community; to make use of this provision, the applicant must supply the customs authorities with supporting documents which enable the said authorities to satisfy itself that the intended purchase of Community goods may be reasonably carried out. Such supporting documents, to be annexed to the application, may take the form, for example, of copies of commercial or administrative documents which refer to purchases made in an earlier reference period, or orders or intended purchases for the period under consideration.
- Without prejudice to Article 87 (2) of the Code, the customs authorities shall, where appropriate, check that the percentage is correct at the end of the period in question (code 7001);
- (ii) is trying to guard against real supply problems, proven to the satisfaction of the customs authorities, for that type of goods, and the proportion of supplies of goods produced in the Community is lower than the percentage indicated in paragraph (i) (code 7002);
 - (iii) satisfies the customs authorities that he is taking the necessary steps to obtain goods for processing in the Community, but has met with no response from Community producers (code 7003);
 - (iv) is building civil aircraft for delivery to airline companies (code 7004);
 - (v) is carrying out repair, modification or conversion of civil aircraft (code 7005).
- 2 Paragraph 1 (f) (i) shall not apply to goods listed in Annex II to the Treaty.
- 3 The applicant shall indicate in his application the reasons for which the economic conditions are considered to be fulfilled within the meaning of paragraph 1.

Article 553

1 In exceptional circumstances, where the applicant considers the economic conditions to be fulfilled for reasons other than those listed in Article 552, he shall state the said reasons in his application (code 8000).

2 Where the customs authorities consider that the economic conditions are fulfilled in cases other than those provided for in Article 552, the authorization shall be granted for a limited period, which may not exceed nine months.

The particulars of the application concerning economic conditions shall be communicated to the Commission within a month of the issue of the authorization. The Commission shall inform the other Member States thereof.

The customs authorities may, at the request of the holder of the authorization, extend the period of validity of the latter where relevant provisions have not been adopted in good time in accordance with the Committee procedure.

3 Where the customs authorities consider that consultation at Community level is advisable in order to ensure that the economic conditions enabling an authorization to be issued are fulfilled, the Member State of the authorities shall submit the case to the Commission, which shall inform the other Member States thereof.

If the customs authorities do not consider it advisable to issue an authorization before consultation has taken place at Community level, they shall communicate particulars of the application as soon as possible.

If the customs authorities consider the authorization can be issued before the consultation, paragraph 2 may be applied *mutatis mutandis*.

Article 554

In assessing the economic conditions, the following shall not in themselves be taken as grounds for granting the authorization:

- (a) the fact that the Community producer of comparable goods which could be used to carry out the processing operations is an undertaking in competition with the person applying to use the procedure;
- (b) the fact that the goods are produced in the Community by a single undertaking.

Article 555

1 The application shall be made in conformity with Article 497 and in accordance with the specimen in Annex 67/B, and presented by the person to whom the authorization may be granted under Articles 86, 116 and 117 of the Code.

2

- a The application shall be presented to the customs authorities designated by the Member State where the processing operation is to be carried out.
- b Where it is expected that successive processing operations will be carried out by or on behalf of the applicant in different Member States, application for a single authorization may be made.

In this case, the application, which shall include all particulars of the sequence of operations and the exact places where they will be carried out, shall be presented to the

customs authorities of the Member State where the first such operation will be carried out.

3 Where processing is to be carried out under a job-processing contract between two persons established in the Community, the application shall be lodged by or on behalf of the principal.

4 For the purposes of the second sentence of Article 117 (a) of the Code, ‘imports of a non-commercial nature’ means imports of goods referred to in Article 1(6).

Article 556

1 Without prejudice to Article 568, the authorization shall be issued by the authorities to which the application was presented under Article 555 (2) and shall be made out in conformity with Article 500 and in accordance with the specimen in Annex 68/B.

By way of derogation from Article 500 (3) and in duly substantiated exceptional cases, the customs authorities may issue a retroactive authorization. However, the retrospective effect of such authorization may not go back beyond the time when the application was lodged.

2 Where Article 555 (2) (b) applies, the authorization may not be issued without the agreement of the customs authorities designated by the Member States in which the places indicated in the application are located. The following procedure shall apply:

- a the customs authorities to which the application was presented, after satisfying themselves that the economic conditions can be considered fulfilled in respect of the planned operation, shall communicate the application and the draft authorization to the customs authorities of the other Member States concerned; the said draft shall include at least the rate of yield, the approved methods of identification, the customs offices referred to at point 12 of the specimen authorization in Annex 68/B, any simplified procedures used for entry for the procedure, transfer or discharge and the rules to be observed *inter alia* as regards notification to the supervising office;
- b the customs authorities having received notification shall transmit any objections as soon as possible, and in any case within two months of the date of communication of the application and draft authorization;
- c the customs authorities referred to in subparagraph (a), after taking the necessary steps to ensure payment of the customs debt which may be incurred in respect of the import goods, may issue the authorization if they have received no information concerning the existence of objections to the draft authorization within the period referred to in subparagraph (b);
- d the Member State issuing the authorization shall send a copy thereof to all the Member States referred to above.

Authorizations issued in this way shall be valid only in the Member States referred to above.

The Member States shall communicate to the Commission the names and addresses of the customs authorities designated to receive the application and the draft authorization mentioned in subparagraph (a). The Commission shall inform the other Member States accordingly.

3 To ensure correct application of the provisions governing the procedure, the customs authorities may require the holder for the purposes of facilitating controls, to keep or ensure the keeping of stock records, hereafter called ‘inward processing records’ which indicate the quantities of import goods entered for the procedure and of compensating products obtained,

and all particulars needed for the monitoring of the operations and the correct calculation of any import duties which may be payable.

The 'inward processing records' shall be made available to the supervising customs office to enable it to carry out the checks necessary for the proper implementation of the procedure. Where the processing operations are being carried out in two or more establishments, the stock records shall at all times show the information pertaining to the implementation of the procedure in each establishment.

Where the records kept by the holder for commercial purposes allow supervision of the procedure they shall be recognized by the customs authorities as valid 'inward processing records' within the meaning of the preceding subparagraph.

Article 557

Where Article 556 (2) does not apply and compensating products are to be obtained from other compensating products obtained under an authorization already issued, the person carrying out the further processing operations or having them carried out must submit a fresh application conforming to Annex 67/B, giving reference particulars of the authorization already issued. In this case the economic conditions shall be considered fulfilled and shall not be assessed again (code 6303).

Article 558

1 The period of validity of the authorization shall be set by the customs authorities having regard to the economic conditions and the specific needs of the applicant.

Where the period of validity exceeds two years, the conditions on the basis of which it was issued shall be reviewed periodically at intervals specified in the authorization.

2 By way of derogation from paragraph 1, the period of validity of an authorization to use the procedure in respect of products referred to in Article 560 (2) shall not exceed three months.

Article 559

1 When issuing the authorization the designated customs authorities shall specify the period within which the compensating products must be re-exported in accordance with Article 118 of the Code, taking into account the time required to carry out the processing operations as indicated in the authorization for a given quantity of goods, the quantity of import goods authorized for the procedure, and the time required to assign the compensating products to a customs-approved treatment or use.

2 Where the circumstances so warrant, the period specified for re-exportation may be extended even when that originally set has expired.

Article 560

1 Without prejudice to paragraph 2, in the case of agricultural products of the kind referred to in Article 1 of Council Regulation (EEC) No 565/80 which are to be re-exported in the form of processed products or goods within the meaning of Article 2 (b) or (c) of that Regulation, the period for re-exportation shall not exceed six months.

2 In the case of products referred to in Article 1 of Council Regulation (EEC) No 804/68⁽¹⁹⁾ which are intended for the manufacture of products referred to in that Article or goods referred to in the Annex to the said Regulation, the period for re-exportation shall not exceed four months.

Article 561

1 In the case of prior exportation the customs authorities shall specify the period referred to in Article 118 (3) of the Code taking account of the time required for the procurement and transport to the Community of the import goods.

- 2 The period referred to in paragraph 1 shall not exceed:
- three months in the case of goods subject to a price-regulating mechanism,
 - the period of validity of the import licence issued in accordance with Commission Regulation (EEC) No 2630/81⁽²⁰⁾ in the case of raw sugar falling within CN code 1701 11 or 1701 12,
 - six months in the case of all other goods. This period may, however, be extended where the holder of the authorization submits a reasoned request, provided that the total period does not exceed twelve months. Where the circumstances so warrant the extension may be allowed even after the original period has expired.

Article 562

1 The periods referred to in Articles 559 and 560 shall run from the date of acceptance of the declaration entering the goods for the procedure or, under the drawback system, of the declaration for release for free circulation.

2 The periods specified in accordance with Article 561 shall run from the date of acceptance of the export declaration.

Article 563

1 Monthly or quarterly aggregation shall be authorized by the customs authorities duly empowered by the Member State where the authorization is applied for, where the import goods are expected to be entered for the procedure for processing and re-exportation in the form of compensating products on a regular basis, so that the period for re-exportation will be more or less constant.

2 In the case of monthly aggregation, all periods for re-exportation beginning to run in a given month shall expire on the last day of the calendar month during which the period for re-exportation relating to the final entry for the procedure in the month in question would expire.

3 In the case of quarterly aggregation, all periods for re-exportation beginning to run in a given quarter shall expire on the last day of the quarter during which the period for re-exportation relating to the final entry for the procedure in the quarter in question would expire.

4 Monthly or quarterly aggregation shall be applied having regard to the examples in Annex 76.

Article 564

1 Where monthly aggregation is authorized for the agricultural products referred to in Article 560 (1), the periods for re-exportation referred to in Article 563 (2) shall expire no later than the last day of the fifth calendar month following that for which aggregation was authorized.

2 Where monthly aggregation is authorized for the agricultural products referred to in Article 560 (2), the periods for re-exportation shall expire no later than the last day of the fourth month following that for which aggregation was authorized.

3 Where quarterly aggregation is authorized for the agricultural products referred to in Article 560 (1), the periods for re-exportation referred to in Article 563 (3) shall expire no later than the last day of the quarter following that for which aggregation was authorized.

4 Quarterly aggregation shall not be authorized for the products referred to in Article 560 (2).

Article 565

The periods referred to in Articles 563 and 564 shall run from the date of acceptance of the declaration entering the goods for the procedure.

Article 566

1 Subject to Article 567, the rate of yield as defined in Article 114 (2) (e) of the Code or the method of determining such rate referred to in Article 119 of the Code shall as far as possible be set on the basis of production data and shall be identifiable in the records of the operator's undertaking.

2 The rate, or method of determining the rate, shall be set in accordance with paragraph 1 and shall be subject to retrospective verification by the customs authorities.

Article 567

1 The standard rates of yield referred to in paragraph 2 shall apply only to import goods of sound, genuine and merchantable quality which conform to any standard quality laid down in Community legislation.

2 The standard rates of yield shown in column 5 of Annex 77 shall apply to inward processing operations carried out on the import goods listed in column 1 of that Annex which result in the production of the compensating products listed in columns 3 and 4.

Section 3

Authorizing use of the procedure — simplified procedure

Article 568

1 This Article shall apply where processing operations are to take place in a single Member State, except in cases where the equivalent compensation system is to be used.

2 Where the simplified procedures for entry for the procedure laid down in Article 76 of the Code are not applied, and in the cases referred to in Article 552 (1) (a), any customs office empowered by the customs authorities to grant authorizations using the simplified procedure shall allow the lodging of the declaration of entry for the procedure, under the suspension system, or the declaration for release for free circulation, under the drawback system, to constitute an application for authorization.

In this case acceptance of the declaration shall constitute the authorization, the said acceptance remaining in any event subject to the conditions governing the granting of the authorization.

3 Declarations presented under paragraph 2 shall be accompanied by a document made out by the declarant containing the following information, as necessary, unless such information can be entered in box 44 of the form used for the declaration itself:

- a where the person applying to use the procedure is not the same as the declarant, the name or business name and address of the applicant;
- b where the operator is not the same as the applicant or declarant, the name or business name and address of the operator;
- c the nature of the processing operation;

- d the trade and/or technical description of the compensating products;
- e the estimated rate of yield or, where appropriate, the method by which that rate is to be determined;
- f the estimated period for re-exportation;
- g the place where it is intended to carry out the processing operation.

Article 498 shall apply *mutatis mutandis*.

4 Article 502 shall apply *mutatis mutandis*.

Section 4

Equivalent compensation and prior exportation

Subsection 1

Equivalent compensation under the suspension system and the drawback system

Article 569

1 Without prejudice to paragraph 2 and Article 570 (2), where use is to be made of equivalent compensation, the equivalent goods must fall within the same eight-digit subheading of the CN code, be of the same commercial quality and have the same technical characteristics as the import goods.

2 Special provisions, set out in Annex 78, shall apply in respect of the goods referred to in that Annex.

3 Use of equivalent compensation shall be possible only where it has been requested by the person concerned in the application and where the authorization specifies the factors referred to in paragraph 1 common to the equivalent goods and the import goods, and the means by which these may be checked.

4 Where the authorization provides for use of equivalent compensation, the specific measures to be taken in order to ensure compliance with the provisions applying to that system shall be indicated in the authorization.

5 Where the authorization does not specify use of equivalent compensation but the holder of the authorization wishes to use that system, the said holder shall apply for the authorization initially granted to be modified. The application shall be made out in accordance with Article 497.

Article 570

1 Where the circumstances so warrant, the customs authorities may allow the equivalent goods to be at a more advanced stage of manufacture than the import goods, provided that the essential part of the processing to which the said equivalent goods are subjected is carried out in the undertaking of the holder of the authorization or in the undertaking where the operation is being carried out on his behalf.

2 The person concerned shall in every case make it possible for the customs authorities to identify the factors referred to in Article 569 (1) before he can use the equivalent compensation system.

Article 571

1 In the case of equivalent compensation without prior exportation, the change in customs status of the import goods and the equivalent goods, referred to in Article 115 (3) of the Code, shall take place at the time of acceptance of the declaration discharging the procedure. However, where the holder of the authorization puts the import goods on the Community market either in the unaltered state or in the form of compensating products before the procedure has been discharged, the change in customs status of the import goods and the equivalent goods shall take place at the time the goods are put on the market.

2 The change in customs status referred to in paragraph 1 shall not alter the origin of the exported goods.

3 In the event of the total destruction or irretrievable loss of goods in the unaltered state or compensating products the proportion of import goods destroyed or lost shall be calculated by reference to the proportion of import goods in stocks of goods of the same kind held by the holder of the authorization at the time when the destruction or loss occurred, unless he can produce evidence of the actual quantity of import goods destroyed or lost.

Subsection 2

Prior exportation under the suspension system

Article 572

1 Where equivalent compensation is used under the suspension system, Article 569, 570 and 571 (2) and (3) shall apply *mutatis mutandis*.

2 In the case of prior exportation, the change in customs status referred to in Article 115 (3) of the Code shall take place:

- in respect of the exported compensating products, at the time of acceptance of the export declaration and on condition that the import goods are entered for the procedure,
- in respect of the import goods and equivalent goods, at the time of release of the import goods declared for the procedure.

Section 5

Provisions applying to the suspension system

Subsection 1

Entry of goods for the procedure

Article 573

1 The procedures governing the entry of goods for the inward processing procedure (suspension system) shall also apply to import goods, under the equivalent compensation system whether with prior exportation or not.

2 Without prejudice to Article 570 (2), equivalent goods used under the equivalent compensation system, whether with prior exportation or not, shall not be subject to the procedures for entry of goods for the procedure.

(a)

Normal procedure

Article 574

1 Except where Article 568 applies, the declaration entering import goods for the inward processing procedure (suspension system) shall be lodged at one of the offices of entry for the procedure specified in the authorization.

2 Where Article 568 applies, the declaration referred to in paragraph 1 shall be lodged at a duly empowered customs office.

Article 575

1 The declaration referred to in Article 574 shall be made in accordance with Articles 198 to 252.

2 Without prejudice to the application of Article 568, the description of the goods given in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorization.

Where the equivalent compensation system is used, the particulars in the declaration shall be sufficiently detailed to make it possible to identify the particulars referred to in Article 569 (1).

3 For the purposes of Article 62 (2) of the Code, the documents to accompany the declaration shall be those provided for in Article 220; where the triangular traffic system is used the declaration shall also be accompanied by the INF sheet, except where Article 605 applies, in accordance with Article 604.

(b)

Simplified procedures

Article 576

1 The simplified procedures provided for in Article 76 of the Code shall apply in accordance with Articles 275 and 276.

2 The customs authorities shall withhold authorization to use the local clearance procedure provided for in Article 276, from persons whose stock records, as referred to in Article 556 (3), cannot be established.

3 The supplementary declaration referred to in Article 76 (2) of the Code shall be supplied within the stipulated period and in any case no later than the time when the bill of discharge is lodged.

Subsection 2

Discharge of the procedure

Article 577

1 Pursuant to Article 89 of the Code, the inward processing procedure (**suspension system**) shall be discharged in respect of the import goods when the compensating products or

goods in the unaltered state have been declared for another customs-approved treatment or use and all other conditions for use of the procedure have been complied with.

Where Article 115 (1) (b) of the Code applies, the procedure shall be discharged when the customs authorities have accepted the declaration in respect of the non-Community goods.

2 For the purposes of discharging the inward processing procedure, the following shall be treated as export from the customs territory of the Community:

- a the delivery of compensating products to persons in third countries who are eligible for relief pursuant to either the Vienna Convention of 18 April 1961 on Diplomatic Relations, the Vienna Convention of 24 April 1963 on Consular Relations or other consular conventions, or the New York Convention of 16 December 1969 on Special Missions;
- b the delivery of compensating products to the armed forces of third countries stationed in the territory of a Member State, in accordance with Article 136 of Council Regulation (EEC) No 918/83;
- c the delivery of civil aircraft to airline companies established in the customs territory of the Community;
- d the repair, modification or conversion of civil aircraft carried out under the inward processing procedure.

3 Discharge of the procedure shall be carried out according either to the quantities of import goods corresponding to the compensating products assigned to one of the treatments or uses referred to in paragraph 1 or paragraph 2 or to the quantities of goods in the unaltered state assigned to such a treatment or use.

Article 578

The declaration to assign compensating products or goods in the unaltered state to one of the customs-approved treatments or uses shall contain all particulars necessary for discharge of the procedure.

Article 579

1 When the nature and/or technical characteristics of the import goods have been altered as a result of unforeseeable circumstances or *force majeure* so that it becomes impossible to obtain the compensating products for which an inward processing authorization (suspension system) has been issued, the holder of the authorization shall inform the supervising customs office of what has happened.

2 Article 571 (3) shall apply *mutatis mutandis*.

3 In cases where the alteration in question may affect the continuation in force or the substance of the authorization, paragraphs 1 and 2 shall be without prejudice to Articles 9 and 87 (2) of the Code.

4 This Article shall apply *mutatis mutandis* to compensating products.

Article 580

1 The conditions for the release for free circulation of goods in the unaltered state or main compensating products shall be deemed to be fulfilled where the person concerned declares that he is unable to assign those products or goods to a customs-approved treatment or use under which import duties would not be payable.

2 The customs authorities may authorize release for free circulation on a general basis. They shall do so only if this does not contravene other Community provisions relating to release for free circulation.

3 Import goods may be put on the Community market in the form either of compensating products or of goods in the unaltered state without the formalities for release for free circulation being completed at the time of their being put on the market.

For the purposes of paragraph 4 only, goods put on the market in such a manner shall not be considered to have been assigned one of the treatments or uses referred to in Article 89 of the Code.

4 Import goods, whether in the form of compensating products or of goods in the unaltered state, which are covered by a general authorization for release for free circulation and which, upon expiry of the period for re-exportation (having due regard to Article 561), have not been assigned to any of the customs-approved treatments or uses referred to in Article 89 of the Code shall be considered to have been released for free circulation, and the declaration for release for free circulation shall be considered to have been lodged and accepted and release granted upon expiry of the said period.

5 Goods put on the market in accordance with paragraph 3 shall be considered to be Community goods forthwith.

Article 581

Without prejudice to use of the simplified procedures, any compensating products or goods in the unaltered state to be assigned to a customs-approved treatment or use shall be presented to the office of destination in order to undergo the customs formalities specified for the treatment or use in question under the general provisions applicable.

However, the supervising office may allow the products or goods concerned to be presented at a customs office other than that referred to in the first subparagraph.

(a)

Normal procedures

Article 582

1 Except where Article 568 is applied, the declaration discharging the inward processing procedure (suspension system) shall be lodged at one of the offices of discharge specified in the authorization.

2 Where Article 568 is applied, the declaration referred to in paragraph 1 shall be lodged with the customs office which issued the authorization.

3 However, the supervising office may allow the declaration referred to in paragraph 1 to be presented at a customs office other than those referred to in paragraphs 1 and 2.

Article 583

1 The declaration referred to in Article 582 shall be made in accordance with the provisions laid down for the customs-approved treatment or use concerned.

2 The description of the compensating products or goods in the unaltered state in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorization.

3 For the purposes of Article 62 (2) of the Code, the documents to accompany the discharge declaration shall be those whose production is necessary for placing the goods under the procedure requested, as provided for in Articles 218 to 221.

(b)

Simplified procedures

Article 584

The simplified procedures provided for in Article 76 of the Code shall apply in accordance with Article 278.

(c)

Provisions concerning application of charges

Article 585

1 Where the import goods are olive oils falling within headings 1509 or 1510 of the combined nomenclature and their release for free circulation either in the unaltered state or in the form of compensating products falling within CN codes 1509 90 00 or 1510 00 90 has been authorized, the agricultural levy to be charged shall be:

— the agricultural levy indicated on the import licence issued under the tendering procedure, subject to the provisions of Article 4 (2) of Commission Regulation (EEC) No 3136/78 of 28 December 1978⁽²¹⁾,

or

— the last minimum agricultural levy fixed by the Commission before the date of acceptance of the declaration for free circulation, when the licence referred to in Article 6 of the said Regulation has been presented or when the quantity released for free circulation does not exceed 100 kilograms.

2 Paragraph 1 shall also apply where the import goods are olives falling within CN code 0709 90 39 or 0711 20 90 and the release for free circulation of compensating products falling within tariff CN code 1509 90 00 or 1510 00 90 has been authorized.

Article 586

In the event of the release for free circulation of goods in the unaltered state or compensating products in a Member State other than the one in which the goods were entered for the procedure, the said Member State shall collect the import duties which are mentioned on information sheet INF 1 provided for in Article 611, in accordance with the corresponding indications.

Article 587

1 Where the compensating products are released for free circulation and the customs debt is calculated on the basis of the items of charge appropriate to the import goods, in accordance with Article 121 of the Code, boxes 15, 16, 34, 41 and 42 of the declaration shall refer to the goods in the unaltered state.

2 The particulars referred to in paragraph 1 need not be supplied where information sheet INF 1 referred to in Article 611 or another document containing the same particulars as the INF 1 sheet accompanies the declaration for release for free circulation.

Article 588

1 The list of compensating products and processing operations to which the first indent of Article 122 (a) of the Code applies is in Annex 79.

For the purposes of this Article, destruction of compensating products other than those to which the first indent of Article 122 (a) of the Code applies shall be treated as export from the customs territory of the Community.

2 The date to be used for determining import duties on the compensating products referred to in paragraph 1 shall be that on which the declaration for release for free circulation is accepted.

3 The supervising office may allow the first indent of Article 122 (a) of the Code to be applied to waste, scrap, residues, offcuts and rejects other than those in the list referred to in paragraph 1.

Each Member State shall notify the Commission every six months of cases in which this paragraph has been applied.

Article 589

1 Where a customs debt is incurred in respect of compensating products or goods in the unaltered state, compensatory interest shall be paid on the import duty applicable.

2 Paragraph 1 shall not apply:

- where a customs debt is incurred pursuant to Article 216 of the Code,
- where waste and scrap resulting from destruction under Article 182 of the Code is released for free circulation,
- where the secondary compensating products referred to in Annex 79 are released for free circulation, provided they are in proportion to exported quantities of main compensating products,
- where compensatory interest calculated in accordance with paragraph 4 does not exceed ECU 20 per declaration for free circulation,
- where the holder of the authorization requests release for free circulation and supplies proof that particular circumstances not arising from any negligence or deception on his part make it impossible or uneconomic to carry out the export operation under the conditions he had anticipated and duly substantiated when applying for the authorization.

3 The request for consideration of a case under the terms of the fifth indent of paragraph 2 shall be submitted to the customs authorities indicated by the Member State which issued the authorization. It shall be admissible only if accompanied by all the supporting documents needed for a full examination of the case.

Where a customs authorities receive a request relating to compensatory interest on a sum of ECU 3 000 or less per bill of discharge and finds that the grounds supporting the request indicate a situation of the kind provided for in the fifth indent of paragraph 2, they shall waive application of paragraph 1. In this case the supporting documents shall be kept for three years by the customs authorities.

In all other cases, where they intend to grant the request they shall forward the said request to the Commission with the file containing the material needed for a full examination of the case. Release granted by the customs authorities for entry for free circulation of compensating products or goods in the unaltered state may be made

subject to the provision of a security, the amount of which shall be determined in accordance with paragraph 4.

The Commission shall notify the Member State concerned immediately it receives the file. The Member State which forwarded the request shall waive application of paragraph 1 if the Commission has failed to inform it of any objections within two months of the date of acknowledgement of receipt.

The Commission shall inform the Member States of requests received and the action taken on them.

4

- a The annual interest rates shall be set by the Commission on the basis of the arithmetical average of representative short-term rates for each Member State in the same six-month period of the previous year.

They shall apply to all customs debts incurred in the course of a six-month period.

The rate applied shall be that for the Member State where the inward processing operations, or the first such operation, took place or should have taken place.

Rates shall be published in the L series of the *Official Journal of the European Communities* at least one month before they become applicable.

- b Interest shall be applied per calendar month for the period running from the first day of the month following the month in which the import goods in respect of which the procedure is discharged were first entered for the procedure to the last day of the month in which the customs debt is incurred.

In order to simplify determination of the period to be taken into account for the application of compensatory interest, particularly in the case of operations in which the number of import goods and/or compensating products makes it economically impracticable to apply the normal provisions, the customs authorities, at the request of the person concerned, may allow the period for application of interest to be based on turnover periods of stocks of goods used to obtain the compensating products.

The stock turnover period should be taken to mean the average time from the moment the goods to be used for obtaining the compensating products enter the factory until the moment they leave the factory. This period shall be determined from the ratio at cost price of the value of the average stock of goods necessary for obtaining the compensating products to the annual turnover.

The figure obtained, multiplied by 12 and rounded up to the next whole number, shall constitute the number of months on which compensatory interest shall be applicable.

The simplification mentioned above shall be accorded by the customs authorities only on condition that the stock turnover period can be verified.

The period to take into account for the application of compensatory interest shall not be less than one month.

- c The amount of interest shall be calculated on the basis of the import duties, the interest rate referred to in (a) above and the period referred to in (b) above.

Article 590

1 In specific cases, particularly in the case of processing operations involving two or more Member States, simplified methods may be used at the request of the persons concerned for the calculation and accounting of compensatory interest.

2 When the Member States concerned have satisfied themselves that the proposed procedures can be implemented, they shall communicate them to the Commission and the Commission shall inform the other Member States. The procedures communicated to the Commission may be applied unless the Commission notifies the Member States concerned, within two months of the date of receipt of the draft, of any objections to such application.

Article 591

1 The proportion of import goods incorporated in compensating products shall be calculated when necessary in order to determine the import duties to be charged. Such calculation shall not be effected when, *inter alia*, the amount of the debt is determined solely on the basis of Article 122 of the Code.

2 The calculations shall be effected in accordance with the methods referred to in Articles 592 to 594 or by any other method giving the results.

Article 592

The quantitative scale method (compensating products) shall be used where one kind of compensating product only is derived from the inward processing operations. In that case the quantity of import goods corresponding to the quantity of compensating products in respect of which a customs debt is incurred shall be calculated by applying to the total quantity of the said goods a coefficient corresponding to the ratio of the quantity of compensating products in respect of which a customs debt is incurred to the total quantity of compensating products.

Article 593

1 The quantitative scale method (import goods) shall be applied where all elements of the import goods are found in each compensating product.

In deciding whether this method shall apply, losses shall not be taken into account.

The quantity of import goods used in the manufacture of each compensating product shall be determined by successively applying to the total quantity of import goods a coefficient corresponding to the ratio of the quantity of the said goods found in each type of compensating product to the total quantity of the goods found in the compensating products as a whole.

The quantity of import goods corresponding to the quantity of compensating products in respect of which a customs debt is incurred shall be determined by applying the coefficient arrived at by the method indicated in Article 592 to the quantity of import goods used in the manufacture of the said product calculated in accordance with the third subparagraph.

2 By way of derogation from paragraph 1, the quantitative scale method (import goods) shall also apply to operations in which durum wheat is processed to obtain 'couscous' meal, groats and other meal.

Article 594

1 Where Articles 592 and 593 do not apply, the value scale method shall be applied in all cases. However, with the agreement of the holder of the authorization and for the purposes of simplification, the customs authorities may apply the quantitative scale method (import goods) instead of the value scale method where either method would give similar results.

2 In order to determine the quantity of import goods used in the manufacture of each type of compensating product, successive coefficients corresponding to the ratio of the value of each compensating product to the total value of those products, calculated in accordance with paragraph 3, shall be applied to the total quantity of import goods.

3 Pursuant to Article 36 (1) of the Code, the value of each of the different compensating products to be used for applying the value scale shall be:

- the recent selling price in the Community of identical or similar products, provided that this has not been influenced by the relationship between buyer and seller, or, where this is not known,
- the recent ex-works price in the Community, provided that this has not been influenced by the relationship between buyer and seller.

Where the value cannot be ascertained under the first subparagraph it shall be determined by the supervising customs office using any reasonable method.

4 The quantity of import goods corresponding to the quantity of compensating products in respect of which a customs debt is incurred shall be calculated by applying the coefficient arrived at by the method indicated in Article 592 to the quantity of import goods used in the manufacture of the products in question, calculated in accordance with paragraph 2.

(d)

Bill of discharge

Article 595

1 Without prejudice to Article 596 (3), the holder of the authorization shall supply the supervising office with a bill of discharge.

2 The bill of discharge shall contain *inter alia* the following particulars:

- a reference particulars of the authorization;
- b the quantity of each type of import goods and reference particulars of the declarations entering them for the procedure;
- c the combined nomenclature code of the import goods;
- d the customs value of the import goods and the rate of import duties to which they are liable;
- e the rate of yield established;
- f the nature and quantity of the compensating products and the customs-approved treatment or use to which they are assigned, together with reference particulars of the declarations assigning the said products to a customs-approved treatment or use;
- g the value of the compensating products if the value scale method is used for the purposes of discharge;
- h the amount of import duties to be paid on the quantity of import goods considered to be released for free circulation under Article 580 (3);
- i the import goods entered for the procedure under the triangular traffic system.

3 Where simplified procedures are used for entry for the procedure or discharge of the procedure, the declarations and documents in question shall be those provided for in Article 76 (3) of the Code. The bill of discharge shall also show the quantity of goods considered to be released for free circulation pursuant to Article 580.

Article 596

1 The bill of discharge shall be supplied within 30 days of the expiry of the time limit for re-exportation, calculated, where appropriate, in accordance with Article 565. Where monthly or quarterly aggregation is used, a bill of discharge shall be presented for each month or quarter.

2 Without prejudice to paragraph 3 and Article 597 (4), where the prior exportation system is used the bill of discharge shall be supplied within 30 days of the expiry of the period fixed in accordance with Article 561.

3 The supervising office may itself make out the bill of discharge subject to the same time limits referred to in paragraphs 1 and 2. This fact shall be indicated in the authorization.

Article 597

1 Import duties on import goods, whether in the form of compensating products or of goods in the unaltered state considered to have been released for free circulation in accordance with Article 580 (3), shall be paid at the latest on presentation of the bill of discharge, which may be based on a summary declaration.

2 Where identification of other items of charge relating to the import goods is necessary in order to determine the amount of import duties, the bill of discharge shall in addition show such items and, where appropriate, the proportion of the import goods incorporated in the compensating products, established in accordance with Articles 592 to 594.

3 The holder of the authorization shall make available to the supervising office any document relating to goods considered to have been released for free circulation in accordance with Article 580 (3) whose production is necessary for the correct application of the provisions governing the release of goods for free circulation.

4 The supervising office may agree that:

- a the bill of discharge referred to in Article 595 (1) should be made out by computer or in any other form that the said office shall stipulate;
- b the bill of discharge should be made out on the declaration entering the goods for the procedure.

Article 598

The supervising office shall annotate the bill of discharge on the basis of the verification which has been carried out, informing the holder of the authorization if necessary of the result of that verification, and shall keep the bill of discharge and related documents for at least three calendar years from the end of the year in which the bill was drawn up. However, the said customs office may decide that documents relating to the bill of discharge shall be kept by the holder of the authorization. In that case the said documents shall be kept for the same period.

Article 599

1 Where import goods have been entered for the procedure by virtue of a single authorization but under several declarations, the compensating products or goods in the unaltered state assigned to a customs-approved treatment or use shall be considered to have been obtained from the import goods entered for the procedure under the earliest of the declarations.

2 Where the holder of the authorization can show the specific import goods from which the compensating products or goods in the unaltered state referred to in paragraph 1 were obtained, paragraph 1 shall not apply.

Subsection 3

Triangular traffic

Article 600

The customs authorities referred to in Article 556 may allow triangular traffic only as part of the prior exportation system.

Article 601

1 For triangular traffic the information sheet referred to as 'information sheet INF 5' shall be used.

2 Information sheet INF 5 shall be made out on a form corresponding to the model and indications in Annex 81, in one original and three copies which must be presented together at the customs office where the export formalities are carried out.

Information sheet INF 5 shall be made out in respect of the quantity of import goods corresponding to the quantity of compensating products exported. Where it is planned to import the goods in successive consignments, more than one INF 5 sheet may be made out.

3 In the event of theft, loss or destruction of information sheet INF 5, the importer may ask the customs office which endorsed it for a duplicate to be issued. The said office shall comply with this request provided it can be shown that the import goods in respect of which the duplicate is requested have not been entered for the procedure.

The original and copies of the information sheet INF 5 so issued shall bear one of the following indications:

- DUPLICADO,
- DUPLIKAT,
- DUPLIKAT,
- ΑΝΤΙΓΡΑΦΟ,
- DUPLICATE,
- DUPLICATA,
- DUPLICATO,
- DUPLICAAT,
- SEGUNDA VIA.

Article 602

1 When the export declaration in respect of the compensating products is presented at the customs office where the export formalities are carried out, an INF 5 sheet made out in accordance with Article 601 (2) shall be presented.

2 Where the compensating products leave the customs territory of the Community via the customs office where the export declaration is accepted, the said office shall endorse boxes 9 and 10 of the INF 5 sheet, retain copy No 1 and return the original and the other copies to the declarant.

Where that customs office is not the supervising customs office, it shall endorse copy 1 and send it to the supervising office.

3 Where the compensating products leave the customs territory of the Community via a customs office other than the customs office where the export declaration is accepted, they

shall be carried from the customs territory of the Community under the external Community transit procedure.

The box reserved for the description of the goods on the transit document shall contain one of the indications referred to in Article 610 (1) plus the letters EX-IM.

In cases provided for by this paragraph the customs office where the export declaration is accepted shall complete box 9, entering particulars of the T1 document and the symbol T1. The customs office of exit shall complete box 10, send copy 1 to the supervising office and return the original and the other copies to the declarant.

4 The compensating products referred to in paragraph 3 may not be assigned to any treatment or use other than direct export to a third country.

Article 603

The import goods may be entered for the procedure at a customs office of entry other than that originally specified, where the change is allowed by the supervising office or by the customs office where the entry formalities are actually carried out, which in that event shall notify the change to the supervising office.

Article 604

1 The declaration entering import goods for the procedure must be accompanied by the original and copy 2 and 3 of information sheet INF 5.

2 The customs office where the declaration of entry is presented shall note on the original and copies 2 and 3 of information sheet INF 5 the quantity of import goods entered for the procedure and the date of acceptance of the declaration. It shall send copy 3 to the supervising office without delay, returning the original to the declarant and retaining copy 2.

3 On receipt of copy 3 the supervising office shall notify the holder of the authorization without delay of the quantity of import goods entered for the procedure and the date of such entry.

Article 605

Where the office of entry for the procedure and the office where the export formalities are carried out are in the same Member State, the customs authorities may stipulate other procedures.

Subsection 4

Specific commercial policy measures

Article 606

Where the application for authorization relates to goods subject to the commercial policy measures referred to in Article 607 (1) (a) it shall not be necessary to present any licence, authorization or other similar document at the time when the application is submitted.

Article 607

1 Where Community acts provide for specific commercial policy measures on:
a release of goods for free circulation, the said measures shall not apply on entry of the goods for the inward processing procedure nor for such time as they remain under the procedure;

- b goods brought into the customs territory of the Community, the said measures shall apply when the import goods are entered for the inward processing procedure.
- 2 Non-Community goods, even where they are not liable to import duties, may also be entered for the procedure using the suspension system:
- a with a view to waiver of commercial policy measures applying to the release of the goods for free circulation;
 - b with a view to waiver of commercial policy measures applying to export of the goods in the unaltered state or the compensating products, without prejudice to commercial policy measures applying to the export of products originating in the Community.
- 3 Where paragraph 1 (a) or paragraph 2 applies, it shall not be necessary to present any licence, authorization or other related document at the time of entry for the procedure.

Article 608

Subject to the applicable provisions, the re-export of non-Community goods entered for the procedure shall not give rise to the application of the commercial policy measures laid down for exports of the goods in the unaltered state or compensating products, without prejudice to commercial policy measures applying to the export of products originating in the Community.

Article 609

- 1 The release for free circulation of import goods in the form either of goods in the unaltered state or of compensating products other than secondary compensating products listed in Annex 79 shall be subject to the application by the customs authorities of any commercial policy measures in force for the import goods at the time when the declaration for release for free circulation was accepted.
- 2 Where release for free circulation is requested in a Member State other than the one in which the import goods were entered for the procedure, it shall be subject to application of any commercial policy measures in force in the Member State where the goods were entered for the procedure at the time when the declaration for release for free circulation is accepted.

Subsection 5

Administrative cooperation

Article 610

1 Where the compensating products or goods in the unaltered state are placed in a free zone or free warehouse or entered for one of the suspensive procedures, enabling the inward processing procedure to be discharged, the box reserved for the description of goods on the document used for the said customs-approved treatment or use or, where simplified procedures are used, on the commercial document or records used, shall, in addition to the information laid down for the procedure in question, contain one of the following indications:

- Mercancías PA/S,
- A.F./S-varer,
- A.V./S-Waren,
- Εμπορεύματα ET/A,
- I.P./S. goods,
- Marchandises PA/S,

- Merci PA/S,
- AV/S-goederen,
- Mercadorias AA/S.

2 Where import goods entered for the procedure using the suspension system are subject to specific commercial policy measures and such measures continue to be applicable at the time when the goods, either in the unaltered state or in the form of compensating products, are placed under a customs procedure or in a free zone or free warehouse, the indication referred to in paragraph 1 shall be supplemented by one of the following:

- Política comercial,
- Handelspolitik,
- Handelspolitik,
- Εμπορική πολιτική,
- Commercial policy,
- Politique commerciale,
- Politica commerciale,
- Handelspolitiek,
- Política comercial.

3 The office of discharge shall satisfy itself that the indications referred to in paragraph 1 and paragraph 2 have been entered as appropriate on any documents issued to replace or discharge the documents referred to in those paragraphs.

Article 611

1 The information sheet referred to as the INF 1 sheet shall comprise an original and two copies made out on a form conforming to the specimen and provisions in Annex 82.

2 The INF 1 sheet referred to in paragraph 1 shall be used for:

- a fixing the amount of the security referred to in Article 88 of the Code;
- b the release for free circulation of compensating products or goods in the unaltered state at a customs office other than an office of discharge.

Article 612

Where the INF 1 sheet is used for the purposes of Article 611 (2) (a), an appropriate indication must be entered in box 2.

Article 613

1 Under Article 611 (2) (b), where the release for free circulation of all or part of the compensating products or goods in the unaltered state is requested, the customs authorities responsible for accepting the declaration, using the INF 1 sheet endorsed by them, shall ask the supervising customs office to indicate:

- in box 9 (a), the amount of import duties to be levied under Article 121 or 128 (4) of the Code,
- in box 9 (b), the amount of compensatory interest to be levied under Article 589,
- the quantity, CN code and origin of the import goods used in the manufacture of the compensating products released for free circulation.

The amount of import duties shall also reflect any difference between:

- the amount of import duties determined by the application of Article 121 of the Code or the amount of import duties repaid or remitted, and

— the amount of import duties already recorded or to be repaid or remitted.

2 Where the declaration for release for free circulation relates to products or goods referred to in Article 610 (2) and the commercial policy measures are to be applied in the Member State where use of the procedure was authorized, the customs authorities responsible for accepting the said declaration, using the INF 1 sheet endorsed by them, shall ask the supervising office to indicate whether the commercial policy measures in force for goods entered for the inward processing procedure have in fact been applied.

3 The original and one copy of the INF 1 sheet shall be sent to the supervising office and a copy shall be kept by the authorities which endorsed the sheet.

4 Where the INF 1 sheet is used for the application of commercial policy measures, the supervising office receiving it shall notify the holder of the authorization of the request.

5 The supervising office to which the INF 1 sheet is sent shall supply the information requested in boxes 8, 9 and 10 of the sheet, endorse it, retain the copy and return the original. However, it shall not be obliged to supply such information beyond the expiry of the period for which it is required to keep records.

6 For the purpose of calculating the amount referred to in paragraph 1 and for that purpose only, the products to which the INF 1 sheet refers shall be considered to have been released for free circulation on the date on which box 2 was endorsed.

Article 614

Should release for free circulation be requested where an INF 1 sheet has been made out under Article 612, the same INF 1 sheet may be used, provided it contains:

- in box 9 (a) the amount of import duties payable on the import goods pursuant to Article 121 (1) or 128 (4) of the Code, and
- in box 11, the date when the import goods concerned were first entered for the procedure.

In the absence of such information, a new INF 1 sheet shall be endorsed in accordance with Article 613.

Article 615

1 The holder of the authorization may ask for an INF 1 sheet to be endorsed when the compensating products or goods are transferred to a second holder or to the plant of a second approved operator.

2 In that case, the supervising office shall provide the indications referred to in Article 614.

Subsection 6

Transfer of goods

Article 616

1 Without prejudice to Articles 617 to 623 when products or goods are to be moved within the customs territory of the Community, either under a transfer of authorization or under a single authorization, the products or goods concerned shall be transported in accordance with the provisions concerning external transit.

2 The Community external transit document or the document treated as the external transit document shall carry the endorsements referred to in Article 610.

3 If permission is given for the use of such transfer procedures, they shall be set out in the authorization. They shall replace the movement procedures of the external transit arrangements. In the case of a transfer of products or goods from the holder of one authorization to the holder of a second authorization, both of these authorizations shall stipulate the procedures of transfer.

Permission for the use of the procedures in question may be given only if the holder of the authorization keeps or has kept for him the inward processing records referred to in Article 556 (3).

(a)

Provisions governing transfers of goods or products using a single authorization

Article 617

The customs authorities shall permit compensating products or goods in the unaltered state to be transferred without customs formalities and without termination of the inward processing procedure from the plant of one operator to the plant of another operator, with a view to further processing, provided the transfer is entered in the inward processing records.

Article 618

The holder of the authorization shall retain responsibility for transferred goods or products.

(b)

Provisions governing transfers of goods or products from the holder of an authorization to the holder of another

Article 619

The customs authorities shall permit compensating products or goods in the unaltered state to be transferred from the holder of one authorization to the holder of another authorization, provided the transfer is recorded in the inward processing records of the first holder in accordance with the procedure described in Annex 83.

Article 620

1 Responsibility for transferred goods or products shall pass to the holder of the second authorization at the time at which he takes delivery of the said goods or products and enters them in his inward processing records.

2 Such entry in the inward processing records shall have the effect of placing the goods or products under the procedure again in the name of the holder of the second authorization.

(c)

General provisions

Article 621

1 Provided the proper conduct of operations is not thereby affected, the customs authorities, on other conditions they shall lay down, shall permit:

- a the carriage of import goods, without customs formalities, from the office of entry for the procedure to the operator's plant, and of compensating products or goods in the unaltered state from the operator's plant to the office of discharge;
- b advance authentication of the forms referred to in Annex 83 or completion by the operator of the forms referred to in Annex 83, which shall be stamped by him using a special metal stamp approved by the authority;
- c completion of the formalities using a computerized system, provided the said system is such as to guarantee the proper implementation of the provisions of this Chapter.

2 Where paragraph 1 (a) is applied, the supervising office must be informed by the office of entry for the procedure that the import goods have been entered for the procedure and by the office of discharge that the compensating products or goods in the unaltered state have been exported, by dispatching extra copies of the declaration made to that effect and the accompanying documents.

Article 622

The holder of the authorization shall be responsible for providing the customs authorities with advance notification of the transfers to be carried out in the form and manner which the said authorities shall determine.

Article 623

1 Where the transfer procedures referred to in this subsection are applied, the provisions of Article 580 regarding goods considered to have been released for free circulation may be applied on presentation of the bill of discharge, provided that other Community provisions concerning release for free circulation do not prevent this.

2 The supervising office shall inform the office or offices of entry for the procedure of the discharges granted, giving reference particulars of the declarations of entry for the procedure that it has accepted.

Section 6

Provisions applicable to the drawback system

Subsection 1

Release for free circulation under the drawback system

Article 624

The procedures laid down for release for free circulation under the drawback system shall apply to import goods, including import goods under the equivalent compensation system without prior exportation (special release for free circulation without application of import duties).

(a)

Normal procedure

Article 625

1 Except where Article 568 applies, the declaration for release for free circulation under the drawback system shall be lodged at one of the offices of entry for the procedure specified in the authorization.

2 Where Article 568 applies, the declaration referred to in paragraph 1 shall be lodged at one of the duly empowered customs offices.

Article 626

1 The declaration referred to in Article 625 shall be made in accordance with Articles 198 to 252.

2 Article 575 (2) and (3) shall apply.

(b)

Simplified procedures

Article 627

1 The simplified procedures provided for in Article 76 of the Code for release for free circulation under the drawback system shall apply in accordance with Articles 275 and 276.

2 Article 576 (2) shall apply.

3 The supplementary declaration referred to in Article 76 (2) of the Code shall be supplied within the time limit laid down, and in any case no later than the time when the repayment claim is lodged.

Subsection 2

Repayment or remission of duties

Article 628

The cases referred to in Article 577 (2) shall be treated as equivalent to the export of compensating products from the Community.

Article 629

The declaration or application to assign compensating products to one of the customs-approved treatments or uses referred to in Article 128 of the Code shall contain all the particulars necessary to support a repayment claim.

Article 630

Without prejudice to the use of the simplified procedures, any compensating product which is to be assigned to one of the accepted customs-approved treatments or uses shall be presented to the office of discharge and undergo the customs formalities specified for the treatment or use in question in accordance with the general provisions applicable.

Article 631

1 Except where Article 568 applies, the declaration assigning the compensating products to one of the customs-approved treatments or uses referred to in Article 128 of the Code shall be lodged at one of the offices of discharge specified in the authorization.

2 Where Article 568 applies, the declaration referred to in paragraph 1 shall be lodged at the office which issued the authorization.

3 However, the supervising office may allow the declaration referred to in paragraph 1 to be presented to a customs office other than those referred to in paragraphs 1 and 2.

Article 632

1 The declaration referred to in Article 631 shall be made in accordance with the provisions laid down for the customs-approved treatment or use concerned.

2 Article 583 (2) and (3) shall apply.

Article 633

The simplified procedures provided for in Article 76 of the Code for discharge of the procedure shall apply in accordance with Article 278.

Article 634

1 The proportion of import goods incorporated in compensating products shall be calculated when necessary in order to determine the import duties to be repaid or remitted. Such calculation shall not be effected when all the compensating products are assigned to one of the treatments or uses referred to in Article 128 of the Code.

2 The calculation shall be effected in accordance with the methods referred to in Articles 635 to 637 or by any other method giving the same results.

Article 635

The quantitative scale method (compensating products) shall be used where one kind of compensating product only is obtained from the inward processing operations. In that case the quantity of import goods corresponding to the quantity of compensating products for which repayment or remission may be claimed shall be calculated by applying to the whole amount of the said goods a coefficient corresponding to the ratio of the quantity of compensating products for which repayment or remission may be claimed to the total quantity of compensating products.

Article 636

The quantitative scale method (import goods) shall be applied where all elements of the goods released for free circulation are found in each compensating product.

In deciding whether this method shall apply, losses shall not be taken into account.

The quantity of import goods under the drawback system used in the manufacture of each compensating product shall be determined by successively applying to the total quantity of import goods a coefficient corresponding to the ratio of the quantity of the said goods found in each type of compensating product to the total quantity of the goods found in the compensating products as a whole.

The quantity of import goods under the drawback system corresponding to the quantity of compensating products for which repayment or remission may be claimed shall be

determined by applying the coefficient arrived at by the method indicated in Article 635 to the quantity of import goods used in the manufacture of the said product calculated in accordance with the third subparagraph.

Article 637

1 Where Articles 635 and 636 cannot be applied, the value scale method shall be used. However, with the agreement of the holder of the authorization and for the purposes of simplification, the customs authorities may apply the quantitative scale method (import goods) instead of the value scale method where either method would give similar results.

2 In order to determine the quantity of import goods used in the manufacture of each type of compensating product, successive coefficients corresponding to the ratio between the comparable value of each compensating product, calculated in accordance with paragraph 3, shall be applied to the total quantity of import goods.

3 Article 594 (3) shall apply.

4 The quantity of import goods corresponding to the quantity of compensating products for which repayment or remission may be claimed shall be calculated by applying the coefficient arrived at by the method indicated in Article 635 to the quantity of import goods used in the manufacture of the products in question, calculated in accordance with paragraph 2.

Article 638

1 The repayment or remission of import duties shall be subject to the lodging by the holder of the authorization of a claim, hereinafter referred to as the 'repayment claim/IP', with the supervising office. The claim shall be submitted in duplicate.

2 Subject to paragraph 4, where an authorization was issued under Article 556 (2), the repayment claim/IP may be submitted only to the supervising office in the Member State which issued the authorization.

3 Where Article 557 is applied, repayment may be claimed only by a single holder.

4 In specific cases, following a written request from the persons concerned, where two or more Member States involved in processing operations are prepared to allow repayment claims/IP to be submitted to the customs authorities of a Member State other than the one specified in paragraph 2, they shall first communicate the requests to the Commission, together with a draft of the procedures planned to ensure that the claim referred to in Article 640 is correctly made out. The Commission shall inform the other Member States accordingly. The procedures communicated by the Commission may be applied unless the Commission notifies the Member States concerned, within two months of the date of receipt of the draft, of any objections to such application.

Article 639

1 The period referred to in Article 128 (3) of the Code within which the repayment claim/IP shall be lodged shall be a maximum of six months from the date on which the compensating products were assigned one of the customs-approved treatments or uses referred to in Article 128(1) of the Code.

2 Where special circumstances so warrant, the customs authorities may extend the period referred to in paragraph 1 even after it has expired.

Article 640

1 The repayment claim/IP shall contain *inter alia* the following particulars:

Status: This is the original version (as it was originally adopted).

- a reference particulars of the authorization;
- b the quantity of each type of import goods in respect of which repayment or remission is claimed;
- c the CN code of the import goods;
- d the customs value of the import goods and the rate of import duties to which they are liable as ascertained by the customs authorities on the date of acceptance of the declaration for release for free circulation under the drawback system;
- e the date of release for free circulation of the import goods under the drawback system;
- f reference to the declarations under which the import goods were released for free circulation under the drawback system;
- g the type and quantity of the compensating products and the customs-approved treatment or use to which they are to be assigned;
- h the value of the compensating products if the value scale method is used for the purpose of discharge;
- i the rate of yield fixed;
- j reference to the declarations under which the compensating products were entered for one of the customs-approved treatments or uses referred to in Article 128 of the Code;
- k the amount of import duties to be repaid or remitted and any compensatory interest collected, taking into account *inter alia* the import duties on other compensating products.

2 Where the simplified procedures relating to the formalities for release for free circulation under the drawback system and to export have been applied, the declarations and documents shall be those referred to in Article 76 (3) of the Code.

Article 641

1 Where the supervising office decides that the declarations referred to in Article 640 (1) (f) and (j) and such other documents as the said office shall stipulate should be kept by the holder of the authorization, the said declarations and documents shall be made available to that office.

2 However, where Article 646 applies, the claim shall be accompanied by the originals of the INF 7 sheets, duly endorsed.

Article 642

1 The supervising office may allow claims to omit some of the particulars referred to in Article 640 (1) where these do not affect calculation of the amount to be repaid or remitted.

2 The supervising office may allow the repayment claim /IP referred to in Article 640 (1) to be made out by computer or in such other form as the said office shall stipulate.

Article 643

The supervising office shall annotate the repayment claim /IP on the basis of the verification carried out and shall inform the holder of the authorization of the result of that verification; it shall keep the claim and related documents for at least three calendar years from the end of the year in which it takes a decision on the claim.

However, the supervising office may decide that documents relating to the claim should be kept by the holder of the authorization. In that case, the said documents shall be kept for the same period.

Subsection 3

Administrative cooperation*Article 644*

1 Where compensating products under the drawback system are placed under one of the customs-approved treatments or uses referred to in the second indent of Article 128 (1) of the Code, thus allowing repayment, the box reserved for the description of the goods on the document used for the procedure or in the free zone or free warehouse shall contain one of the following indications:

- Mercancías PA/R,
- A.F./R-varer,
- A.V./R.-Waren,
- Εμπορεύματα ET/E,
- I.P./D. goods,
- Marchandises PA/R,
- Merci PA/R,
- AV/T-goederen,
- Mercadorias AA/D.

2 The office of discharge shall satisfy itself that the indications referred to in paragraph 1 are entered on any document issued to replace or discharge the documents referred to in that paragraph.

Article 645

Where the compensating products obtained from inward processing operations under the drawback system are consigned to another supervising office in the same or another Member State under the external Community transit procedure, which may constitute justification for a request for repayment, and are the subject of a new inward processing application, the duly empowered customs authorities responsible for issuing the new authorization, either with the suspension system or with the drawback system, shall use the INF 1 sheet referred to in Article 611 to determine the amount of any import duties to be levied or the amount of the customs debt liable to be incurred.

Article 646

1 The information sheet known as the INF 7 sheet shall comprise an original and one copy on a form conforming to the specimen and provisions in Annex 84.

2 The INF 7 sheet referred to in paragraph 1 shall be used where the compensating products obtained from processing operations under the drawback system are transferred, without a repayment claim being lodged, to a supervising office other than the one where release for free circulation took place and are assigned there, either in the unaltered state or after further duly authorized processing, to one of the customs-approved treatments or uses permitting repayment or remission, in accordance with Article 128 (1) of the Code. The customs office where the products were assigned such treatment or use shall where necessary, at the request of the person concerned, issue the information sheet INF 7.

Article 647

1 The information sheet shall be presented by the person concerned at the same time as the customs declaration used to assign the customs-approved treatment or use applied for.

2 The office where the declaration referred to in paragraph 1 was presented shall endorse the information sheet INF 7, return the original and one copy to the holder and retain the other copy.

Section 7

Exchange of information with the Commission

Article 648

1 The Member States shall communicate to the Commission:

- a in respect of each authorization where the value of the import goods per operator and per calendar year exceeds the limits set in Article 552 (1) (a) (v), the particulars indicated in Annex 85; such particulars need not be communicated where the inward processing authorization has been issued on the basis of one or more of the economic conditions referred to by the following codes: 6106, 6107, 6201, 6202, 6301, 6302, 6303, 7004 or 7005.

However, in respect of the products referred to in Article 560 (2), the particulars must be supplied for every authorization granted, irrespective of the value of the products or the code used to refer to the economic conditions;

- b in respect of each application for an authorization rejected because the economic conditions are not considered to be fulfilled, the particulars indicated in Annex 86;
- c particulars of cases in which the standard rates of yield referred to in Article 567 have not been applied because although the inward processing operations concern the import goods listed in Column 1 of Annex 77 the compensating products obtained are not those referred to in Columns 3 or 4 at the same stage of manufacture.

2 The particulars referred to in paragraph 1 (a) and (b) shall be communicated during the month following that in which the authorization was issued or the application was rejected, as the case may be. They shall be circulated by the Commission to the other Member States and shall be examined by the Committee in cases where this is judged necessary.

Article 649

1 The Member States shall communicate to the Commission:

- a the list of customs authorities to which applications for authorization are to be presented, except under Article 568;
- b the list of customs offices empowered to accept declarations entering goods for the procedure under the suspension system or declarations for release for free circulation under the drawback system, pursuant to Article 568.

2 The information referred to in paragraph 1 shall be communicated two months before the entry into application of this Regulation, and subsequently during the month following that in which a Member State changes the jurisdiction of customs offices.

3 For the benefit of traders the Commission will publish the information in the C Series of the *Official Journal of the European Communities*.

CHAPTER 4

Processing under customs control

Section 1

General provisions

Article 650

Pursuant to Article 131 of the Code, the procedure for processing under customs control may be used for goods in column 1 of the list in Annex 87 which are to undergo the processing referred to in column II.

Subsection 1

Authorization — normal procedure

Article 651

1 The application shall be made in conformity with Article 497 and in accordance with the specimen in Annex 67/C, and presented by the person to whom the authorization may be granted under Articles 86, 132 and 133 of the Code.

2

- a The application shall be presented to the customs authorities designated by the Member State where the processing operation is to be carried out.
- b Where it is expected that processing operations will be carried out by or on behalf of the applicant in different Member States, application for a single authorization may be made.

In that case, the application, which shall include particulars of the sequence of operations and the exact places where they will be carried out, shall be lodged with the customs authorities of the Member State where the first such operation will be carried out.

Article 652

1 Without prejudice to Article 656, the authorization shall be issued by the authorities to which the application was presented under Article 651 (2) and shall be made out in conformity with Article 500 and in accordance with the specimen in Annex 68/C.

2 Where Article 651 (2) (b) applies, the authorization may not be issued without the agreement of the customs authorities designated by the Member States in which the places indicated in the application are located. The following procedure shall apply:

- a the customs authorities to which the application was presented, after satisfying themselves that the economic conditions can be considered fulfilled in respect of the planned operation, shall communicate the application and the draft authorization to the customs authorities of the other Member States concerned; the said draft shall include, at least, the rate of yield, the approved methods of identification, the customs offices referred to at point 9 of the specimen authorization in Annex 68/C, any simplified procedures used for entry for the procedure, transfer or discharge and the rules to be observed *inter alia* as regards notification to the supervising office;

Status: This is the original version (as it was originally adopted).

- b the customs authorities having received notification shall transmit any objections as soon as possible, and in any case within two months of the date of communication of the application and draft authorization;
- c the customs authorities referred to in subparagraph (a), after taking the necessary steps to ensure payment of the customs debt which may be incurred in respect of the import goods, may issue the authorization if it has received no information concerning the existence of objections to the draft authorization within the period referred to in subparagraph (b);
- d the Member State issuing the authorization shall send a copy thereof to all the Member States referred to above.

Authorizations issued in this way shall be valid only in the Member States referred to above.

The Member States shall communicate to the Commission the names and addresses of the customs authorities designated to receive the application and the draft authorization mentioned in subparagraph (a). The Commission shall inform the other Member States accordingly.

3 To ensure correct application of the provisions governing the procedure, the customs authorities may require the holder of the authorization, in order to facilitate checks, to keep or have kept for him stock records which indicate the quantities of import goods entered for the procedure and of processed products obtained, and all particulars needed for the monitoring of the operations and the correct calculation of any import duties which may be payable.

The 'records of processing under customs control' shall be made available to the supervising office to enable it to carry out any checks necessary for the proper implementation of the procedure.

Where the records kept by the applicant for commercial purposes allow supervision of the procedure they shall be recognized by the customs authorities as valid 'records of processing under customs control'.

Article 653

The period of validity of the authorization shall be set case by case by the customs authorities, having regard to the specific requirements of the applicant.

Where the period exceeds two years, the conditions on which the authorization was issued shall be reviewed periodically at intervals laid down in the authorization.

Article 654

1 When issuing the authorization the customs authorities shall specify the period within which the processed products must be assigned to a customs-approved treatment or use in accordance with Article 134 of the Code, taking into account the time required to carry out the processing operations and the time required to assign the processed products to a customs-approved treatment or use.

2 Where the circumstances so warrant, the period specified in the authorization may be extended even when that originally set has expired.

Article 655

1 The rate of yield, or method of determining the rate, referred to in Article 134 of the Code shall as far as possible be set on the basis of production data and shall be identifiable in the records of the holder of the authorization.

2 The rate or method of determining the rate shall be set in accordance with paragraph 1, subject to retrospective verification by the customs authorities.

Subsection 2

Authorization — simplified procedure

Article 656

1 This Article shall apply where processing operations are to take place in a single Member State.

2 Where the simplified procedures for entry for the procedure referred to in Article 76 of the Code are not applied, any customs office empowered by the customs authorities to grant authorizations using the simplified procedure, shall allow the lodging of the declaration entering goods for the procedure to constitute an application for authorization. In this case acceptance of such declaration shall constitute the authorization, the said acceptance remaining in any event subject to the conditions governing the granting of the authorization.

3 Declarations presented under paragraph 2 shall be accompanied by a document made out by the declarant containing the following information, as necessary, unless such information can be entered in box 44 of the form used for the declaration itself:

- a where the person applying to use the procedure is not the same as the declarant, the name or business name and address of the applicant;
- b where the person carrying out the processing is not the same as the applicant or the declarant, the name or business name and address of that person;
- c the nature of the processing operation;
- d the trade and/or technical description of the processed products to be obtained;
- e the rate of yield or, where appropriate, the method by which the rate will be established;
- f the time allowed for assigning the import goods to a customs-approved treatment or use;
- g the place where it is intended to carry out the processing operation.

Article 498 shall apply *mutatis mutandis*.

4 Article 502 shall apply *mutatis mutandis*.

Section 2

Entry of goods for the procedure

Article 657

1 Except where Article 656 is applied, the declaration entering goods for processing under customs control shall be lodged at one of the offices of entry for the procedure specified in the authorization.

2 Where Article 656 is applied, the declaration referred to in paragraph 1 shall be lodged at a duly empowered customs office.

Article 658

1 The declaration referred to in Article 657 shall be made in accordance with Articles 198 to 252.

2 Without prejudice to the application of Article 656, the description of the goods given in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorization.

3 For the purposes of Article 62 (2) of the Code, the documents to accompany the declaration shall be those provided for in Article 220.

Article 659

1 The simplified procedures provided for in Article 76 of the Code shall apply in accordance with Articles 275 and 276.

2 The customs authorities shall withhold authorization to use the local clearance procedure provided for in Article 276, from persons whose stock records, as referred to in Article 652 (3), cannot be established.

3 The supplementary declaration referred to in Article 76 (2) of the Code shall be supplied within the stipulated period and in any case no later than the time when the bill of discharge is lodged.

Section 3

Discharge of the procedure

Article 660

1 Discharge of the procedure shall be based either on the quantity of import goods corresponding, by application of the rate of yield, to the processed products or on the quantity of goods in the unaltered state which have been assigned to a customs-approved treatment or use.

2 Where necessary, pursuant to Article 135 of the Code, the rules in Articles 591 to 594 concerning the proportion of import goods incorporated in the products shall apply *mutatis mutandis*.

Article 661

1 Except where Article 656 is applied, the declaration discharging the procedure for the processing of goods under customs control shall be lodged at one of the customs offices of discharge specified in the authorization.

2 Where Article 656 is applied, the declaration referred to in paragraph 1 shall be lodged with the customs office which issued the authorization.

3 However, the supervising office may allow the declaration referred to in paragraph 1 to be presented at a customs office other than the one referred to in paragraphs 1 and 2.

Article 662

1 The declaration referred to in Article 661 shall be made in accordance with the provisions laid down for the customs-approved treatment or use concerned.

2 The description of the processed products or import goods in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorization.

3 The provisions of Article 583 (3) shall apply.

Article 663

The simplified procedures provided for in Article 76 of the Code for discharge of the procedure shall apply in accordance with Article 278 (1).

Article 664

1 The holder of the authorization shall supply the supervising office with a bill of discharge within thirty days of the expiry of the time limit for discharge.

2 The bill of discharge shall contain *inter alia* the following particulars:

- a reference particulars of the authorization;
- b the quantity by type of import goods and reference particulars of the declarations entering them for the procedure;
- c the CN code of the import goods;
- d the customs value of the import goods;
- e the rate of yield set;
- f the nature and quantity of the processed products and the customs-approved treatment or use to which they are assigned, together with reference particulars of the declarations assigning the said products to a customs-approved treatment or use;
- g where the fourth indent of Article 666 is to be applied, the processing costs;
- h the CN code of the processed products.

3 Where a simplified procedure is used for entry for or discharge of the procedure, the declarations and documents in question shall be those provided for in Article 76 (3) of the Code.

Article 665

1 The supervising office may agree that:

- a the bill of discharge referred to in Article 664 (2) should be made out by computer or in any other form that the said office shall stipulate;
- b the bill of discharge should be made out on the declaration entering the goods for the procedure.

2 The provisions of Article 598 shall apply.

3 The supervising office may itself make out the bill of discharge subject to the time limit laid down in Article 664 (1). This fact shall be indicated in the authorization.

Article 666

Pursuant to Article 36 (1) of the Code, where the processed products are released for free circulation their customs value shall be one of the following, at the choice of the person concerned, such choice being exercised on the date of acceptance of the declaration for release for free circulation:

- the customs value, determined at or about the same time of identical or similar goods produced in any third country,
- their selling price, provided this is not influenced by a relationship between buyer and seller,
- the selling price in the Community of identical or similar goods, provided this is not influenced by a relationship between buyer and seller,
- the customs value of the import goods plus the processing costs.

Article 667

Where commercial policy measures are in force for the import goods at the time of acceptance of the declaration for release for free circulation, such measures shall not apply to the processed products unless they are also in force for products identical to the processed products.

In this case, the measures shall be applied to the quantity of import goods actually used in the manufacture of the processed products released for free circulation.

Section 4

Exchange of information with the Commission

Article 668

- 1 The Member States shall communicate to the Commission:
 - a in respect of each authorization where the value of the goods entered for the procedure, per operator and per calendar year, exceeds ECU 100 000, the particulars indicated in Annex 88;
 - b in respect of each application for an authorization rejected because the economic conditions referred to in Article 133 (e) of the Code are not considered to be fulfilled, the particulars indicated in Annex 89.
- 2 The particulars referred to in paragraph 1 shall be communicated during the month following that in which the authorization was issued or the application was rejected, as the case may be. They shall be circulated by the Commission to the other Member States and shall be examined by the Committee in cases where this is judged necessary.

Article 669

- 1 The Member States shall communicate to the Commission:
 - a the list of customs authorities to which applications for authorization are to be presented, except under Article 656;
 - b the list of customs offices empowered to accept declarations entering goods for the procedure under Article 656.
- 2 The provisions of Article 649 (2) and (3) shall apply.

CHAPTER 5

Temporary importation procedure

Section 1

General provisions

Article 670

For the purposes of this Chapter:

- (a) *office of entry* means: the customs office via which goods accompanied by an ATA carnet enter the customs territory of the Community;

- (b) *office of exit* means: the customs office via which goods accompanied by an ATA carnet leave the customs territory of the Community;
- (c) *means of transport* means: any means used for the transport of persons or goods. The term covers spare parts and normal accessories and equipment, including the gear used to stow, secure or protect goods which is imported with the means of transport;
- (d) *person established outside the customs territory of the Community* means: a natural person normally resident outside the customs territory of the community or a legal person having a registered place of business outside that territory;
- (e) *commercial use* means: the use of a means of transport for the transport of persons for remuneration or the industrial or commercial transport of goods, whether or not for remuneration;
- (f) *private use* means: the use of a means of transport exclusively for personal purposes by the person concerned, excluding commercial use;
- (g) *container* means: an article of transport equipment (lift-van, movable tank, demountable body or other similar structure):
- fully or partially enclosed to constitute a compartment intended for containing goods,
 - of a permanent character and accordingly strong enough to be suitable for repeated use,
 - specially designed to facilitate the carriage of goods, by one or more modes of transport, without intermediate reloading,
 - designed for ready handling, particularly when being transferred from one mode of transport to another,
 - designed to be easy to fill and to empty, and having an internal volume of one cubic metre or more.

Platform flats shall be treated as containers.

The term container shall include the accessories and equipment of the container, appropriate for the type concerned, provided they are transported with the container. The term container shall not include vehicles, accessories or spare parts of vehicles, packaging or pallets.

By way of derogation from the final indent, the term container shall apply to containers used for air transport having an internal volume of less than one cubic metre;

- (h) *transport under customs seal* means: the use of a container to transport goods which are identified by the sealing of the container;
- (i) *demountable body* means: a loading compartment which has no independent means of movement and is specifically designed to be transported on a road vehicle, the chassis of such vehicle and the lower bodywork frame being specially designed for that purpose. This definition also covers movable cases which form loading compartments specifically designed for combined transport;
- (j) *partially enclosed containers* means: equipment generally consisting of a floor and a superstructure marking off a loading space equivalent to that of a closed container; the superstructure is generally made up of metal members forming the frame of a container; containers of this type may also comprise one or more lateral or frontal walls; in some cases there is only a roof attached to the floor by uprights; this type

- of container is used in particular for the carriage of bulky goods (motor cars, for example);
- (k) *platform flats* means: loading platforms without a superstructure, or with partial superstructure only, of the same length and width as containers and possessing top and bottom corner fittings located on the side of the platform to enable the same anchoring and lifting devices to be used as for containers;
- (l) *accessories and equipment of the container* means: in particular the following devices, even if they are removable:
- (i) equipment for controlling, modifying or maintaining the temperature inside the container;
 - (ii) small appliances, such as temperature or impact recorders, designed to indicate or record variations in environmental conditions and impact;
 - (iii) internal partitions, pallets, shelves, supports, hooks and similar devices used for stowing goods.
- (m) *pallet* means: a device on the deck of which a quantity of goods can be assembled to form a unit load for the purpose of transporting it, or of handling or stacking it with the assistance of mechanical appliances. This device is made up of two decks separated by bearers, or of a single deck supported by feet, or of a special deck designed for air transport; its overall height is reduced to the minimum compatible with handling by means of fork lift trucks or pallet trucks; it may or may not have a superstructure;
- (n) *operator of a container or pallet* means: the person who, whether or not its owner, has effective control of its movements;
- (o) *user of the procedure for a container or pallet* means: the operator of a container or pallet or his representative;
- (p) *internal traffic* means: the carriage of persons or goods picked up or loaded in the customs territory of the Community for setting down or unloading at a place within that territory.

Section 2

Temporary importation of goods other than means of transport

Subsection 1

Temporary importation with total relief: scope and conditions

(a)

Professional equipment

Article 671

1 The temporary importation procedure with total relief from import duties shall be granted for professional equipment.

2 Professional equipment means:

- a equipment for the press or for sound or television broadcasting which is necessary for representatives of the press or of broadcasting or television organizations established outside the customs territory of the Community and visiting that territory for purposes of reporting or in order to transmit or record material for specified programmes;
- b cinematographic equipment necessary for a person established outside the customs territory of the Community and visiting that territory in order to make a specified film or films;
- c any other equipment necessary for the exercise of the calling, trade or profession of a person established outside the customs territory of the Community and visiting that territory to perform a specified task. It does not include equipment which is to be used for the industrial manufacture or packaging of goods or (except in the case of hand tools) for the exploitation of natural resources, for the construction, repair or maintenance of buildings or for earth moving and like projects;
- d ancillary apparatus for the equipment mentioned in subparagraphs (a), (b) and (c) of this paragraph, and accessories thereof.

An illustrative list of goods to be considered as professional equipment is given in Annex 90.

3 The temporary importation procedure referred to in paragraph 1 shall be granted provided that the professional equipment is:

- a owned by a person established outside the customs territory of the Community;
- b imported by a person established outside the said territory;
- c used solely by or under the personal supervision of the person visiting the said territory.

However, the condition referred to in (c) shall not apply to cinematographic equipment imported for the production of films, television programmes or audiovisual works, under a coproduction contract concluded with a person established in the customs territory of the Community.

In the case of joint radio or television programme productions, professional equipment may be the subject of a hire contract or similar arrangement to which a person established in the customs territory of the Community is a party.

Article 672

Spare parts subsequently imported for the repair of professional equipment which has been temporarily imported shall be entitled to temporary importation facilities on the same conditions as the equipment itself.

(b)

Goods for display or use at exhibitions, fairs, meetings or similar events

Article 673

1 The temporary importation procedure with total relief from import duties shall be granted for:

- a goods intended for display or demonstration at an event;
- b goods intended for use in connection with the display of imported products at an event, including:
 - goods necessary for the purpose of demonstrating imported machinery or apparatus to be displayed,

- construction and decoration material, including electrical fittings, for the temporary stands of persons established outside the Community,
 - advertising and demonstration material and other equipment which is publicity material for the imported goods displayed, such as sound and image recordings, films and transparencies, together with apparatus necessary for their use;
 - c equipment, including interpretation equipment, sound and image recording apparatus and films of an educational, scientific or cultural character, intended for use at international meetings, conferences or congresses;
 - d live animals intended for exhibition at or participation in an event;
 - e products obtained during an event from goods, machinery, apparatus or animals imported temporarily.
- 2 Event means:
- a a trade, industrial, agricultural or craft exhibition, fair, or similar show or display;
 - b an exhibition or meeting which is primarily organized for a charitable purpose;
 - c an exhibition or meeting which is primarily organized to promote any branch of learning, art, craft, sport or scientific, technical educational, cultural, trade union or tourist activity, to promote religious knowledge or worship or to promote friendship between peoples;
 - d a meeting of representatives of international organizations or international groups of organizations;
 - e a representative meeting of an official or commemorative character,

except exhibitions organized for private purposes in shops or business premises with a view to sale of the imported goods.

(c)

Teaching aids and scientific equipment

Article 674

1 The temporary importation procedure with total relief from import duties shall be granted for:

- a teaching aids;
- b spare parts and accessories for such aids;
- c tools especially designed for the maintenance, checking, calibration or repair of such aids.

2 Teaching aid means any aid intended for the sole purpose of teaching or vocational training, and in particular models, instruments, apparatus and machines.

The list of goods to be considered as teaching aids is given in Annex 91.

3 The temporary importation procedure referred to in paragraph 1 shall be granted provided that the teaching aids, spare parts, accessories or tools:

- a are imported by approved establishments and are used under the supervision and responsibility of such establishments;
- b are used for non-commercial purposes;
- c are imported in reasonable quantities, having regard to the intended purpose of the importation;

- d remain throughout their stay in the customs territory of the Community the property of a person established outside that territory.

4 The period during which such teaching aids may remain under the temporary importation procedure shall be twelve months.

Article 675

1 The temporary importation procedure with total relief from import duties shall be granted for:

- a scientific equipment;
- b spare parts and accessories for such equipment;
- c tools specially designed for the maintenance, checking, calibration or repair of scientific equipment used in the customs territory of the Community exclusively for purposes of scientific research or teaching.

2 Scientific equipment means instruments, apparatus and machines used for the purpose of scientific research or teaching.

3 The temporary importation procedure referred to in paragraph 1 shall be granted provided that the scientific equipment, accessories, spare parts and tools:

- a are imported by approved establishments and are used under the supervision and responsibility of such establishments;
- b are used for non-commercial purposes;
- c are imported in reasonable numbers having regard to the intended purpose of the importation;
- d remain throughout their stay in the customs territory of the Community the property of a person established outside that territory.

4 The period during which such scientific equipment may remain under the temporary importation procedure shall be twelve months.

Article 676

1 For the purposes of Article 674 (3) (a), approved establishments means public or private teaching or vocational training establishments which are essentially non-profit making and have been approved by the designated authorities of the Member State which issued the authorization as recipients of teaching aids under the temporary importation procedure.

2 For the purposes of Article 675 (3) (a), approved establishments means public or private scientific or teaching establishments which are essentially non-profit making and have been approved by the designated authorities of the Member State which issued the authorization as recipients of scientific equipment under the temporary importation procedure.

(d)

Medical, surgical and laboratory equipment

Article 677

1 The temporary importation procedure with total relief from import duties shall be granted for medical, surgical and laboratory equipment intended for hospitals and other medical institutions.

2 The temporary importation procedure referred to in paragraph 1 shall be granted provided that the said equipment:

- a has been dispatched on an occasional basis, on loan free of charge;
- b is intended for diagnostic or therapeutic purposes.

3 Equipment dispatched on an occasional basis means any medical, surgical or laboratory equipment dispatched at the request of a hospital or other medical institution which is facing exceptional circumstances and has urgent need of such equipment to make up for the inadequacy of its own facilities.

(e)

Disaster relief materials

Article 678

1 The temporary importation procedure with total relief from import duties shall be granted for materials to be used in connection with measures taken to counter the effects of disasters affecting the customs territory of the Community.

2 The temporary importation procedure referred to in paragraph 1 shall be granted provided that such materials:

- are imported on loan free of charge,
- are intended for state bodies or bodies approved by the competent authorities.

(f)

Packings

Article 679

1 The temporary importation procedure with total relief from import duties shall be granted for packings.

2 Packings means:

- a containers used, or to be used, in the state in which they are imported, for external or internal packing of goods;
- b supports on which goods are, or are to be, rolled, wound or attached,

but excluding packing materials such as straw, paper, glass wool and shavings when imported in bulk.

3 The temporary importation procedure referred to in paragraph 1 shall be granted provided that:

- a if the packings are imported filled, they are declared as being for re-exportation empty or filled;
- b if the packings are imported empty, they are declared as being for re-exportation filled.

4 Packings admitted under the temporary importation procedure may not be used even occasionally in internal traffic, except with a view to the export of goods from the customs territory of the Community. In the case of packings imported filled, this ban shall apply only from the time that they are emptied of their contents.

5 The period during which such packings may remain under the temporary importation procedure shall be six months.

(g)

Other goods qualifying for temporary importation with total relief

Article 680

The temporary importation procedure with total relief from import duties shall be granted for:

- (a) moulds, dies, blocks, drawings, sketches and other similar articles intended for a person established in the customs territory of the Community, where at least 75 % of the production resulting from their use is exported from that territory;
- (b) measuring, checking and testing instruments and other similar articles intended for a person established in the customs territory of the Community for use in a manufacturing process, where at least 75 % of the production resulting from their use is exported from that territory;
- (c) special tools and instruments made available to a person established in the customs territory of the Community for use in the manufacture of goods which are to be exported in their entirety, on condition that such special tools and instruments remain the property of a person established outside the customs territory of the Community;
- (d) goods of any kind which are to be subjected to tests, experiments or demonstrations, including the tests and experiments required for type-approval procedures, but excluding any tests, experiments or demonstrations constituting a gainful activity;
- (e) goods of any kind to be used to carry out tests, experiments or demonstrations, but excluding any tests, experiments or demonstrations constituting a gainful activity;
- (f) samples representative of a particular category of goods which are intended for demonstration purposes with a view to obtaining orders for similar goods.

Article 681

1 The temporary importation procedure with total relief from import duties shall be granted for replacement means of production.

2 The period during which replacement means of production may remain under the temporary importation procedure shall be six months.

3 Replacement means of production means instruments, apparatus and machines made temporarily available to a customer free of charge by a supplier or repairer, pending the delivery or repair of similar goods.

Article 682

1 The temporary importation procedure with total relief from import duties shall be granted for:

- a second-hand goods imported with a view to their sale by auction;
- b goods imported under a contract of sale subject to satisfactory acceptance tests;
- c works of art imported for the purposes of exhibition, with a view to possible sale;
- d consignments on approval of made-up articles of fur, precious stones, carpets and articles of jewellery, provided that their particular characteristics prevent their being imported as samples.

2 The period during which the goods referred to in paragraph 1 may remain under the temporary importation procedure shall be six months in the case of (a), (b) and (c) and four weeks in that of (d).

3 For these purposes:

- second-hand goods means goods other than newly manufactured goods,
- consignments on approval means consignments of goods which the consignor for his part wishes to sell and which the consignee may decide to purchase after inspection.

Article 683

The temporary importation procedure with total relief from import duties shall be granted for:

- (a) positive cinematograph films, printed and developed and other recorded image-bearing media intended for viewing prior to commercial use;
- (b) films, magnetic tapes and wires and other sound- or image-bearing media which are intended to be provided with a sound track, dubbed or copied;
- (c) films demonstrating the nature or the operation of foreign products or equipment, provided that they are not intended for public showing for charge;
- (d) data-carrying media, sent free of charge for use in automatic data-processing.

Article 684

1 The temporary importation procedure with total relief from import duties shall be granted for personal effects and goods imported for sports purposes.

2 For these purposes:

- a personal effects means all articles, new or used, which a traveller may reasonably require for his or her personal use during the journey, taking into account all the circumstances of the journey, but excluding any goods imported for commercial purposes;
- b goods imported for sports purposes means sports requisites and other articles for use by travellers in sports contests or demonstrations or for training taking place in the customs territory of the Community.

3 The illustrative list of such goods is given in Annex 92.

Article 685

The temporary importation procedure with total relief from import duties shall be granted for:

- (a) live animals of any species imported for dressage, training or breeding purposes or in order to be given veterinary treatment;
- (b) live animals of any species imported for transhumance or grazing purposes;
- (c) draught animals and equipment belonging to persons established outside but in close proximity to the customs territory of the Community, provided that they are imported by such persons for working land located inside the customs territory of the Community, involving the performance of agricultural work or forestry work including the clearing or transport of timber, or for pisciculture;

- (d) tourist publicity material. The list of goods to be considered as tourist publicity material is given in Annex 93.

Article 686

1 The temporary importation procedure with total relief from import duties shall be granted for welfare materials for seafarers.

2 For these purposes:

- welfare material means material for the pursuit of cultural, education, recreational, religious or sporting activities by seafarers,
- seafarers means all persons transported on board a vessel responsible for tasks relating to the operating or service of the vessel at sea.

3 The list of goods to be considered as welfare material for seafarers is given in Annex 94.

4 The temporary importation procedure referred to in paragraph 1 shall be granted on condition that the material is:

- a unloaded from a vessel engaged in international maritime traffic to be temporarily used ashore by the crew for a period not exceeding the vessel's stay in port;
- b imported for temporary use in cultural or social establishments for a period of twelve months. Cultural or social establishments means hostels, clubs or recreation centres for seafarers, managed either by official bodies or by religious or other non-profit making organizations, and places of worship where services for seafarers are regularly held.

Article 687

The temporary importation procedure with total relief from import duties shall be granted for miscellaneous equipment used under the supervision and responsibility of a public authorities for the building, repair or maintenance of infrastructure of general importance in frontier zones.

Article 688

1 The temporary importation procedure with total relief from import duties shall be granted for goods temporarily imported into the customs territory of the Community in a particular situation having no economic effect.

2 Temporary importation into the customs territory of the Community on an occasional basis, for a period not exceeding three months, of goods whose value is less than ECU 4 000 shall be considered a particular situation having no economic effect.

Article 689

1 Any Member State may decide to grant total relief instead of the partial relief referred to in Article 142 of the Code for goods imported into its territory on an occasional basis for a period not exceeding three months.

2 Following examination by the Committee of the communications referred to in Article 746 (1) (c), provisions shall be adopted to exclude from the scope of paragraph 1 operations which have been found to affect adversely the conditions of competition in the Community or to damage the interests of operators established there.

Subsection 2

Special provisions relating to goods qualifying for partial relief

Article 690

Pursuant to Article 142 (2) of the Code, the list of goods in respect of which the temporary importation procedure with partial relief from import duties may not be used is given in Annex 95.

Subsection 3

Authorizing use of the procedure

(a)

Normal procedure

Article 691

1 The application shall be made in conformity with Article 497 and in accordance with the specimen in Annex 67/D, and presented by the person to whom the authorization may be granted under Articles 86 and 138 of the Code.

2

- a The application shall be presented to the customs authorities designated by the Member State where the goods are to be used.
- b Where it is expected that the goods will be used in several Member States, application for a single authorization may be made. This application shall be lodged with the customs authorities designated by the Member State where the goods are to be used first.

In that case, the application shall include particulars of the sequence of uses and the expected places where the goods temporarily imported will be used.

Article 692

1 Without prejudice to Article 695, the authorization shall be issued by the authorities to which the application was presented under Article 691 (2) and shall be made out in conformity with Article 500 and in accordance with the specimen in Annex 68/D.

2 Where Article 691 (2) (b) applies, the authorization may not be issued without the agreement of the customs authorities designated by the Member States in which the places indicated in the application are located. The following procedure shall apply:

- a the customs authority to which the application was presented shall communicate the application and the draft authorization to the other customs authorities concerned; the said draft shall include, at least, the places of use, the trade and/or technical description of goods, the expected quantity and value, the article under which authorization is sought, the proposed methods of identification, the customs offices referred to at point 8 of the specimen authorization in Annex 68/D, and where appropriate, the rules to be observed *inter alia* as regards notification to the supervising office;
- b the other customs authorities concerned shall notify the existence of any objections as soon as possible, and in any case within two months of the date of communication of the application and draft authorization;

- c the customs authority referred to in subparagraph (a) may issue the authorization if it has received no information concerning the existence of objections to the draft authorization within the period referred to in subparagraph (b);
- d the Member State issuing the authorization shall send a copy thereof to all the Member States referred to above.

Authorizations issued in this way shall be valid only in the Member States referred to above.

The Member States shall communicate to the Commission the names and addresses of the customs authorities designated to receive the application and the draft authorization mentioned in subparagraph (a). The Commission shall inform the other Member States accordingly.

Article 693

The period of validity of the authorization shall be set by the customs authorities on a case-by-case basis, having regard to the specific needs of the applicant.

Article 694

1 When issuing the authorization the designated customs authorities shall specify the period within which the import goods must be assigned a permitted customs-approved treatment or use, taking into account the periods provided for in Article 140 (2) of the Code and Articles 674, 675, 677, 679, 681, 682 and 688 and the time required to achieve the object of the temporary importation.

2 For the purposes of Article 140 (3) of the Code, exceptional circumstances means any event as a result of which the goods must be used for a further period in order to fulfil the purpose of the temporary importation operation.

3 Where an extension is granted which exceeds the period provided for, it shall be set having regard to the circumstances which prevented the holder of the authorization from fulfilling his obligation to re-export within that period.

(b)

Simplified procedures

Article 695

1 This article may be applied where the goods are to be used in a single Member State or in several Member States. It shall apply whenever application of Article 142 (1) of the Code or Articles 688 and 689 is not requested.

2 Where the simplified procedures for entry for the procedure laid down in Article 76 of the Code are not applied, a customs office empowered by the customs authorities to grant authorizations using the simplified procedure shall allow the declaration of entry for the procedure to constitute an application for authorization.

In this case acceptance of the declaration shall constitute the authorization, the said acceptance remaining in any event subject to the conditions governing the granting of the authorization, including the decision of the control office, indicated in the box 44 of the form.

3 A declaration presented under paragraph 2 shall be accompanied by a document made out by the declarant containing the following information, in so far as this information is necessary and cannot be entered in box 44 of the form used for the declaration itself:

- a where the person applying to use the procedure is not the same as the declarant, the name or business name and address of the applicant, and, where appropriate, of the owner of the goods;
- b where the user is not the same as the applicant or declarant, the name or business name and address of the user of the goods;
- c the article under which the application is being made;
- d the period for which the goods are expected to remain under the procedure;
- e the place where the goods are to be used;
- f whether the procedures laid down in Articles 713 and 714 are being used.

Article 498 shall apply *mutatis mutandis*.

4 Article 502 shall apply *mutatis mutandis*.

Article 696

1 The cases provided for in Article 229 (1) (a) and (c) shall apply on condition that the declarant produces, in support of his oral declaration, an inventory setting out:

- a his name and address;
- b the trade description of the goods;
- c the value of the goods;
- d the intended length of stay of those goods in the Member State concerned;
- e precise information about the number of items of each type of goods;
- f the place of use in the cases specified in the fourth indent of Article 229 (1) (a).

2 The inventory, dated and signed by the applicant, shall be lodged in duplicate at the customs office; one copy shall be endorsed by the customs office and given to the person concerned and the other copy shall be retained by the said office.

Endorsement of the inventory by the customs office shall be equivalent to authorization.

3 Inventories relating to the animals and equipment referred to in the first indent of Article 229 (1) may be used for one year for all entries into the customs territory of the Community.

They shall be lodged each year at the competent customs office before the first temporary importation operation is carried out.

Article 697

1 Presentation of an ATA carnet to a customs office duly empowered by the customs authorities in order to use the temporary importation procedure shall be equivalent to presentation of the application for authorization and acceptance of the carnet (temporary importation voucher) shall be equivalent to authorization to use the procedure.

2 Goods which can be temporarily imported in accordance with the procedure described in paragraph 1 are listed in Annex 96.

3 ATA carnets shall be accepted by the customs offices only if they are:

- a issued in a country which is a contracting party to the ATA Convention and endorsed and guaranteed by an association forming part of an international guarantee chain.

The Commission shall communicate a list of the countries and associations concerned to the Member States;

- b certified by the customs authorities in the appropriate section of the cover page, and
- c valid throughout the customs territory of the Community.

Article 698

Save at the express request of the customs authorities, travellers' personal effects and goods imported for sports purposes referred to in Article 684 shall be authorized for the temporary importation procedure without a written application or authorization.

In that case the act provided for in Article 223 shall be considered to be an application for temporary importation and the absence of intervention by the customs authorities to be an authorization.

Subsection 4

Entry of goods for the procedure

Article 699

1 Except where Articles 695 to 697 apply, the declaration entering goods for the temporary importation procedure shall be lodged at one of the customs offices of entry for the procedure specified in the authorization.

2 Where Article 695 or Article 696 applies, the declaration referred to in Article 701 or the inventory shall be lodged at a duly empowered customs office.

3 Where Article 697 applies, the ATA carnet shall be presented in order to enter goods for the temporary importation procedure at the following customs offices:

- a in the case of goods referred to at points 2 to 9, 11 and 20 of Annex 95, at an office of entry for the procedure with territorial jurisdiction for the place where the goods are to be used;
- b in other cases, at any office of entry empowered to act as office of entry for the procedure. In that case, the office of entry shall act as office of entry for the procedure.

Exceptionally, where the office of entry empowered to act as office of entry for the procedure is unable to check the fulfilment of all conditions to which the use of the temporary importation procedure is subject, it shall permit the goods to be carried to the office of destination able to carry out such checks under cover of the ATA carnet used as a transit document.

4 The customs authorities of the Member States shall empower customs offices to act as offices of entry for the procedure or offices of entry acting as offices of entry for the procedure.

Article 700

For the purposes of Article 88 of the Code, cases in which a security shall not be required for the entry of goods for the temporary importation procedure are listed in Annex 97.

(a)

Normal procedure

Article 701

1 The declaration referred to in Article 699 (1) and (2) shall be made in accordance with Articles 198 to 252.

2 Without prejudice to the application of Article 695, the description of the goods in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorization.

3 Where Article 699 (3) applies, the office of entry for the procedure shall proceed as follows:

- a verify the information given in boxes A to G of the importation voucher;
- b complete the counterfoil and box H of the importation voucher; the final date for re-exportation of the goods, to be entered in box H (b), must not be later than the date on which the carnet's validity expires, without prejudice to the special periods referred to in Article 140 (2) of the Code;
- c enter the name and address of the office of entry for the procedure in box H (e) of the re-exportation voucher; and
- d retain the importation voucher.

(b)

Simplified procedures

Article 702

The simplified procedures provided for in Article 76 of the Code shall apply in accordance with Articles 275 and 276.

Subsection 5

Discharge of the procedure

(a)

General provisions relating to customs-approved treatments or uses provided for in Article 89 of the Code

Article 703

The entry for a customs-approved treatment or use of goods under the temporary importation procedure with partial relief shall be subject to payment of any amount due under Article 143 of the Code.

Article 704

1 The temporary importation procedure shall be considered discharged in respect of goods imported under Article 673 which have been consumed, destroyed or distributed free of charge to the public at an event.

However, the nature of such goods and the products referred to in Article 673 (1) (e) must correspond to the nature of the event, the number of visitors and the extent of the exhibitor's participation therein.

2 Paragraph 1 shall not apply to alcoholic beverages, tobacco goods or fuels.

(b)

Normal procedures

Article 705

1 Except where Articles 695 to 697 are applied, the declaration discharging the temporary importation procedure shall be lodged at one of the customs offices of discharge specified in the authorization.

2 Where Article 695 is applied, either the declaration referred to in paragraph 1 or the inventory, as the case may be, shall be lodged at the customs office which issued the authorization.

3 Where Article 697 applies the ATA carnet shall be presented at a duly empowered customs office of discharge.

4 However, the supervising customs office may allow the declaration referred to in paragraphs 1 and 2 to be presented at a customs office other than those referred to in the said paragraphs.

Article 706

1 The declaration referred to in Article 705 (1) and (2) shall be made in accordance with the provisions laid down for the customs-approved treatment or use concerned.

2 The description of the import goods in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorization.

3 Where Article 705 (3) is applied, the office of discharge shall:

- a complete the counterfoil and box H of the re-exportation voucher;
- b retain the re-exportation voucher and return it without delay to the office referred to in box H (e).

(c)

Simplified procedures

Article 707

The simplified procedures provided for in Article 76 of the Code shall apply in accordance with Article 278.

Subsection 6

Provisions concerning application of charges

Article 708

Pursuant to Article 144 (1) of the Code, in the case of the goods referred to in Article 673 and Article 682 (1) (a), (c) and (d), the material time for the purposes of determining the customs debt shall be the time of acceptance of the declaration for release for free circulation.

Article 709

1 Where import goods previously entered for the procedure of temporary importation are released for free circulation, compensatory interest shall be paid on the total import duty applicable.

2 Paragraph 1 shall not apply to the release for free circulation of goods which were entered for the temporary importation procedure under Article 673, Article 678, Article 682, Article 684 and Article 685 (d).

3

- a The annual interest rates shall be those set pursuant to Article 589 (4) (a).
- b Interest shall be applied per calendar month for the period running from the first day of the month following the month in which the import goods in respect of which the procedure is discharged were first entered for the procedure to the last day of the month in which they were released for free circulation. The material period for the application of compensatory interest shall not be less than one month.
- c The amount of interest shall be calculated on the basis of the import duties, the interest rate referred to in (a) above and the period referred to in (b) above.

Article 710

In the case of an offence or irregularity committed in the course of or in connection with a temporary import operation under cover of an ATA carnet, the provisions in Articles 630 and 631 and Articles 634 to 637 relating to use of the ATA carnet as a transit document shall apply *mutatis mutandis* to recovery of the import duties payable.

Subsection 7

Administrative cooperation

Article 711

Where the import goods are placed in a free zone or free warehouse or entered for one of the permitted conditional relief procedures, enabling the temporary importation procedure to be discharged, the box reserved for the description of goods on the document concerning the said customs-approved treatment or use or, where simplified procedures are used, on the commercial documents or records used, shall, in addition to the information laid down for the procedure in question, contain one of the following indications:

- Mercancías IT,
- MI-varer,
- V.V.-Waren,

- Εμπορεύματα ΠΕ,
- T.A. goods,
- Marchandises AT,
- Merci A.T.
- TI-goederen,
- Mercadorias I.T.

Subsection 8

Transfer of goods

Article 712

1 Without prejudice to Articles 713 and 714, when goods are to be moved within the customs territory of the Community, either under a transfer of authorization or under a single authorization, the goods concerned shall be transported in accordance with the external transport provisions.

2 The external transit document or the document treated as the external transit document shall carry the final date of re-exportation and one of the endorsements referred to in Article 711.

Article 713

1 At the request of the person concerned, the goods referred to in Article 712 (1) may also be transported under a single authorization in accordance with the transfer procedures set out in paragraph 3 and 4 of this Article.

2 If permission is given for the use of such transfer procedures, they must be set out in the authorization. They shall then replace the movement procedures of the external transit procedure.

3 The customs authorities shall permit goods to be transferred from the office of entry for the procedure to the office of discharge without other customs formalities than those provided for in Article 715 (3) and without terminating the temporary importation procedure.

4 The holder of the authorization shall retain responsibility for transferred goods.

5 The holder of the authorization shall provide the customs authority with advance notification of the transfers to be carried out in the form and manner which the said authorities shall determine.

Article 714

1 Provided the proper conduct of operations is not thereby affected, the customs authorities, on other conditions it shall lay down, shall permit the carriage of import goods, without customs formalities, from the office of entry to the place of use, and from a place of use to the office of discharge.

2 The person concerned shall inform the supervising office of the re-exportation of the goods entered under the temporary importation procedure by sending the copy of the export declaration given to him.

Article 715

1 Where Article 712 is applied when the goods are placed under the external transit procedure, the competent authorities shall endorse the Information Sheet provided for in paragraph 3, at the request of the holder of the authorization.

2 Where Article 713 is applied, the information sheet provided for in paragraph 3 shall be endorsed either at the entry of the goods for the procedure or at the beginning of the transfer operation.

3 The information sheet, hereinafter referred to as 'INF 6 sheet', shall consist of an original and two copies. It shall be set out on a form conforming to the model in Annex 98.

Article 716

1 The INF 6 sheet shall comprise all the information needed to show the customs authorities:

- the date on which the import goods were entered for the temporary importation procedure,
- the items of charge ascertained on that date,
- the amount of any import duties already levied under partial relief arrangements and the period taken into account for that purpose.

2 The original and one copy of the INF 6 sheet shall be returned to the person concerned; one copy shall be retained by the customs office which endorsed it; the other copy shall be given by the person concerned to the office of discharge and, after endorsement, shall be returned by the person concerned to the customs office which initially endorsed it.

Section 3

Temporary importation of means of transport

Subsection 1

Temporary importation with total relief: scope and conditions

Article 717

Without prejudice to Articles 718 (7), 719 (10) (b) and (11), 721 (5), 722 (3) and 723 (3) and (7), the means of transport referred to in (a) to (d) below shall not be lent, hired, pledged, transferred or put at the disposal of any person established in the Community.

(a)

Means of road transport

Article 718

1 The temporary importation procedure shall apply to road vehicles for commercial use.

2 For the purposes of this Article, vehicles shall mean all road vehicles and all trailers which can be coupled to such vehicles.

3 Without prejudice to paragraph 4, admission under the temporary importation procedure referred to in paragraph 1 shall be subject to the condition that the vehicles are:

- a imported by a person established outside the customs territory of the community or on his behalf;
- b used for commercial purposes by such a person or on his behalf; and
- c registered outside the customs territory of the Community in the name of a person established outside that territory. However, if the vehicles are not registered, the above condition shall be deemed to be met where the vehicles in question belong to a person established outside the customs territory of the Community;
- d used exclusively for transport which begins or ends outside the customs territory of the Community.

4 Where a trailer is coupled to a motor vehicle registered in the customs territory of the Community, the temporary importation procedure may be granted even if the conditions set out in subparagraphs 3 (a) and (b) are not satisfied.

5 The vehicles referred to in paragraph 1 may remain in the customs territory of the Community subject to the conditions laid down in paragraph 3 during the time required for carrying out the operations for which temporary importation is requested, e.g. the carriage, picking up and setting down of passengers, loading and unloading goods, transport and maintenance.

6 For the purposes of subparagraphs 3 (a) and (b), persons acting on behalf of a person established outside the customs territory of the Community must be duly authorized by the person concerned.

7 By way of derogation from paragraph 3:

- a subject to the requirements of paragraph 6, vehicles for commercial use may be driven by natural persons established in the Customs territory of the Community;
- b the customs authorities may:
 - in exceptional cases, allow a person established in the customs territory of the Community to import and use vehicles for commercial use under the temporary importation procedure for a limited period fixed by the said authorities according to the circumstances of the case under consideration,
 - allow a natural person established in the customs territory of the Community and employed by a person established outside that territory to import and use in that territory, for commercial use, a vehicle belonging to the latter. The vehicle admitted under the temporary importation procedure may also be used for private purposes where such use is occasional, subsidiary to the commercial use and provided for in the contract of employment;
- c vehicles for commercial use may be used in internal traffic where the provisions in force in the field of transport, in particular those concerning admission and operations, so provide.

Article 719

1 The temporary importation procedure shall apply to road vehicles for private use.

2 For the purposes of this Article, vehicles means all road vehicles, including caravans and trailers which can be coupled to motor vehicles.

3 The temporary importation procedure referred to in paragraph 1 shall be subject to the condition that the vehicles are:

- a imported by persons established outside the customs territory of the Community;

- b used for private purposes by the persons concerned;
 - c registered outside the customs territory of the Community in the name of a person established outside that territory. However, if the vehicles are not registered, the above condition shall be deemed to be met where the vehicles in question belong to a person established outside the customs territory of the Community.
- 4 By way of derogation from paragraph 3:
- a the procedure shall also be granted in the case of non-Community vehicles which are registered in the customs territory of the Community under a temporary series with a view to re-exportation and carry a registration number plate issued to a person established outside that territory;
 - b the customs authorities may allow a natural person established in the customs territory of the Community and employed by a person established outside that territory to import and use a vehicle belonging to the latter for private purposes or in the exercise of an activity carried out for consideration, other than those defined as commercial use, on condition that this is provided for in the contract of employment.
- 5 The temporary importation procedure shall also apply in the following cases:
- a where a private vehicle registered in the country of normal residence of the user is used regularly in the customs territory of the Community for the journey from his residence to his place of work and vice versa. Authorization to use the procedure shall not be subject to any other time limit;
 - b where a student uses a private vehicle registered in the country of his normal residence in the customs territory of the Community in which the student is staying for the sole purpose of pursuing his studies.
- 6 Without prejudice to paragraph 5 (a), the vehicles referred to in paragraph 1 may remain in the customs territory of the Community for:
- a a period of six months, whether continuous or not, in any 12 months;
 - b the period the student stays in the customs territory of the Community in the cases referred to in paragraph 5 (b).
- 7 Paragraphs 5 (b) and 6 (b) shall apply *mutatis mutandis* to persons fulfilling assignments of a specified duration.
- 8 For the purposes of subparagraphs 3 (a) and (b), vehicles for private use shall not be hired, lent or made available following their importation or, if they were on hire, on loan or made available at the time of their importation, they shall not be re-hired or sub-hired or lent or made available to another person in the customs territory of the Community for any purpose other than immediate re-exportation.
- 9 Pursuant to paragraph 8, vehicles for private use belonging to a hire firm whose registered place of business is outside the customs territory of the Community may be re-hired to a natural person established outside that territory with a view to their re-exportation within a period to be set at the discretion of the customs authorities, where they are within the customs territory of the Community following performance of a contract of hire.
- 10 Notwithstanding paragraph 8:
- a the spouse and the relatives in the direct ascending and descending lines of a natural person established outside the customs territory of the Community who have their normal residence outside that territory may use a private vehicle already admitted under the temporary importation procedure;

- b a vehicle for private use may be used occasionally by a natural person established in the customs territory of the Community where such person is acting on behalf of and on the instructions of the user of the procedure, who is himself in that territory;
- 11 By way of derogation from Article 717:
- a the temporary importation procedure provided for in paragraph 9 shall be available to natural persons established in the customs territory of the Community; vehicles may also be brought back from the customs territory of the Community by an employee of the hire firm resident in that territory;
- b a natural person established in the customs territory of the Community may, for the purpose of returning to the Member State where he has his residence, hire or borrow outside that territory a vehicle for private use meeting the conditions laid down in subparagraph 3 (c). The period within which the vehicle must be re-exported shall be fixed by the customs authorities according to the circumstances of the case under consideration;
- c the customs authorities may allow the temporary importation procedure referred to in paragraph 4 to be used by natural persons established in the customs territory of the Community preparing to transfer their normal residence out of that territory on the following conditions:
- the person concerned shall provide evidence of the transfer of residence by any means acceptable to those authorities,
 - the vehicle must be exported within three months of the date of registration.
- 12 For the purposes of subparagraph 6 (a), in order to interrupt the period in which a vehicle imported under the procedure remains in the customs territory of the Community, the user of the temporary importation procedure shall so inform the customs authorities and shall comply with the measures considered appropriate by those authorities to prevent use of the vehicle on a temporary basis.

Article 720

- 1 Article 719, excluding paragraph 12 thereof, shall apply *mutatis mutandis* to saddle or draught animals and the vehicles drawn by them entering the customs territory of the Community.
- 2 The animals and the vehicles drawn by them referred to in paragraph 1 may remain in the customs territory of the Community for a period of three months.

(b)

Means of rail transport

Article 721

- 1 The temporary importation procedure shall apply to means of rail transport.
- 2 For the purposes of this Article, means of rail transport means all prime movers, railcars and multiple sets, and rolling stock of any description used for the transport of persons or goods.
- 3 The temporary importation procedure referred to in paragraph 1 shall be subject to the condition that the means of rail transport:
- a belong to a person established outside the customs territory of the Community;
 - b are registered on a railway network outside the customs territory of the Community.

4 Means of rail transport may remain in the customs territory of the Community for 12 months.

5 By way of derogation from Article 717:

- a means of rail transport may be placed at the disposal of a person established in the customs territory of the Community on condition that they are used jointly under an agreement whereby each network may use the rolling stock of the other networks as its own rolling stock;
- b in exceptional cases, the customs authorities may allow a person established in the customs territory of the Community to import and use wagons intended for the carriage of goods which have been placed under the temporary importation procedure for a limited period fixed by the said authorities according to the circumstances of the case under consideration.

(c)

Means of air transport

Article 722

1 The temporary importation procedure shall apply to means of air transport.

2 The means of transport referred to in paragraph 1 may remain in the customs territory of the Community during the time required for carrying out the operations for which temporary importation is requested, e.g. the carriage, picking up and setting down of passengers, loading and unloading goods, transport and maintenance.

3 Article 718 (6), (7) and (8) shall apply *mutatis mutandis* to aircraft for commercial use. In particular, the customs authorities may, in exceptional cases, allow a person established in the customs territory of the Community to import and use aircraft placed under the temporary importation procedure for a limited period fixed by the said authorities according to the circumstances of the case under consideration.

4 Where the means of transport referred to in paragraph 1 are used for private air transport, the conditions laid down in Article 719 (3) shall apply.

5 The means of transport referred to in paragraph 4 may remain in the customs territory of the Community for a period of six months, whether continuous or not, in any 12 months.

6 Article 719 (8) to (12) shall apply *mutatis mutandis* to aircraft for private use.

(d)

Means of sea or inland waterway transport

Article 723

1 The temporary importation procedure shall apply to means of sea and inland waterway transport.

2 The means of transport referred to in paragraph 1 may remain in the customs territory of the Community for the time required for carrying out the operations for which temporary admission is requested, e.g. the carriage, picking up and setting down of passengers, loading and unloading goods, transport and maintenance.

3 Article 718 (6) and (7) shall apply *mutatis mutandis* to vessels for commercial use in sea or inland waterway transport. In particular, the customs authorities may, in exceptional cases, allow a person established in the customs territory of the Community to import and use vessels placed under the temporary importation procedure for a limited period fixed by the said authorities according to the circumstances of the case under consideration.

4 Where the means of transport referred to in paragraph 1 are used for private sea or inland waterway transport, the conditions laid down in Article 719 (3) shall apply.

5 The means of transport referred to in paragraph 4 may remain in the customs territory of the Community for a period of six months, whether continuous or not, in any 12 months.

6 Article 719 (8) to (12) shall apply *mutatis mutandis* to vessels for private use in sea or inland waterway transport.

7 By way of derogation from Article 717, in exceptional cases where lake harbour infrastructure outside the customs territory of the Community is not adequate to allow the mooring of means of inland waterway transport for private use, the customs authorities may allow a natural person established in the customs territory of the Community to import a vessel placed under the temporary importation procedure and used on the Community part of a lake situated both within the said territory and in the country in which the vessel is registered. The person concerned shall provide evidence of the inadequacy of lake harbour infrastructure by any means acceptable to the customs authorities.

(e)

Pallets

Article 724

1 The temporary importation procedure shall apply to pallets.

2 Pallets which can be identified may remain in the customs territory of the Community for a period of 12 months, which may be reduced at the request of the person concerned.

3 Pallets other than those referred to in paragraph 2 may remain in the customs territory of the Community for a period of six months, which may be reduced at the request of the person concerned.

(f)

Containers

Article 725

1 The temporary importation procedure shall apply to containers approved for transport under customs seal or simply bearing marks when they are brought into the customs territory of the Community on behalf of their owners, their operators or the representatives of either of those.

2 Containers other than those referred to in paragraph 1 shall be admitted under the temporary importation procedure where this is authorized by the customs authorities of the Member State where entry for the procedure is requested.

3 Containers placed under the temporary importation procedure may remain in the customs territory of the Community for a period of 12 months.

4 Containers placed under the temporary importation procedure may be used in internal traffic before being re-exported from the customs territory of the Community. However, the containers may be used only once during each stay in a Member State, for transporting goods which are loaded within the territory of that Member State and are intended to be unloaded within the territory of the same Member State, where the containers would otherwise have to make a journey unladen within that territory.

5 Without prejudice to Article 729 (1), container accessories and normal container equipment may be imported either with a container for subsequent re-export separately or with another container, or separately for subsequent re-export with a container.

Article 726

1 Article 725 (1) shall apply to containers, whether or not they have been approved for transport under customs seal, on which the following information has been durably marked in an appropriate and clearly visible place:

- a the identity of the owner or operator;
- b the identification marks and numbers of the container, given by the owner or operator;
- c the tare weight of the container, including all its permanently fixed equipment; and
- d the country to which the container belongs.

However, the information referred to in subparagraph (c) shall not be marked on swap bodies used for combined rail-road transport and the information referred to in subparagraph (d) shall not be marked on containers used for transport by air.

2 The country to which the container belongs may be shown either in full or by means of the ISO alpha-2 country code provided for in International Standard ISO 3166 or by the distinguishing initials used to indicate the country of registration of motor vehicles in international road traffic, or in numbers, in the case of swap bodies used for combined rail-road transport. The identity of the owner or operator may be shown by either his full name or an established identification, symbols such as emblems or flags being excluded.

3 Where a container marked in accordance with paragraphs 1 and 2 is shown as belonging to a Member State, it shall be deemed to satisfy the conditions laid down in Articles 9 and 10 of the Treaty.

However, the user of the procedure shall, at the request of the customs authorities of the Member State where the container is kept, provide information concerning the customs status of the container.

Article 727

1 Containers which:

- a bear, in addition to the information provided for in Article 726 (1), the following details, which shall be put on the approval plate in accordance with the rules referred to in paragraph 2:
 - the manufacturer's serial number (manufacturer's number), and
 - if they are covered by type approval, the identification numbers or letters of the type;
- b comply with the technical conditions referred to in paragraph 2; and
- c have been approved by a Member State or by one of the countries listed in Annex 99 in accordance with the procedures provided for in paragraph 2,

shall be recognized as approved for transport under customs seal.

2 The technical rules applying to containers which may be approved for transport under customs seal and the procedures concerning such approval shall be in accordance with those contained respectively in Part I and Part II of Annex 7 to the TIR Convention annexed to Council Regulation (EEC) No 2112/78⁽²²⁾. Any amendment which has entered into force relating to Annex 7 to the TIR Convention shall also apply for the purposes of this Regulation.

These rules shall be applied in accordance with the Explanatory Notes in Part III of the said Annex 7.

3 Where it is found that containers which have been approved do not comply with the technical rules referred to in paragraph 2, or where a container has a major defect and so no longer complies with the standards under which it was approved for transport under customs seal, the customs office shall act in accordance with Annex 100.

Article 728

Article 725 (4) shall apply in accordance with the explanatory note in Annex 101.

(g)

Spare parts, accessories and normal equipment

Article 729

1 The temporary importation procedure shall be granted for normal spare parts, accessories and equipment, including the gear used to stow, secure or protect goods, imported with or separately from the means of transport for which they are intended.

2 Spare parts imported together with or separately from the means of transport for which they are intended shall be used solely to carry out minor repairs and routine maintenance of those means of transport.

3 Routine maintenance operations and repairs to means of transport which have become necessary during the journey to or within the customs territory of the Community shall not constitute a change for the purposes of Article 137 of the Code and may be carried out during the period of temporary importation.

Subsection 2

Authorizing use of the procedures

(a)

General

Article 730

Except where Articles 724 (3) and 725 (2) apply, and without prejudice to Article 728, admission of means of transport under the procedure shall be authorized without written application or authorization.

In that case the act provided for in Article 233 shall be considered to be an application for temporary importation and the absence of intervention by the customs authorities to be an authorization.

Article 731

Use of the procedure may be authorized for the pallets referred to in Article 724 (2) and the containers referred to in Article 725 (1) in accordance with the procedure referred to in Article 730 provided the user of the procedure:

- (a) is represented in the customs territory of the Community and provides the designated customs authorities of each Member State in which pallets or containers are to be kept with particulars allowing identification of his representative and the extent of that person's powers;
- (b) at the request of the designated customs authorities of the Member State in which pallets or containers are kept, provides information concerning the place and date of entry of the pallets and containers into the customs territory of the Community, the place and date of their exit from that territory and the movements of the pallets or containers within that territory.

(b)

Special cases

Article 732

1 Where Articles 724 (3) and 725 (2) apply, in order to use the temporary importation procedure the operator or his representative shall apply to the competent customs office of the Member State where the containers or the pallets to be placed under the procedure are brought into the customs territory of the Community.

2 The application shall be made in writing in any form acceptable to the customs authorities. It shall contain the following information:

- a the name, business name and address of the operator or his representative;
- b an undertaking to comply with Article 731 (b);
- c where Article 724 (3) applies, the number and description of the pallets.

3 The application may be of a general nature and cover more than one temporary importation operation.

4 For a single temporary importation operation the application shall be replaced by presentation of the list provided for in Article 736 (1) (b).

Article 733

1 The customs office to which application is made shall take a decision thereon and shall where appropriate issue 'a temporary' importation authorization, hereinafter referred to as the authorization.

2 Authorization shall be granted only for containers which can be identified when they are re-exported.

3 The authorization shall be signed by the competent customs office, which shall retain a copy. It shall indicate *inter alia* the method by which the operator shall supply the information provided for in Article 731 (b).

4 The authorization may be of a general nature and cover more than one temporary importation operation.

5 For a single temporary importation operation, acceptance by the customs authorities of the list provided for in Article 736 (1) (b) shall be equivalent to authorization.

(c)

Periods referred to in Article 140 of the Code

Article 734

For the purposes of Article 140 (3) of the Code, Article 694 (2) shall apply to means of transport. Where the user of the procedure can show that the pallets referred to in Article 724 (3) and (4) or the containers referred to in Article 725 (1) and (2) have not been used for some time, such non-use shall be considered to be an exceptional circumstance justifying an extension of the period.

Subsection 3

Entry of goods for the procedure

Article 735

1 Means of transport shall be entered for the temporary importation procedure as provided for in Article 232 (1).

2 Pursuant to Article 88 of the Code, the entry for the temporary importation procedure of means of transport which are not declared shall not be subject to the provision of a security.

Article 736

1 By way of derogation from Article 735 (1), where the supervising customs office considers at the time of entry for the procedure or when carrying out controls that there is a serious risk of non-compliance with the obligation to re-export a means of transport, the temporary importation procedure shall apply subject to:

- a production of a declaration made out in accordance with Article 205 (1) or of a document provided for by an international convention as referred to in Article 205 (3);
- b in the case of containers, an oral declaration as referred to in Article 229 (1), accompanied by a list.

The list shall indicate:

- (i) the name, business name and address of the operator or his representative;
- (ii) the means of identifying the containers;
- (iii) the number of containers and the quantity and type of normal spare parts, accessories and equipment.

2 By way of derogation from Article 735 (1), items referred to in Article 729 (1) which are imported separately from the means of transport for which they are intended shall be subject to the formalities laid down in paragraph 1 (a), without prejudice to more extensive facilities provided for by agreements in force.

3 By way of derogation from Article 735 (2), where the supervising customs office considers that paragraph 1 applies and that the payment of the customs debt which may be incurred is not certain, the provision of a security shall be required.

Article 737

1 Means of transport entered for the temporary importation procedure upon discharge of the inward processing procedure shall be treated as means of transport which have been brought into the customs territory of the Community.

2 The date of entry for the temporary importation procedure of the means of transport referred to in paragraph 1 shall be the date on which they are first used under the procedure.

3 For the purposes of drawing up the bill of discharge provided for under the inward processing procedure, the user of the temporary importation procedure shall issue the holder of the inward processing authorization with a certificate replacing the documents provided for in Article 595 (3).

Subsection 4

Discharge of the procedure

Article 738

Parts replaced following repairs or maintenance and new spare parts which are damaged or defective shall be assigned to a customs approved treatment or use permitted for the import goods.

Article 739

In the case of means of rail transport referred to in Article 721 and pallets referred to in Article 724 used jointly under an agreement, the procedure shall also be discharged when means of rail transport of the same type or pallets of the same type as or equivalent value to those which were put at the disposal of a person established in the customs territory of the Community are assigned to a permitted customs-approved treatment or use.

Article 740

1 Where means of transport are entered for the temporary importation procedure as provided for in Article 735, the procedure shall be discharged:

- a in the case of re-exportation, in the manner referred to in Article 232 (2);
- b in the case of declaration for any other customs-approved treatment or use, in the manner specified for declarations for the treatment or use in question.

2 Where Article 736 has been applied, the temporary importation procedure shall be discharged in respect of the means of transport concerned by presenting the means of transport for a permitted customs-approved treatment or use together with the declaration or the document referred to in Article 736 by the time limit laid down by the customs office where the said document was produced or the declaration was lodged.

Subsection 5

Final provisions*Article 741*

This section shall not affect provisions in force in the field of transport, in particular those governing conditions of access and operation.

Article 742

The customs authorities may revoke a temporary importation authorization in respect of means of transport where, without prejudice to derogations provided for by this Chapter or to any more extensive facilities provided for by agreements in force, it finds *inter alia*:

- that means of road transport for commercial use have been used in internal traffic,
- that means of transport for private use have been used for commercial purposes in internal traffic,
- that means of transport have been hired, lent or made available subsequent to their importation or, if they were on hire, on loan or made available at the time of importation, have been re-hired or sub-hired or lent or made available to another person in the customs territory of the Community for any purpose other than immediate re-exportation.

Section 4

Special arrangements for discharge*Article 743*

For the purposes of this Chapter, it shall always be possible with the agreement of the customs authorities to abandon goods to the Exchequer in exceptional substantiated cases.

Section 5

Commercial policy measures*Article 744*

Where Community acts provide for commercial policy measures on:

- (a) release of goods for free circulation, the said measures shall not apply on entry of the goods for the temporary importation procedure nor for such time as they remain under the procedure;
- (b) goods brought into the customs territory of the Community, the said measures shall apply when the goods are entered for the temporary importation procedure;
- (c) exports, the said measures shall not apply when non-Community goods are re-exported from the customs territory of the Community after being placed under the temporary importation procedure.

Article 745

The release of import goods for free circulation shall be subject to the application by the customs authorities of any commercial policy measures in force for those goods at the time when the declaration for release for free circulation was accepted.

Section 6

Exchange of information

Article 746

- 1 The Member States shall communicate to the Commission:
 - a cases in which Article 696 is applied pursuant to Article 229 (1) (c);
 - b the information referred to in Annex 102 in respect of each authorization where the value of the import goods exceeds ECU 4 000 and temporary importation was authorized pursuant to Article 688;
 - c the information referred to in Annex 103 in respect of each authorization where temporary importation was authorized pursuant to Article 689.
- 2 The information referred to in paragraph 1 (b) and (c) shall be communicated by 15 March and 15 September each year in respect of authorizations issued during the preceding six-month period. It shall be circulated by the Commission to the other Member States and shall be examined by the Committee in cases where this is judged necessary.

Article 747

- 1 The Member States shall communicate to the Commission:
 - a the list of customs authorities to which applications must be presented, other than under Articles 695, 696 and 697;
 - b the list of customs offices empowered to accept declarations for the procedure pursuant to Articles 695, 696 and 697.
- 2 The provisions of Article 649 (2) and (3) shall apply.

CHAPTER 6

Outward processing

Section 1

General provisions

Article 748

For the purposes of this Chapter:

- (a) *main compensating products* means: the compensating products for the production of which the use of the outward processing procedure was authorized;
- (b) *secondary compensating products* means: compensating products other than those for which the procedure was authorized, which necessarily result from the outward processing operation;

- (c) *losses* means: the proportion of the temporary export goods destroyed and lost during the processing operation, in particular by evaporation, desiccation, venting as gas or leaching;
- (d) *quantitative scale method* means: calculation of the proportion of temporary export goods incorporated in the various compensating products by reference to the quantity of such goods;
- (e) *value scale method* means: calculation of the proportion of temporary export goods incorporated in the various compensating products by reference to the value of such compensating products;
- (f) *prior importation* means: the system provided for in Article 154 (4) of the Code;
- (g) *triangular traffic* means: the system under which the compensating products are released for free circulation with partial or total relief from import duties with a customs administration other than that from which the goods were temporarily exported;
- (h) *amount to be deducted* means: the import duties which would have been applicable to the temporary export goods if they had been imported into the customs territory of the Community from the country in which they underwent the processing operation or the last processing operation;
- (i) *loading, transport and insurance costs* means: all costs incurred in connection with the loading, transport and insurance of the goods including:
 - commissions and brokerage, except buying commissions,
 - the cost of containers not integral to the temporary export goods,
 - the cost of packing, including labour and materials,
 - handling costs incurred in connection with transport of the goods.

Subsection 1

Authorizing use of the procedure — normal procedure

Article 749

1 For the purposes of Article 148 (b) of the Code, the customs authorities shall satisfy themselves that it is possible to establish that the compensating products have been manufactured from temporary export goods, by means, in particular, of the following:

- a the statement or description of special marks or manufacturer's numbers;
- b the affixing of plombs, seals, clip-marks or other distinctive marks;
- c the taking of samples, illustrations or technical descriptions;
- d the carrying out of analyses;
- e the examination of supporting documents relating to the transaction under consideration (such as contracts, correspondence or invoices) which show clearly that the compensating products are to be manufactured from the temporary export goods.

The customs authorities may also use the 'information document to facilitate the temporary exportation of goods sent from one country for manufacture, processing or repair in another' provided for by the Customs Cooperation Council recommendation of 3 December 1963 and contained in Annex 104.

2 Where the procedure is requested for the repair of goods, whether or not with the standard exchange system, the customs authorities shall satisfy themselves that the temporary export goods are capable of being repaired. If the customs authorities consider that this condition is not fulfilled, they shall refuse authorization.

3 Where the standard exchange system is requested, the customs authorities shall, *inter alia*, make use of the verification methods listed in paragraph 1 (a), (c), (d) or (e). In the case of paragraph 1 (e), supporting documents shall indicate clearly that the repair in question will be carried out by supplying a replacement complying with the conditions set out in Article 155 (1) of the Code.

4 For the purposes of paragraph 3, the customs authorities shall, in particular, satisfy themselves that the use of the procedure to carry out a replacement as provided for in Article 154 (1) of the Code is not authorized as a means of improving the technical performance of the goods.

To that end they shall check:

- the contracts and other supporting documents relating to the repair, and
- the sales or leasing contracts and/or invoices relating to the temporary export goods or the goods incorporating temporary export goods, in particular the terms set out therein.

5 Where it is not possible to establish whether the compensating products will be manufactured from the temporary export goods and a request is made to the customs authorities for a derogation under Article 148 (b) of the Code, the authorities shall submit the application to the Commission.

Article 750

1 The application shall be made in conformity with Article 497 and in accordance with the specimen in Annex 67/E, and presented by the person to whom the authorization may be granted under Article 86, 147 and 148 of the Code.

2

- a The application shall be presented to the customs authorities designated by the Member State where the goods for temporary exportation are located.
- b Where it is expected that the goods will be exported from several Member States, application for a single authorisation may be made. This application shall be presented to the customs authorities designated by the Member State where part of the goods are located.

In that case, the application shall include particulars of the sequence of operations and the expected places of temporary exportation.

Article 751

1 Without prejudice to Articles 760 and 761, authorizations shall be issued by the customs authorities to which the application was presented under Article 750 (2) and shall be made out in conformity with Article 500 and in accordance with the specimen in Annex 68/E.

By way of derogation from Article 500 (3) and in duly substantiated exceptional cases, the customs authorities may issue a retroactive authorization. The retroactive effect of such authorization may not go back beyond the time when the application was lodged. This derogation shall not apply to standard exchange with prior importation.

Status: This is the original version (as it was originally adopted).

2 Where Article 750 (2) (b) applies, the authorization may not be issued without the agreement of the customs authorities designated by the Member States in which the places indicated in the application are located. The following procedure shall apply:

- a the customs authorities to which the application was presented, after satisfying themselves that the economic conditions can be considered fulfilled in respect of the planned operation, shall communicate the application and the draft authorization to the other customs authorities concerned; the said draft shall include, at least, the rate of yield, the approved methods of identification, the customs offices referred to at point 11 of the model authorization in Annex 68/E, if appropriate the customs office responsible for the arrangements ('supervising office') and any simplified procedures used for entry for the arrangements or release for free circulation under the arrangements as well as the rules to be observed *inter alia* as regards notification to the supervising office;
- b the other customs authorities concerned shall notify the existence of any objections as soon as possible, and in any case within two months of the date of communication of the application and draft authorization;
- c the customs authorities referred to in subparagraph (a) may issue the authorization if they have received no information concerning the existence of objections to the draft authorization within the period referred to in subparagraph (b);
- d the Member State issuing the authorization shall send a copy thereof to all the Member States referred to above.

Authorizations issued in this way shall be valid only in the Member States referred to above.

The Member States shall communicate, to the Commission, the names and addresses of the customs authorities designated to receive the application and the draft authorization mentioned in subparagraph (a). The Commission shall inform the other Member States accordingly.

Article 752

1 An authorization for use of the standard exchange system without prior importation may also be used for the reimportation of compensating products instead of the replacement products, provided that all the conditions are fulfilled.

2 Where circumstances so warrant and all the conditions for authorizing use of the standard exchange system without prior importation are fulfilled, the customs authorities may allow the holder of an outward processing authorization which does not provide for use of this system to import replacement products.

The persons concerned shall submit a request to this effect no later than the time the products are imported.

Article 753

The period of validity of an authorization shall be set by the customs authorities having regard to the economic conditions and the specific needs of the applicant.

Where the period of validity exceeds two years, the economic conditions on the basis of which the authorization was issued shall be reviewed periodically at intervals specified therein.

Article 754

1 The period within which compensating products must be reimported into the customs territory of the Community shall be determined with reference to the time required to complete

the processing operations and to transport the temporary export goods and the compensating products. This period shall be calculated from the date of acceptance of the declaration of entry for the procedure.

2 Under the standard exchange system without prior importation, the period within which replacement products must be imported into the customs territory of the Community shall be determined with reference to the time required for the substitution of the temporary export goods and for transport of the temporary export goods and of the replacement products. This period shall be calculated from the date of acceptance of the declaration of entry for the procedure.

3 The reimportation of compensating products referred to in paragraph 1 and the importation of replacement products referred to in paragraph 2 shall be deemed to have been accomplished when the products are:

- released for free circulation, or
- placed in a free zone or free warehouse or under the customs warehousing or inward processing procedures,
- placed under the external Community transit procedure.

4 The date to be taken into account for the application of this Article shall be the date of acceptance of the declaration for release for free circulation or the declaration entering the products for one of the customs-approved treatments or uses referred to in paragraph 3, or the date of entry into a free zone or free warehouse.

Article 755

Where circumstances so warrant the period referred to in Article 754 may be extended, even if the initial period has already expired.

Article 756

1 Where circumstances so warrant, the period referred to in Article 157 of the Code may be extended even after the original period has expired.

2 For the purposes of Article 157 (1) of the Code, the placing of goods in a free zone or free warehouse or under the customs warehousing procedure for subsequent export shall be treated as export.

Article 757

Without prejudice to Article 758, the rate of yield referred to in Article 149 (2) of the Code shall be fixed no later than the time when the goods are entered for the procedure, taking into account the technical data concerning the operation or operations to be performed where these are available, or, where they are not, data available in the Community relating to operations of the same type.

Article 758

Where circumstances so warrant, the customs authorities may fix the rate of yield after the goods have been entered for the procedure, but not later than the time when the declaration for release for free circulation of the compensating products is accepted.

Article 759

1 For the purposes of Article 147 (2) of the Code, the authorization referred to in Article 751 shall be issued at the request of the person exporting the temporary export goods even where he is not the person carrying out the processing operations. This derogation shall be requested in

the application presented to the customs authorities of the Member State in which the applicant is established. It shall also apply in the case of triangular traffic.

The authorization shall be issued to the applicant.

The derogation shall enable a person other than the holder of the authorization to declare compensating products for free circulation and to be authorized to use the procedure.

2 The application must be accompanied by all supporting documents required for its examination. These documents must show in particular:

- the advantages which would result from application of Article 147 (2) of the Code in terms of an increase in sales of the export goods compared with sales carried out under normal conditions,
- evidence that the requested derogation would not cause damage to the essential interests of Community producers of products identical or similar to the compensating products to be reimported.

3 When the customs authorities have all the necessary information they shall transmit the application to the Commission together with its opinion.

On receipt of the application the Commission shall communicate the information to the Member States.

The Commission shall decide in accordance with the Committee procedure whether and on what conditions an authorization may be issued, and shall in particular specify control measures to ensure that the relief referred to in Article 151 of the Code is granted only for compensating products in which the temporary export goods are actually incorporated.

Subsection 2

Authorizing use of the procedure — simplified procedures

Article 760

1 Where the simplified procedures for entry for the procedure laid down in Article 76 of the Code are not applied, and the processing operations concern the repair of goods, a customs office empowered by the customs authorities to issue authorizations using the simplified procedure shall allow the lodging of the declaration of entry for the procedure to constitute an application for authorization.

In this case acceptance of the declaration shall constitute the authorization, and the said acceptance shall be subject to the conditions governing the granting of the authorization.

2 Declarations presented under paragraph 1 shall be accompanied by a document made out by the declarant containing the following information, as necessary, unless such information can be entered in box 44 of the form used for the declaration itself:

- a where the person applying to use the procedure is not the same as the declarant, the name or business name and address of the applicant;
- b the trade and/or technical description of the compensating products;
- c the nature of the processing operations;
- d the time required to reimport the compensating products;
- e the rate of yield or, where appropriate, the manner of establishing the rate of yield;
- f the means of identification.

Article 498 shall apply *mutatis mutandis*.

3 Article 502 shall apply *mutatis mutandis*.

Article 761

1 Where the processing operations concern repairs of a non-commercial nature, whether for a consideration or free of charge, the customs office designated by the customs authorities shall, at the request of the declarant, allow the declaration for release for free circulation to constitute the application for authorization. In these cases, acceptance of the declaration shall constitute authorization and the said acceptance shall be subject to the conditions governing the granting of the authorization.

2 For the purposes of paragraph 1 ‘repairs of a non-commercial nature’ means repairs to goods, including restoring them to their original condition and putting them in order, which:

- are carried out on an occasional basis, and
- relate exclusively to goods for the personal use of the importer or his family, which do not by their nature or quantity reflect any commercial interest.

3 It shall be for the applicant to prove the non-commercial nature of the goods. The customs office shall not grant the facilities provided for in paragraph 1 unless all the conditions are fulfilled.

Section 2

Entry of goods for the procedure

Article 762

The procedures governing the entry of goods for the outward processing procedure shall apply to temporary export goods, including temporary export goods used under the standard exchange system whether with prior importation or not.

Subsection 1

Normal procedure

Article 763

1 Except where Articles 760 and 761 apply, the declaration entering temporary export goods for the outward processing procedure (export declaration) shall be lodged at one of the offices of entry for the procedure specified in the authorization.

2 Where Article 760 applies, the declaration referred to in paragraph 1 shall be lodged at a duly empowered customs office.

Article 764

1 The declaration referred to in Article 763 shall be made in accordance with the provisions laid down for exportation.

2 Without prejudice to the application of Article 761, the description of the goods in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorization.

3 The provisions of Article 658 (3) shall apply.

Subsection 2

Simplified procedures

Article 765

The simplified procedures provided for in Article 76 of the Code shall apply in accordance with Article 277.

Section 3

Entitlement to relief under the procedure

Article 766

Without prejudice to Article 754 (running of period provided for in Article 149 (1) of the Code), entitlement to relief under the outward processing procedure shall be subject to the lodging of a declaration for release for free circulation.

Article 767

1 Except where Articles 760 and 761 are applied, the declaration for release for free circulation shall be lodged at one of the offices of discharge specified in the authorization.

2 Where Article 760 is applied, the declaration referred to in paragraph 1 shall be lodged with the customs office which issued the authorization.

3 Where Article 761 is applied, the declaration for release for free circulation shall be lodged with a customs office duly empowered by the customs authorities.

4 However, the supervising office may allow the declaration referred to in paragraph 1 to be presented at a customs office other than the ones referred to in paragraphs 1 and 2.

Article 768

1 The declaration referred to in Article 767 shall be made in accordance with Articles 198 to 252.

2 Without prejudice to the application of Article 761, the description of the compensating products or replacement products in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorization.

3 For the purposes of Article 62 (2) of the Code, the documents to accompany the declaration shall be those whose production is necessary for the release of the goods for free circulation, as provided for in Articles 218 to 221 and:

- a copy of the declaration of entry for the procedure, or, in the case of triangular traffic, the INF 2 form as provided for in Article 781, and
- where the declaration for release for free circulation is lodged after the expiry of the periods fixed in accordance with Article 149 (1) of the Code, and Article 754 (3) is applied, any supporting documents making it possible to verify that the compensating or replacement products were assigned to the customs-approved treatments or uses within the said period.

Article 769

The simplified procedures provided for in Article 76 of the Code shall apply to release for free circulation under the procedure in accordance with Articles 254 to 267 and 278.

Section 4

Provisions relating to the application of charges

Article 770

In the calculation of the amount to be deducted referred to in the first subparagraph of Article 151 (2) of the Code, no account shall be taken of:

- (a) the charges provided for in:
- Article 14 (2) of Council Regulation (EEC) No 2727/75 on the market in cereals⁽²³⁾,
 - Article 13 (1) of Council Regulation (EEC) No 2759/75 on the market in pigmeat⁽²⁴⁾,
 - Article 8 (1) of Council Regulation (EEC) No 2771/75 on the market in eggs⁽²⁵⁾,
 - Article 8 (1) of Council Regulation (EEC) No 2777/75 on the market in poultrymeat⁽²⁶⁾,
 - Articles 25 and 25a of Council Regulation (EEC) No 1035/72 on the fruit and vegetable sector⁽²⁷⁾,
 - Article 53 (3) of Council Regulation (EEC) No 822/87 on the market in wine⁽²⁸⁾;
- (b) anti-dumping duties and countervailing duties,
- which would have been applicable to the temporary export goods if they had been imported into the Member State concerned from the country where they underwent the processing operation or the last such operation.

Article 771

1 Where the second subparagraph of Article 151 (2) of the Code is applied, the loading, transport and insurance costs for the temporary export goods to the place where the processing operation or the last such operation took place shall not be included in:

- the value of the temporary export goods which is taken into account when determining the customs value of the compensating products in accordance with Article 32 (1) (b) (i) of the Code,
- the processing costs, where the value of the temporary export goods cannot be determined by application of Article 32 (1) (b) (i) referred to in the first indent.

2 The processing costs referred to in paragraph 1 shall include the loading, transport and insurance costs for the compensating products from the place where the processing operation or the last processing operation took place to the place where they enter the customs territory of the Community.

3 The repair costs referred to in Article 153 of the Code shall consist of the total payment made or to be made by the holder of the authorization to or for the benefit of the person carrying out the repairs for the repairs carried out and shall include all payments made or to be made as conditions of the repair of the temporary export goods by the holder of the authorization to the

person carrying out the repairs or by the holder of the authorization to satisfy an obligation of the person carrying out the repairs.

Such payment need not necessarily take the form of a transfer of money. Payment may be made by way of letters of credit or negotiable instruments and may be made directly or indirectly.

Article 143 shall apply for the appraisal of the relationship between the holder of the authorization and the operator.

Article 772

1 The proportion of temporary export goods incorporated in the compensating products shall be calculated by one of the methods referred to in Articles 773 to 775 where all the compensating products, other than secondary compensating products referred to in Article 774 (3) resulting from a given processing operation are not released for free circulation at the same time.

2 The calculations referred to in Articles 773 to 775 shall be worked out on the basis of the examples set out in Annex 105 or by any other method giving the same results.

Article 773

1 Where one kind of compensating product only is derived from the outward processing operations from one or more kinds of temporary export goods, the quantitative scale method (compensating products) shall be used to determine the amount to be deducted on release for free circulation of the compensating products.

2 For the purposes of paragraph 1, the quantity of each kind of temporary export goods corresponding to the quantity of compensating products released for free circulation to be taken into account for determining the amount to be deducted shall be calculated by applying to the total quantity of each kind of the said goods a coefficient corresponding to the ratio of the quantity of compensating products released for free circulation to the total quantity of compensating products.

Article 774

1 Where several kinds of compensating product are derived from the outward processing operations from one or more kinds of temporary export goods and all elements of the said goods are found in each of the different kinds of compensating product, the quantitative scale method (temporary export goods) shall be used to determine the amount to be deducted on the release for free circulation of the compensating products.

2 In deciding whether the method referred to in paragraph 1 applies, no account shall be taken of losses.

3 In determining the proportion of temporary export goods, secondary compensating products which constitute waste, scrap, residues, offcuts and remainders shall be treated as losses.

4 Where paragraph 1 is applied, the quantity of each kind of temporary export goods used in the manufacture of each kind of compensating product shall be determined by successively applying to the total quantity of each kind of temporary export goods a coefficient corresponding to the ratio of the quantity of the said goods found in each kind of compensating product to the total quantity of the said goods found in the compensating products as a whole.

5 The quantity of each kind of temporary export goods corresponding to the quantity of each kind of compensating product released for free circulation to be taken into account for determining the amount to be deducted shall be calculated by applying the coefficient arrived at by the method indicated in Article 773 (2) to the quantity of each kind of temporary export goods used in the manufacture of each kind of the said products, calculated in accordance with paragraph 4.

Article 775

1 Where Articles 773 and 774 do not apply, the value scale method shall be used.

However, with the agreement of the holder of the authorization and for the purposes of simplification, the customs authorities may apply the quantitative scale method (temporary export goods) instead of the value scale method where either method would give similar results.

2 In order to determine the quantity of each kind of temporary export goods used in the manufacture of each kind of compensating product, successive coefficients corresponding to the ratio of the customs value of each compensating product to the total customs value of those products shall be applied to the total quantity of temporary export goods.

3 Where one type of compensating product is not reimported, the value of such products for the purposes of the value scale shall be the recent selling price in the Community of identical or similar products, provided such price is not influenced by a relationship between the buyer and seller.

Article 143 shall apply for the appraisal of the relationship between the buyer and seller.

If the value cannot be determined by application of the above provisions, it shall be determined by the customs authorities by any reasonable method.

4 The quantity of each kind of temporary export goods corresponding to the quantity of each kind of compensating product released for free circulation to be taken into account for determining the amount to be deducted shall be calculated by applying the coefficient arrived at by the method indicated in Article 773 (2) to the quantity of each kind of temporary export goods used in the manufacture of those products, calculated in accordance with paragraph 2.

Article 776

1 Where an outward processing authorization is issued which does not provide for a repair and the customs authorities is able, by agreement with the holder of the authorization, to set an approximate amount of duty payable under the provisions on partial relief from import duties, the said authority may set an average rate applicable to all processing operations to be carried out under that authorization (aggregated discharge) in the case of undertakings which frequently carry out outward processing operations.

2 The rate referred to in paragraph 1 shall be determined for each period not exceeding six months on the basis of:

- an approximate estimate made in advance of the sum payable for that period, or
- experience gained with regard to the collection of the amount paid in respect of an earlier equivalent period.

The rate shall be increased as appropriate with a view to ensuring that the amount of import duty entered in the accounts is not less than the amount legally due.

3 The rate referred to in paragraph 1 shall apply provisionally to the processing charges for compensating products released for free circulation for a reference period identical to that

used for the calculations referred to in paragraph 2, and it shall not be necessary to calculate precisely the amount of import duty payable every time items are released for free circulation.

4 The amount of import duty obtained by applying this Article shall be entered in the accounts under the conditions and within the periods provided for in Articles 217 to 232 of the Code.

5 At the end of each reference period the customs authorities shall undertake the aggregated discharge of the procedure and make the final calculation in accordance with the provisions relating to partial relief from import duties.

6 If it emerges from the final calculation that the amount of import duty which has been entered in the accounts is too high, or that, in spite of the increase effected in accordance with paragraph 2, the amount of import duty entered in the accounts is less than the amount legally due, an adjustment shall be made.

Section 5

Triangular traffic

Article 777

1 The customs authorities referred to in Article 751 shall permit use of the triangular traffic system either:

- a in connection with the authorization referred to in Article 147 or Article 152 of the Code; or
- b at the special request of the holder of the authorization, presented after the authorization has been granted but before the compensating or replacement products have been released for free circulation.

2 Use of the triangular traffic system shall not be authorized under the standard exchange system with prior importation.

Article 778

1 Without prejudice to Article 783, where the triangular traffic system is used the information sheet known as 'INF 2' shall be used.

2 Information sheet INF 2, corresponding to the specimen and provisions in Annex 106, shall comprise one original and one copy which shall be presented together at the office of entry.

Information sheet INF 2 shall be made out for the quantity of goods entered for the procedure. Where it is expected that the compensating or replacement products will be reimported in more than one consignment at different customs offices, the office of entry shall, at the request of the holder of the authorization, issue the requisite number of INF 2 sheets made out for the quantity of goods entered for the procedure.

3 In the event of theft, loss or destruction of information sheet INF 2, the holder of the outward processing authorization may ask the customs office which endorsed it for a duplicate to be issued. The said office shall comply with this request provided it can be shown that the temporary export goods in respect of which the duplicate is requested have not been reimported.

The duplicate so issued shall bear one of the following indications:

- DUPLICADO,
- DUPLIKAT,

- DUPLIKAT,
- ΑΝΤΙΓΡΑΦΟ,
- DUPLICATE,
- DUPLICATA,
- DUPLICATO,
- DUPLICAAT,
- SEGUNDAVIA.

4 The request for the issue of information sheet INF 2 shall constitute the consent of the holder of the authorization referred to in Article 150 (1) (b) of the Code.

Article 779

1 The office of entry for the procedure shall endorse the original and the copy of information sheet INF 2. It shall retain the copy and return the original to the declarant.

2 Where the office of entry for the procedure considers that the customs office where the declaration for free circulation will be presented requires certain authorization particulars which do not appear on the information sheet, it shall enter such particulars on the information sheet.

3 The original of information sheet INF 2 shall be presented to the customs office where the goods leave the customs territory of the Community. That office shall certify on the original that the goods have left the said territory and shall return it to the person presenting it.

Article 780

1 Where the office of entry for the procedure is called upon to endorse information sheet INF 2, it shall indicate in box 16 the means used to identify the temporary export goods.

2 Where samples are taken or illustrations or technical descriptions are used, the office referred to in paragraph 1 shall authenticate such samples, illustrations or technical descriptions by affixing its customs seal either on the goods, where their nature permits it, or on the packaging, in such a way that it cannot be tampered with.

A label bearing the stamp of the office and reference particulars of the export declaration shall be attached to the samples, illustrations or technical descriptions in a manner which prevents substitution.

3 The samples, illustrations or technical descriptions, authenticated and sealed in accordance with paragraph 2, shall be returned to the exporter, who shall present them with the seals intact when the compensating or replacement products are reimported.

4 Where an analysis is required and the results will not be known until after the customs office has endorsed information sheet INF 2, the document containing the results of the analysis shall be given to the exporter in a sealed tamper-proof envelope.

Article 781

1 The importer of the compensating or replacement products shall present the original of information sheet INF 2 and, where appropriate, the means of identification referred to in Article 780 (3) and (4) to the office of discharge when he lodges the declaration for release for free circulation.

2 Where the compensating or replacement products are released for free circulation in a single consignment or in more than one consignment but at the same customs office, that office shall note on the original of information sheet INF 2 the quantities of temporary

export goods corresponding to the quantities of compensating or replacement products released for free circulation. When information sheet INF 2 is discharged, it shall be annexed to the corresponding declaration. Failing this, it shall be returned to the declarant and this fact noted in box 44 of the IM form provided for in Article 205.

3 Where the compensating or replacement products are released for free circulation in more than one consignment at more than one customs office and Article 779 (2) has not been applied, the customs office where the first declaration for release for free circulation is lodged shall, at the request of the declarant, replace the initial information sheet INF 2 with further INF 2 sheets made out for the quantity of temporary export goods not yet released for free circulation. The customs office shall indicate on the replacement information sheet or sheets the number of the initial information sheet and the customs office which issued it. The quantities entered on the replacement information sheet or sheets shall be set off against the quantities entered on the initial information sheet INF 2 which, once discharged in this way, shall be annexed to the initial declaration for release for free circulation. As each of the replacement information sheets is discharged, it shall be annexed to the declaration for free circulation to which it refers.

Article 782

The office of discharge shall be empowered to ask the customs office which endorsed information sheet INF 2 for post-clearance verification of the authenticity of the information sheet and the accuracy of the particulars which it contains and any additional information entered on it.

The latter customs office shall comply with this request as soon as possible.

Article 783

Simplified information and control procedures may be used for specific triangular traffic flows.

The Member States concerned shall send the Commission in advance a draft of the proposed procedures for the flow in question. The Commission shall inform the other Member States.

The simplified procedures communicated to the Commission may be implemented unless the Commission notifies the Member States concerned within two months of the date of receipt of the draft that there are objections to implementation of the procedures.

Section 6

Commercial policy measures

Article 784

1 Commercial policy measures on exports shall apply at the time of acceptance of the declaration of entry for the procedure.

2 Paragraph 1 shall not affect decisions allowing ashes and residues of copper and copper alloys falling within CN code 2620 and waste of copper and copper alloys falling within CN code 7404 00 not to be charged against export quotas.

Article 785

1 When the compensating products referred to in Article 145 (1) of the Code are released for free circulation, the specific commercial policy measures in force for such products at the

time when the declaration for release for free circulation is accepted shall apply only where such products do not originate in the Community within the meaning of Articles 23 and 24 of the Code.

2 Commercial policy measures for imports shall not apply where the standard exchange system is used, nor in the case of repairs or of additional processing operations to be carried out in accordance with Article 123 of the Code.

Section 7

Administrative cooperation

Article 786

1 For every application for authorization which is rejected because the economic conditions are not considered to be fulfilled, the Member States shall send the Commission the information in Annex 107.

2 The information referred to in paragraph 1 shall be sent during the month following that in which the application was rejected. The Commission shall circulate such information to the other Member States and it shall be examined by the Committee where this is considered necessary.

Article 787

1 The Member States shall communicate to the Commission:

- a the list of customs authorities to which applications for authorization are to be presented, except under Articles 760 and 761;
- b the list of customs offices empowered to issue authorizations pursuant to Articles 760 and 761.

2 The provisions of Article 649 (2) and (3) shall apply.

TITLE IV

IMPLEMENTING PROVISIONS RELATING TO EXPORT

CHAPTER 1

Permanent exportation

Article 788

1 The exporter, within the meaning of Article 161 (5) of the Code, shall be considered to be the person on whose behalf the export declaration is made and who is the owner of the goods or has a similar right of disposal over them at the time when the declaration is accepted.

2 Where ownership or a similar right of disposal over the goods belongs to a person established outside the Community pursuant to the contract on which the export is based, the exporter shall be considered to be the contracting party established in the Community.

Article 789

In cases involving sub-contracting, the export declaration may also be lodged at the customs office responsible for the place where the sub-contractor is established.

Article 790

Where, for administrative reasons, the first sentence of Article 161 (5) of the Code cannot be applied, the declaration may be lodged with any customs office, in the Member State concerned, which is competent for the operation in question.

Article 791

- 1 Where there are duly justified good reasons, an export declaration may be accepted:
 - at a customs office other than that referred to in the first sentence of Article 161 (5) of the Code,
 - or
 - at a customs office other than that referred to in Article 790.

In this case, controls relating to the application of prohibitions and restrictions shall take account of the special nature of the situation.

- 2 Where, in the cases referred to in paragraph 1, export formalities are not completed in the exporter's Member State, the customs office where the export declaration has been lodged shall send a copy of the Single Administrative Document to a designated office in the exporter's Member State.

Article 792

Without prejudice to Article 207, where the export declaration is made on the basis of the Single Administrative Document, copies 1, 2 and 3 shall be used. The customs office where the export declaration has been lodged (customs office of export) shall stamp Box A and, where appropriate, complete box D. On granting release of the goods, it shall retain copy 1, send copy 2 to the statistical office of the Member State of the customs office of export and return copy 3 to the person concerned.

Article 793

- 1 Copy 3 of the Single Administrative Document and the goods released for export shall be presented to customs at the customs office of exit.
- 2 *Customs office of exit* means:
 - a in the case of goods exported by rail, post, air or sea, the customs office competent for the place where the goods are taken over under a single transport contract for transport to a third country by the railway companies, the postal authorities, the airlines or the shipping companies;
 - b in the case of goods exported by pipeline and of electrical energy, the office designated by the Member State where the exporter is established;
 - c in the case of goods exported by other means or in circumstances not covered by (a) and (b), the last customs office before the goods leave the customs territory of the Community.
- 3 The customs office of exit shall satisfy itself that the goods presented correspond to those declared and shall supervise and certify their physical departure by an endorsement on the reverse of copy 3. The endorsement shall take the form of a stamp showing the name of the

office and the date. The customs office of exit shall return copy 3 to the person presenting it, for return to the declarant.

In the case of split exportation, the endorsement shall be given only for those goods which are actually exported. In the case of split exportation via several different customs offices, the customs office of exit where the original of copy 3 was presented shall, upon receiving a duly substantiated request, certify a copy of copy 3 for each part of the goods in question, with a view to it being presented to another office of exit concerned. The original of copy 3 shall be noted accordingly.

When the entire operation is carried out on the territory of one Member State, that Member State may provide for the non-endorsement of copy 3, in which case this copy shall not be returned.

4 Where the customs office of exit establishes that goods are missing, it shall note the copy of the declaration presented and inform the customs office of export.

Where the customs office of exit establishes that there are goods in excess, it shall refuse exit to these goods until the export formalities have been completed.

When the customs office of exit establishes a discrepancy in the nature of the goods, it shall refuse exit until the export formalities have been completed, and shall also inform the customs office of export.

5 In the cases referred to in paragraph 2 (a), the customs office of exit shall endorse copy 3 of the export declaration in accordance with paragraph 3 after making the endorsement 'Export' in red on the transport document and affixing its stamp. Where, in the case of regular shipping lines or direct transport or flights to third country destinations, the operators are able to guarantee the regularity of operations by other means, the endorsement 'Export' shall not be required.

6 Where goods sent to a third country or a customs office of exit under a transit procedure are concerned, the office of departure shall endorse copy 3 in accordance with paragraph 3 and return it to the declarant after making the endorsement 'Export', in red, on all copies of the transit document or any other document replacing it. The customs office of exit shall control the physical exit of the goods.

The first subparagraph shall not apply where presentation at the office of departure as referred to in Article 419 (4) and (7) and Article 434 (6) and (9) is dispensed with.

7 The customs office of exit may ask the exporter to provide evidence that the goods have left the customs territory of the Community.

Article 794

1 Goods not subject to prohibition or restriction and not exceeding ECU 3 000 in value per consignment and per declarant may be declared at the customs office of exit.

Member States may provide that this provision shall not apply when the person making the export declaration is acting as a professional customs agent on behalf of others.

2 Oral declarations may be made only at the customs office of exit.

Article 795

Where goods leave the customs territory of the Community without an export declaration, such declaration shall be lodged retrospectively by the exporter at the

customs office competent for the place where he is established. The provisions of Article 790 shall apply in these circumstances.

Acceptance of this declaration shall be subject to presentation by the exporter, to the satisfaction of the customs authorities of the customs office concerned, of evidence concerning the nature and quantity of the goods in question and the circumstances under which they left the customs territory of the Community. That office shall also endorse copy 3 of the Single Administrative Document.

Retrospective acceptance of the declaration shall not preclude application of the penalties in force nor the consequences which may arise as regards the common agricultural policy.

Article 796

1 Where goods released for export do not leave the customs territory of the Community, the exporter shall immediately inform the customs office of export. Copy 3 of the declaration in question shall be returned to that office.

2 Where, in the cases referred to in Article 793 (5) or (6), a change in the transport contract has the effect of terminating inside the customs territory of the Community a transport operation which should have finished outside it, the companies or authorities in question may only carry out the amended contract with the agreement of the customs office referred to in Article 793 (2) (a) or, in the case of a transit operation, the office of departure. In this case copy 3 should be returned.

CHAPTER 2

Temporary exportation using an ATA carnet

Article 797

1 An ATA carnet may be used for export where the following conditions are fulfilled:

- a the ATA carnet shall be issued in a Member State of the Community and endorsed and guaranteed by an association established in the Community forming part of an international guarantee chain.

The Commission shall publish a list of the associations;

- b the ATA carnet shall be applicable only to Community goods:
 - which have not been subject on export from the customs territory of the Community to customs export formalities with a view to the payment of refunds or other export amounts under the common agricultural policy,
 - in respect of which no other financial benefit has been granted under the common agricultural policy, coupled with an obligation to export the said goods,
 - in respect of which no request for repayment has been submitted;
- c the documents referred to in Article 221 must be presented. The customs authorities may require production of the transport document;
- d the goods must be intended for reimportation.

2 Where goods covered by an ATA carnet are entered for the purposes of temporary exportation, the customs office of export shall carry out the following formalities:

- a verify the information given in boxes A to G of the exportation voucher against the goods under cover of the carnet;
- b complete, where appropriate, the box on the cover page of the carnet headed 'Certificate by customs authorities';
- c complete the counterfoil and box H of the exportation voucher;
- d enter its name in box H (b) of the reimportation voucher;
- e retain the exportation voucher.

3 If the customs office of export is not the office of exit, the customs office of export shall carry out the formalities referred to in paragraph 2, but it shall not complete box 7 of the exportation counterfoil, which must be completed by the customs office of exit.

4 The time limit for reimportation of the goods laid down by the customs authorities in box H (b) of the exportation voucher may not exceed the validity of the carnet.

Article 798

Where goods which left the customs territory of the Community under cover of an ATA carnet are no longer intended to be reimported, an export declaration containing the particulars referred to in Annex 37 shall be presented to the customs office of export.

On presentation of the carnet in question, the latter shall endorse copy 3 of the export declaration and shall invalidate the reimportation voucher and counterfoil.

TITLE V

OTHER CUSTOMS-APPROVED TREATMENTS OR USES

CHAPTER 1

Free zones and free warehouses

Section 1

General provisions

Article 799

1 For the purposes of this Chapter, operator means any person carrying on an activity involving the storage, working, processing, sale or purchase of goods in a free zone or free warehouse.

2 The definitions contained in Article 503 shall also apply to this chapter.

Article 800

Where Community acts provide that commercial policy measures are to apply to:

- (a) the release of goods for free circulation, such measures shall not apply when the goods are placed in a free zone or free warehouse nor for such time as the goods remain there;
- (b) the entry of goods into the customs territory of the Community, such measures shall apply when non-Community goods are placed in a free zone or free warehouse;

- (c) the export of goods, such measures shall apply when Community goods in a free zone or free warehouse are exported from the customs territory of the Community. Such goods shall be subject to supervision by the customs authorities.

Article 801

Any person may apply for a part of the customs territory of the Community to be designated a free zone or for a free warehouse to be set up.

The free zones in existence in the Community and in operation are listed in Annex 108.

Article 802

The perimeter enclosing free zones and the premises of free warehouses shall be such as to facilitate supervision by the customs authorities outside the free zone or free warehouse and prevent any goods being removed irregularly from the free zone or free warehouse.

The area immediately outside the perimeter shall be such as to permit adequate supervision by the customs authorities. Access to the said area shall require the consent of the said authorities.

Article 803

- 1 Authorization to build in a free zone shall be applied for in writing.
- 2 The application referred to in paragraph 1 shall specify the activity for which the building will be used and give any other information that will enable the customs authorities to evaluate the grounds for granting the authorization.
- 3 The customs authorities shall grant authorization in cases where the application of customs legislation would not be impeded.
- 4 Paragraphs 1, 2 and 3 shall also apply where a building in a free zone or a building constituting a free warehouse is converted.

Article 804

Without prejudice to the supervision referred to in Article 168 (1) of the Code, the customs authorities shall carry out the checks referred to in Article 168 (2) and (4) of the Code only at random or whenever they have reasonable doubts concerning compliance with the applicable legislation.

Section 2

Activity carried on in a free zone or free warehouse and approval of stock records

Article 805

In the case of activities referred to in Article 176 (1) of the Code, the notification referred to in Article 172 (1) of the Code shall take the form of presentation of the application for approval of the stock records referred to in Article 808.

Article 806

The operator shall take the necessary precautions to ensure that the persons he employs to carry on his activities comply with customs legislation.

Article 807

1 Before commencing activities in a free zone or a free warehouse, the operator shall obtain the customs authorities' approval of the stock records referred to in Article 176 of the Code.

2 The approval referred to in paragraph 1 shall be accorded only to persons offering all the necessary guarantees concerning the application of the provisions on free zones and free warehouses.

Article 808

1 The application for approval referred to in Article 807, hereinafter referred to as the 'application', shall be submitted in writing to the customs authorities designated by the Member State where the free zone or free warehouse is located.

2 The application shall specify which of the activities referred to in Article 176 (1) of the Code is envisaged. It shall include a detailed description of the stock records kept, or to be kept, the nature and customs status of the goods to which these activities relate, the customs procedure under which the activities are to be carried out, where applicable, and any other information needed by the customs authorities in order to ensure the proper application of the provisions governing free zones and free warehouses.

3 Applications and related documents shall be kept by the customs authorities for at least three years from the end of the calendar year in which the operator ceases activity in the free zone or free warehouse.

Article 809

Approval of the stock records shall be issued in writing and shall be dated and signed.

The applicant shall be notified of approval.

A copy shall be kept for the period referred to in Article 808 (3).

Article 810

1 The customs authorities shall amend or revoke the approval where they prohibit the person to whom the approval was issued from carrying on an activity in the free zone or free warehouse under Article 172 (2) or (3) of the Code.

2 Approval shall be revoked by the customs authorities where they find repeated disappearances of goods which cannot be explained to their satisfaction.

3 Once an approval has been revoked the activities to which the stock records relate may no longer be carried on in the free zone or free warehouse.

Section 3

Entry of goods into a free zone or a free warehouse

Article 811

Without prejudice to Articles 812 and 813, when goods arrive in a free zone or free warehouse they need not be presented nor shall a customs declaration be required.

The arrival of any goods in the places used for the activity shall be entered immediately in the stock records referred to in Article 807.

Article 812

The transport document referred to in Article 168 (4) of the Code shall be any document relating to transport, such as a waybill, delivery note, manifest or dispatch note, provided it gives all the information necessary for identification of the goods.

Article 813

1 Without prejudice to any simplified procedures laid down for the customs procedure to be discharged, where goods placed under a customs procedure need to be presented to the customs authorities pursuant to Article 170 (2) (a) of the Code, the relevant document must be presented with the goods.

2 Where the inward processing procedure or temporary importation procedure is discharged by placing of the compensating products or import goods under the external Community transit procedure, followed by entry into a free zone or a free warehouse with a view to subsequent export from the customs territory of the Community, the customs authorities shall carry out random checks to satisfy themselves that the indications referred to in Article 817 (3) (f) are entered in the stock records.

They shall also satisfy themselves that where goods are transferred from one operator to another within a free zone this is entered in the stock records of the operator receiving them.

Article 814

Where a decision to repay or remit import duties authorizes the placing of the goods in a free zone or a free warehouse, the customs authorities shall issue the certificate referred to in Article 887 (5).

Article 815

Without prejudice to Article 823, the entry into a free zone or a free warehouse of goods which are subject to export duties or other export provisions and which are required by the customs authorities under Article 170 (3) of the Code to be brought to the attention of the customs office shall occasion neither presentation of a document on entry nor systematic and general controls on all goods entering.

Article 816

Where the customs authorities certify the Community or non-Community status of the goods, in accordance with Article 170 (4) of the Code, they shall use a form conforming to the model and provisions in Annex 109.

Section 4

Operation of a free zone or a free warehouse

Article 817

1 The operator keeping the approved stock records in accordance with Article 807 shall enter therein all particulars necessary to check the proper application of customs legislation.

2 If the operator discovers that goods have disappeared other than by natural causes he shall notify the customs authorities.

- 3 Without prejudice to Article 824, the stock records shall include:
- a particulars of marks, identifying numbers, number and kind of packages, the quantity and usual commercial description of the goods and, where relevant, the identification marks of the container;
 - b information enabling the goods to be monitored, in particular their location;
 - c reference particulars of the transport document used on entry and removal of the goods;
 - d indication of customs status and, where relevant, reference particulars of the certificate certifying this status referred to in Article 816;
 - e particulars of usual forms of handling;
 - f where the bringing of goods into a free zone or a free warehouse discharges either an inward processing procedure, a temporary importation procedure or a customs warehousing procedure, or an external Community transit procedure which itself discharged one of these procedures, the indications referred to in:
 - Article 522 (4),
 - Article 610 (1) and Article 644 (1),
 - Article 711;
 - g where goods have been entered for the external Community transit procedure following removal from a free zone or a free warehouse, and that procedure is discharged by bringing them into a free zone or a free warehouse, the indication provided for in Article 818 (4);
 - h particulars concerning goods which would not be subject upon release for free circulation or temporary importation to import duties or commercial policy measures, the use or destination of which must be checked.

4 Where accounts have to be kept for the purposes of a customs procedure, the information contained in those records need not appear in the stock records referred to in paragraph 1.

Article 818

1 The usual forms of handling referred to in Article 173 (b) of the Code are those defined in Annex 69.

2 Where handling could give rise to an advantage in terms of the import duties applicable to non-Community goods after handling compared with those applicable before handling, it may be carried out only on condition that the request referred to in Article 178 (2) of the Code is lodged at the same time as the application for authorization, in accordance with Article 523 (1) and (2).

3 Where handling would result in higher import duties on the goods than those applying to the goods before handling, it shall be carried out without authorization and the person concerned may no longer present the request referred to in Article 178 (2) of the Code.

4 Where goods placed in a free zone or free warehouse are declared for a customs approved treatment or use other than release for free circulation or re-exportation, or placed in temporary storage, and paragraph 2 applies, box 31 of the declaration entering the goods for the treatment or use in question or the box reserved for the description of the goods in the document used for the temporary storage shall contain one of the following indications:

- Mercancías MU,
- SB-varer,

- UB-Waren,
- Εμπορεύματα ΣΕ,
- UFH goods,
- Marchandises MU,
- Merci MU,
- GB-goederen,
- Mercadorias MU.

5 Where goods to which paragraph 2 applies, having been placed under one customs procedure, are released for free circulation or placed under another customs procedure which could result in a customs debt being incurred, information sheet INF 8 referred to in Annex 70 shall be used.

The customs authorities with which the entry for free circulation or for another customs procedure which could result in a customs debt being incurred is lodged shall use information sheet INF 8, which they shall endorse, to ask the customs authorities competent to supervise the free zone or free warehouse where the usual forms of handling were carried out to indicate the nature, customs value and quantity of the declared goods which would be taken into consideration if the goods concerned had not undergone the said handling.

The original of form INF 8 shall be sent to the customs authorities competent to supervise the free zone or free warehouse; the copy shall be retained by the customs authorities which endorsed box 14 of the form.

The customs authority competent to supervise the free zone or free warehouse shall provide the information requested in boxes 11, 12 and 13, endorse box 15 and send the original of the form INF 8 back to the customs office referred to in box 4.

6 The declarant may ask for form INF 8 to be issued at the time when the goods are removed from the free zone or the free warehouse for placing under a customs procedure other than free circulation or re-export.

In this case, the customs authority competent to supervise the free zone or the free warehouse shall provide the information referred to in boxes 11, 12 and 13, endorse box 15 and return the original of form INF 8 to the declarant.

Article 819

1 Without prejudice to Article 175 (2) of the Code, where non-Community goods are released for free circulation within a free zone or a free warehouse, the procedure provided for in Article 253 (3) shall apply without prior authorization from the customs authorities. In this case approval of the stock records referred to in Article 809 shall also cover the use of the said stock records for checking the simplified procedure for release for free circulation.

2 The Community status of the goods released for free circulation in accordance with paragraph 1 shall be certified by the document referred to in Annex 109, to be issued by the operator.

Section 5

Removal of goods from a free zone or a free warehouse

Article 820

Particulars of the removal of goods from the places used for the activity shall be entered immediately in the stock records referred to in Article 807 in order to provide a basis for the checks by the customs authorities referred to in Article 822.

Article 821

Without prejudice to the procedures applicable in cases where exports are subject to export duties or commercial policy measures or to the provisions of Section 6, where goods are taken direct from the customs territory of the Community neither presentation of the goods nor a customs declaration shall be required.

Article 822

Without prejudice to Article 827, in order to satisfy themselves that the provisions on export, re-export or dispatch applicable to goods removed from a free zone or free warehouse have been complied with, the customs authorities shall carry out random checks on the operator's stock records.

Section 6

Special provisions concerning Community agricultural goods

Article 823

1 Prefinanced goods placed in a free zone or a free warehouse pursuant to Article 5 of Council Regulation (EEC) No 565/80 shall be presented and a customs declaration lodged.

2 The declaration referred to in paragraph 1 shall be made in accordance with Article 530.

Article 824

The stock records referred to in Article 807 shall include, in addition to the particulars referred to in Article 817, the date on which the prefinanced goods were placed in the free zone or the free warehouse and reference particulars of the entry declaration.

Article 825

Article 532 shall apply to the handling of prefinanced goods.

Article 826

The processing of prefinanced basic products in a free zone or a free warehouse shall be carried out in accordance with Article 4 of Council Regulation (EEC) No 565/80.

Article 827

1 Prefinanced goods shall be declared for export and leave the customs territory of the Community within the time limits laid down in Community agricultural legislation.

2 The declaration referred to in paragraph 1 shall be made in accordance with Article 534.

3 Without prejudice to Council Regulation (EEC) No 386/90⁽²⁹⁾, the customs authorities shall carry out random checks on the basis of the stock records in order to ensure that the time limits referred to in paragraph 1 are observed.

Article 828

A victualling warehouse may be set up in a free zone or a free warehouse in accordance with Article 38 of Commission Regulation (EEC) No 3665/87⁽³⁰⁾.

Section 7

Procedures applicable where the inward processing procedure (suspension system) or procedure for processing under customs control is used in a free zone or free warehouse

Article 829

Processing operations carried out under the inward processing procedure (suspension system) or the procedure for processing under customs control in a free zone or free warehouse shall not take place until the authorization referred to in Article 556 or Article 651 has been granted.

The authorization shall specify the free zone or free warehouse where the operations will be carried out.

Article 830

The customs authority shall withhold authorization to use the simplified procedures referred to in this Section where the necessary guarantees for the proper conduct of the operations are not afforded.

The customs authorities may withhold authorization from persons who do not frequently carry out inward processing operations or processing under customs control.

Article 831

1 The holder of the authorization shall keep inward processing records or records of processing under customs control, as referred to in Articles 556 (3) and 652 (3) respectively, which shall also contain a reference to the authorization.

2 For the purpose of drawing up the bill of discharge referred to in Article 595 or Article 664, a reference to the entries in the records specified in paragraph 1 shall replace the reference to the declarations and documents specified in Article 595 (3) or Article 664 (3).

Article 832

1 Where goods are placed under the inward processing procedure or the procedure for processing under customs control at the time when they are brought into the free zone or free warehouse, the local clearance procedure laid down in Article 276 shall apply.

2 Nevertheless the operator may request application of the normal procedure for placing of goods under the inward processing procedure or procedure for processing under customs control.

3 Where the local clearance procedure applies in accordance with Article 276 the entry in the inward processing records or records of processing under customs control shall replace the entry in the stock records of the free zone or free warehouse.

4 The entry in the inward processing records or records of processing under customs control shall refer to the document under which the goods were carried.

Article 833

1 Where goods already in a free zone or free warehouse are placed under the inward processing procedure or the procedure for processing under customs control, the local clearance procedure referred to in Article 276 shall apply.

2 Reference particulars of the entry in the inward processing records or records of processing under customs control shall be recorded in the stock records of the free zone or free warehouse.

Article 834

1 The inward processing procedure or procedure for processing under customs control shall be discharged in respect of the compensating products, processed products or goods in the unaltered state situated in a free zone or free warehouse by entry in the stock records of the free zone or free warehouse. Reference particulars of such entry shall be recorded in the inward processing records or records of processing under customs control, as the case may be.

2 The indications referred to in Article 610 shall be entered in the stock records of the free zone or free warehouse.

Article 835

1 Where the inward processing procedure, in respect of the compensating products or goods in the unaltered state, or the procedure for processing under customs control, in respect of the processed products or goods in the unaltered state, is discharged at the time of removal from the free zone or free warehouse by the re-export of those products or goods, the local clearance procedure laid down in Article 283 shall apply.

Without prejudice to the procedures applicable in cases where exports are subject to export duties or commercial policy measures, where the products or goods are taken direct from a free zone or free warehouse out of the customs territory of the Community, an export declaration shall not be required.

2 Where the inward processing procedure, in respect of the compensating products or goods in the unaltered state, or the procedure for processing under customs control, in respect of the processed products or goods in the unaltered state, is discharged at the time of removal from the free zone or free warehouse by the release for free circulation of those products or goods, the local clearance procedure referred to in Articles 263 to 267 shall apply.

3 Where the inward processing procedure or procedure for processing under customs control is discharged at the time when the compensating products, processed products or goods in the unaltered state are removed from the free zone or free warehouse to be entered for a procedure other than release for free circulation or export, the normal or simplified procedures laid down for that purpose shall apply.

4 The provisions of Article 832 (2) shall apply *mutatis mutandis*.

5 Where paragraphs 1 and 2 apply, the removal of compensating products, processed products or goods in the unaltered state from a free zone or free warehouse need not be entered in the stock records of the free zone or free warehouse.

Article 836

Article 835 (2) and (5) shall be without prejudice to the application of Articles 122, 135 and 136 of the Code concerning the taxation of goods or products entered for the inward processing procedure or the procedure for processing under customs control.

Article 837

Before the end of the month following each quarter, the customs authorities of the Federal Republic of Germany shall send the Commission the information referred to in Annex 85 concerning inward processing authorizations issued or modified in the Old Free Port of Hamburg during the preceding quarter which are not subject to the economic conditions laid down for the inward processing procedure.

Article 838

The Community status of compensating or processed products or goods in the unaltered state released for free circulation in or on removal from a free zone or free warehouse shall be certified by the document referred to in Annex 109, to be issued by the operator.

The first paragraph shall also apply to compensating products or goods in the unaltered state put on the Community market pursuant to Article 580 (3).

Article 839

Entries in the inward processing records or records of processing under customs control must enable the customs authority to verify at any time the exact situation of all goods or products placed under one of the procedures in question or in the free zone or free warehouse.

Section 8

Communication of information

Article 840

1 The customs authorities of the Member States shall communicate the following information to the Commission:

- a the free zones which they have designated or which start to operate, having already been designated, and the free warehouses whose creation and operation they have authorized, however such zones or warehouses may be described;
- b the designated customs authorities to which the application referred to in Article 808 must be presented;
- c changes to the arrangements for control of the inward processing procedure or procedure for processing under customs control pursuant to Article 173 of the Code.

2 The Commission shall publish the information referred to in paragraph 1 (a) and (b) in the *Official Journal of the European Communities*, C series.

CHAPTER 2

Re-exportation, destruction and abandonment

Article 841

Where re-exportation is subject to a customs declaration, the provisions of Articles 788 to 796 shall apply *mutatis mutandis*, without prejudice to particular provisions which may apply when the previous customs procedure with economic impact is discharged.

Article 842

1 For the purposes of Article 182 (3) of the Code, notification of destruction of goods shall be made in writing and signed by the person concerned. The notification must be made in sufficient time to allow the customs authorities to supervise the destruction.

2 Where the goods in question are already the subject of a declaration accepted by the customs authorities, they shall make a reference to the destruction on the declaration and invalidate the declaration in accordance with Article 66 of the Code.

The customs authorities present when the goods are destroyed shall specify on the form or declaration the type and quantity of any waste or scrap resulting from the destruction in order to determine the items of charge applicable to them and to be used when they are assigned another customs-approved treatment or use.

3 The provisions of the first subparagraph of paragraph 2 shall apply *mutatis mutandis* to goods abandoned to the Exchequer.

TITLE VI

GOODS LEAVING THE CUSTOMS TERRITORY OF THE COMMUNITY

Article 843

1 Where goods not under a customs procedure whose exportation from the Community is prohibited or subject to restrictions, export duty or another charge on export leave the customs territory of the Community with the intention of their being re-introduced into another part of that territory, their exit shall give rise to the making out of a control copy T5 in accordance with the rules laid down in Articles 472 to 495.

2 The provisions of paragraph 1 shall not apply to transport by an airline company or by a shipping company, provided that the transport by sea is effected by a direct route and by regular shipping line without a stop outside the customs territory of the Community.

3 The control copy T5 may be made out by any customs office where the goods in question are presented and it must be presented together with the goods in question at the customs office of exit.

4 The said copy shall include:

- in boxes 31 and 33 respectively, the description of the goods and the appropriate combined nomenclature code,
- in box 38, the net mass of the goods,
- in box 104, a tick in the box 'Other (specify)', and in block capitals one of the following:

Exit from the Community subject to restrictions — Goods intended to be reintroduced into the territory of the Community,

Exit from the Community subject to duty — Goods intended to be reintroduced into the territory of the Community.

5 The original of control copy T5 shall be presented together with the goods at the customs office responsible for the place where the goods are reintroduced into the customs territory of the Community.

6 The control copy T5 shall be returned without delay to the customs office which made it out by the customs office referred to in paragraph 5, after the latter has endorsed box 'J: Control of use and/or destination' by putting a cross in the first box and inserting the date when the goods were reintroduced into the customs territory of the Community.

Nevertheless in the case of irregularities, an appropriate note shall be made in the 'Remarks' box.

PART III

RETURNED GOODS

Article 844

1 In accordance with Article 185 (2) (b) of the Code, the following shall be exempt from import duties:

- goods previously exported from the customs territory of the Community, in respect of which the customs export formalities have been completed with a view to obtaining refunds or other amounts provided for on exportation under the common agricultural policy,
- or
- goods in respect of which a financial advantage other than the said refunds or other amounts has been granted under the common agricultural policy, entailing an obligation to export the said goods,

provided it is established, as appropriate, that the refunds or other amounts paid have been repaid, or that the necessary steps have been taken by the competent authorities for such sums to be withheld, or that the other financial advantages granted have been cancelled, and that the goods:

- (i) could not be entered for home use in the country to which they were sent on account of laws in force in that country;
- (ii) were returned by the consignee as being defective or not in accordance with the provisions of the contract relating to them;
- (iii) were reimported into the customs territory of the Community because they could not be used for the purposes intended owing to other circumstances outside the exporter's control.

2 The circumstances referred to in paragraph 1 (iii) shall include the following:

- a goods returned to the customs territory of the Community following damage occurring before delivery to the consignee, either to the goods themselves or to the means of transport on which they were carried;

- b goods originally exported for the purposes of consumption or sale in the course of a trade fair or similar occasion which have not been so consumed or sold;
- c goods which could not be delivered to the consignee on account of his physical or legal incapacity to honour the contract under which the goods were exported;
- d goods which, because of natural, political or social disturbances, could not be delivered to their consignee or which reached him after the mandatory delivery date stipulated in the contract under which the goods were exported;
- e products covered by the common organization of the market in fruit and vegetables, exported and sent for sale on consignment, but which were not sold in the market of the third country of destination.

3 Goods exported under the common agricultural policy with an export licence or an advance fixing certificate shall not be exempt from import duties unless it is established that the relevant Community provisions have been complied with.

4 The goods referred to in paragraph 1 shall not be exempt from import duties unless they are entered for free circulation in the customs territory of the Community within twelve months of the date of completion of the customs formalities relating to their exportation.

Article 845

Returned goods shall be exempt from import duties even where they represent only a proportion of the goods previously exported from the customs territory of the Community.

The same applies where the goods consist of parts or accessories belonging to machines, instruments, apparatus or other products previously exported from the customs territory of the Community.

Article 846

1 By way of derogation from Article 186 of the Code, returned goods in one of the following situations shall be exempt from import duties:

- a goods which, after having been exported from the customs territory of the Community, have received no treatment other than that necessary to maintain them in good condition or handling which alters their appearance only;
- b goods which, after having been exported from the customs territory of the Community, received treatment other than that necessary to maintain them in good condition or handling other than that altering their appearance, but which proved to be defective or unsuitable for their intended use, provided that one of the following conditions is fulfilled:
 - such treatment or handling was applied to the goods solely with a view to repairing them or restoring them to good condition,
 - their unsuitability for their intended use became apparent only after such treatment or handling had commenced.

2 Where returned goods have undergone treatment or handling permitted under paragraph 1 (b) and such treatment would have rendered them liable to import duties if they had come under outward processing arrangements, the rules in force for charging duty under the said arrangements shall apply.

However, if goods have undergone an operation consisting of repair or restoration to good condition which became necessary as a result of unforeseen circumstances which arose outside the customs territory of the Community, this being established to the satisfaction of the customs authorities, relief from import duties shall be granted

provided that the value of the returned goods is not higher, as a result of such operation, than their value at the time of export from the customs territory of the Community.

- 3 For the purposes of the second subparagraph of paragraph 2:
- a *repair or restoration to good condition which became necessary* means: any operation to remedy operating defects or material damage suffered by goods while they were outside the customs territory of the Community, without which the goods could no longer be used in the normal way for the purposes for which they were intended;
 - b the value of returned goods shall be considered not to be higher, as a result of the operation which they have undergone, than their value at the time of export from the customs territory of the Community, when the operation does not exceed that which is strictly necessary to enable them to continue to be used in the same way as at that time.

When the repair or restoration to good condition of goods necessitates the incorporation of spare parts, such incorporation shall be limited to those parts strictly necessary to enable the goods to be used in the same way as at the time of export.

Article 847

When completing the customs export formalities, the customs authorities shall, at the request of the person concerned, issue a document containing the information necessary for identification of the goods in the event of their being returned to the customs territory of the Community.

Article 848

- 1 The following shall be accepted as returned goods:
- goods for which the following documents are produced in support of the declaration for release for free circulation:
 - (a) the copy of the export declaration returned to the exporter by the customs authorities, or a copy of such document certified true by the said authorities; or
 - (b) the information sheet provided for in Article 850.

Where evidence available to the customs authorities at the customs office of reimportation or ascertainable by them from the person concerned indicates that the goods declared for free circulation were originally exported from the customs territory of the Community, and at that time satisfied the conditions for acceptance as returned goods, the documents referred to at (a) and (b) shall not be required.

- goods covered by an ATA carnet issued in the Community.

These goods may be accepted as returned goods, within the limits laid down by Article 185 of the Code, even when the validity of the ATA carnet has expired.

In all cases, the formalities laid down in Article 290 (2) shall be carried out.

- 2 The first indent of paragraph 1 shall not apply to the international movement of packing materials, means of transport or certain goods admitted under specific customs arrangements where autonomous or conventional provisions lay down that customs documents are not required in these circumstances.

Nor shall it apply in cases where goods may be declared for release for free circulation orally or by any other act.

3 Where they consider it necessary, the customs authorities at the customs office of reimportation may ask the person concerned to submit additional evidence for the purposes of identification of the returned goods.

Article 849

1 A declaration for release for free circulation relating to returned goods whose export may have given rise to the completion of customs export formalities with a view to obtaining refunds or other amounts provided for on exportation under the common agricultural policy, shall be supported not only by the documents referred to in Article 848, but by a certificate issued by the authorities responsible for the grant of such refunds or amounts in the Member State of exportation. Such certificate shall contain the particulars necessary to allow the customs office where the goods concerned were declared for free circulation to verify that it relates to the said goods.

2 When the export of the goods did not give rise to the completion of customs export formalities with a view to obtaining refunds or other amounts provided for on exportation under the common agricultural policy, the certificate shall bear one of the following indications:

- Sin concesión de restituciones u otras cantidades a la exportación;
- Ingen restitutioner eller andre beløb ydet ved udførslen;
- Keine Ausfuhrerstattungen oder sonstige Ausfuhrvergünstigungen;
- Δεν έτυχαν επιδοτήσεων ή άλλων χορηγήσεων κατά την εξαγωγή;
- No refunds or other amounts granted on exportation;
- Sans octroi de restitutions ou autres montants à l'exportation;
- Senza concessione di restituzioni o altri importi all'esportazione;
- Geen restituties of andere bij de uitvoer verleende bedragen;
- Sem concessão de restituições ou outros montantes na exportação.

3 When the export of the goods did give rise to the completion of customs export formalities with a view to obtaining refunds or other amounts provided for on exportation under the common agricultural policy, the certificate shall bear one of the following indications:

- Restituciones y otras cantidades a la exportación reintegradas por ... (cantidad);
- De ved udførslen ydede restitutioner eller andre beløb er tilbagebetalt for ... (mængde);
- Ausfuhrerstattungen und sonstige Ausfuhrvergünstigungen für ... (Menge) zurückbezahlt;
- Επιδοτήσεις και άλλες χορηγήσεις κατά την εξαγωγή επεστράφησαν για ... (ποσότητας);
- Refunds and other amounts on exportation repaid for ... (quantity);
- Restitutions et autres montants à l'exportation remboursés pour ... (quantité);
- Restituzioni e altri importi all'esportazione rimborsati per ... (quantità);
- Restituties en andere bedragen bij de uitvoer voor ... (hoeveelheid) terugbetaald;
- Restituições e outros montantes na exportação reembolsados para ... (quantidade);

or

- Título de pago de restituciones u otras cantidades a la exportación anulado por ... (cantidad);
- Ret til udbetaling af restitutioner eller andre *beløb* ved udførslen er annulleret for ... (mængde);
- Auszahlungsanordnung über die Ausfuhrerstattungen und sonstigen Ausfuhrvergünstigungen für (Menge) ungültig gemacht;
- Αποδεικτικό πληρωμής επιδοτήσεων ή άλλων χορηγήσεων κατά την εξαγωγή ακυρωμένο για ... (ποσότητας),

- Entitlement to payment of refunds or other amounts on exportation cancelled for ... (quantity);
- Titre de paiement des restitutions ou autres montants à l'exportation annulé pour ... (quantité);
- Titolo di pagamento delle restituzioni o di altri importi all' esportazione annullato per ... (quantità);
- Aanspraak op restituties of andere bedragen bij uitvoer vervallen voor ... (hoeveelheid);
- Título de pagamento de restituições ou outros montantes na exportação anulado para ... (quantidade);

depending on whether the refunds or other amounts provided for on exportation have or have not already been paid by the competent authorities.

4 In the case referred to in subparagraph (b) of the first indent of Article 848 (1), the certificate referred to in paragraph 1 shall be made out on the information sheet INF 3 provided for in Article 850.

5 When the customs authorities at the customs office where the goods are declared for release for free circulation have the means to satisfy themselves that no refund or other amount provided for on exportation under the common agricultural policy has been granted, and cannot subsequently be granted, the certificate referred to in paragraph 1 shall not be required.

Article 850

Information sheet INF 3 shall be drawn up in an original and two copies on forms which conform to the specimens appearing in Annex 110.

Article 851

1 Subject to paragraph 3, information sheet INF 3 shall be issued at the exporter's request by the customs authorities at the customs office of exportation at the time of completion of the export formalities for the goods concerned, if the exporter declares that it is probable that these goods will be returned via a customs office other than the customs office of exportation.

2 Information sheet INF 3 may also be issued, at the exporter's request, by the customs authorities at the customs office of exportation after completion of the export formalities for the goods concerned, provided that these authorities can establish, on the basis of the information at their disposal, that the particulars in the exporter's request relate to the goods exported.

3 In the case of the goods referred to in Article 849 (1), information sheet INF 3 may be issued only after completion of the relevant customs export formalities, and subject to the proviso in paragraph 2.

In addition, it may be issued only on condition that:

- a box B has been completed and endorsed by the customs authorities beforehand; and
- b box A has been completed and endorsed by the customs authorities beforehand, where the information contained therein is required.

Article 852

1 Information sheet INF 3 shall contain all items of information required by the customs authorities for the purpose of identifying the exported goods.

2 Where it is expected that the exported goods will be returned to the customs territory of the Community through several customs offices other than the customs office of exportation,

the exporter may ask for several information sheets INF 3 to be issued to cover the total quantity of the goods exported.

Similarly, the exporter may ask the customs authorities which issued an information sheet INF 3 to replace it by several information sheets INF 3 covering the total quantity of goods included in the information sheet INF 3 initially issued.

The exporter may also ask for an information sheet INF 3 to be issued in respect of a proportion only of the exported goods.

Article 853

The original and one copy of information sheet INF 3 shall be returned to the exporter for presentation at the customs office of reimportation. The second copy shall be kept in the official files of the customs authorities who issued it.

Article 854

The customs office of reimportation shall record on the original and on the copy of information sheet INF 3 the quantity of returned goods exempted from import duties, retaining the original and sending the copy, bearing the reference number and the date of declaration for free circulation, to the customs authorities who issued it.

The said customs authorities shall compare this copy with the one in their possession and retain it in their official files.

Article 855

In the event of theft, loss or destruction of the original information sheet INF 3, the person concerned may ask the customs authorities which issued it for a duplicate. They shall comply with this request if the circumstances warrant it. A duplicate so issued shall bear one of the following indications:

- DUPLICADO,
- DUPLIKAT,
- DUPLIKAT,
- ANTIΓΡΑΦΟ,
- DUPLICATE,
- DUPLICATA,
- DUPLICATO,
- DUPLICAAT,
- SEGUNDA VIA.

The customs authorities shall record on the copy of information sheet INF 3 in their possession that a duplicate has been issued.

Article 856

1 At the request of the customs authorities at the customs office of reimportation, the customs authorities at the customs office of exportation shall communicate to the former all the information at their disposal to enable them to determine whether the goods meet the conditions necessary to benefit from the provisions of this part.

2 Information sheet INF 3 may be used for the request and the transmission of the information referred to in paragraph 1.

PART IV

CUSTOMS DEBT

TITLE I

SECURITY

Article 857

1 The types of security other than cash deposits or guarantors, within the meaning of Articles 193, 194 and 195 of the Code, and the cash deposit or the submission of securities for which Member States may opt even if they do not comply with the conditions laid down in Article 194 (1) of the Code, shall be as follows:

- a the creation of a mortgage, a charge on land, an antichresis or other right deemed equivalent to a right pertaining to immovable property;
- b the cession of a claim, the pledging, with or without surrendering possession, of goods, securities or claims or, in particular, a savings bank book or entry in the national debt register;
- c the assumption of joint contractual liability for the full amount of the debt by a third party approved for that purpose by the customs authorities and, in particular, the lodging of a bill of exchange the payment of which is guaranteed by such third party;
- d a cash deposit or security deemed equivalent thereto in a currency other than that of the Member State in which the security is given;
- e participation, subject to payment of a contribution, in a general guarantee scheme administered by the customs authorities.

2 The circumstances in which and the conditions under which recourse may be had to the types of security referred to in paragraph 1 shall be determined by the customs authorities.

Article 858

Where security is given by making a cash deposit, no interest thereon shall be payable by the customs authorities.

TITLE II

INCURRENCE OF THE DEBT

CHAPTER 1

***Failures which have no significant effect on the operation
of temporary storage or of the customs procedure****Article 859*

The following failures shall be considered to have no significant effect on the correct operation of the temporary storage or customs procedure in question within the meaning of Article 204 (1) of the Code, provided:

- they do not constitute an attempt to remove the goods unlawfully from customs supervision,

- they do not imply obvious negligence on the part of the person concerned, and
- all the formalities necessary to regularize the situation of the goods are subsequently carried out:
 1. exceeding the time limit allowed for assignment of the goods to one of the customs-approved treatments or uses provided for under the temporary storage or customs procedure in question, where the time limit would have been extended had an extension been applied for in time;
 2. in the case of goods placed under a transit procedure, exceeding the time limit for presentation of the goods to the office of destination, where such presentation takes place later;
 3. in the case of goods placed in temporary storage or under the customs warehousing procedure, handling not authorized in advance by the customs authorities, provided such handling would have been authorized if applied for;
 4. in the case of goods placed under the temporary importation procedure, use of the goods otherwise than as provided for in the authorization, provided such use would have been authorized under that procedure if applied for;
 5. in the case of goods in temporary storage or placed under a customs procedure, unauthorized movement of the goods, provided the goods can be presented to the customs authorities at their request;
 6. in the case of goods in temporary storage or placed under a customs procedure, removal of the goods from the customs territory of the Community or their entry into a free zone or free warehouse without completion of the necessary formalities;
 7. in the case of goods having received favourable tariff treatment by reason of their end-use, transfer of the goods without notification to the customs authorities, before they have been put to the intended use, provided that:
 - (a) the transfer is recorded in the transferor's stock records; and
 - (b) the transferee is the holder of an authorization for the goods in question.

Article 860

The customs authorities shall consider a customs debt to have been incurred under Article 204 (1) of the Code unless the person who would be the debtor establishes that the conditions set out in Article 859 are fulfilled.

Article 861

The fact that the failures referred to in Article 859 do not give rise to a customs debt shall not preclude the application of provisions of criminal law in force or of provisions allowing cancellation and withdrawal of authorizations issued under the customs procedure in question.

CHAPTER 2

Natural wastage

Article 862

1 For the purposes of Article 206 of the Code, the customs authorities shall, at the request of the person concerned, take account of the quantities missing wherever it can be shown that the losses observed result solely from the nature of the goods and not from any negligence or manipulation on the part of that person.

2 In particular, negligence or manipulation shall mean any failure to observe the rules for transporting, storing, handling, working or processing the goods in question imposed by the customs authorities or by normal practice.

Article 863

The customs authorities may waive the obligation for the person concerned to show that the goods were irretrievably lost for reasons inherent in their nature where they are satisfied that there is no other explanation for the loss.

Article 864

The national provisions in force in the Member States concerning standard rates for irretrievable loss due to the nature of the goods themselves shall be applied where the person concerned fails to show that the real loss exceeds that calculated by application of the standard rate for the goods in question.

CHAPTER 3

Customs status of goods in certain irregular situations

Article 865

The presentation of a customs declaration for the goods in question, or any other act having the same legal effects, and the production of a document for endorsement by the competent authorities, shall be considered as removal of goods from customs supervision within the meaning of Article 203 (1) of the Code, where these acts have the effect of wrongly conferring on them the customs status of Community goods.

Article 866

Without prejudice to the provisions laid down concerning prohibitions or restrictions which may be applicable to the goods in question, where a customs debt on importation is incurred pursuant to Articles 202, 203, 204 or 205 of the Code and the import duties have been paid, those goods shall be deemed to be Community goods without the need for a declaration for entry into free circulation.

Article 867

The confiscation of goods pursuant to Article 233 (c) and (d) of the Code shall not affect the customs status of the goods in question.

TITLE III

ENTRY IN THE ACCOUNTS AND POST-CLEARANCE RECOVERY

Article 868

Member States need not enter in the accounts amounts of duty of less than ECU 10.

There shall be no post-clearance recovery of import duties or export duties where the amount per recovery action is less than ECU 10.

Article 869

The customs authorities shall themselves decide not to enter uncollected duties in the accounts:

- (a) in cases in which preferential tariff treatment has been applied in the context of a tariff quota, a tariff ceiling or other arrangements when entitlement to this treatment had been ended at the time of acceptance of the customs declaration without that fact having been published in the *Official Journal of the European Communities* before the release for free circulation of the goods in question or, where such fact is not published, having been made known in an appropriate manner in the Member State concerned, the person liable for payment for his part having acted in good faith and complied with all the provisions laid down by the legislation in force as regards the customs declaration;
- (b) in cases in which they consider that the conditions laid down in Article 220 (2) (b) of the Code are fulfilled, provided that the amount not collected from the operator concerned in respect of one or more import or export operations but in consequence of a single error is less than ECU 2 000;
- (c) in cases in which the Member State to which the said authorities are subject has been so authorized in accordance with Article 875.

Article 870

1 Each Member State shall send the Commission a list of the cases in which the provisions of Article 869 (a), (b) or (c) have been applied, giving a short summary of each case.

2 The list referred to in paragraph 1 shall be forwarded during the first and third quarters of each year for all cases where it was decided not to enter the uncollected duties in the accounts during the preceding half-year.

3 The Commission shall circulate the lists to all other Member States.

4 The lists shall be examined periodically by the Committee.

Article 871

In cases other than those referred to in Article 869, where the customs authorities either consider that the conditions laid down in Article 220 (2) (b) of the Code are fulfilled or are in doubt as to the precise scope of the criteria of that provision with regard to a particular case, those authorities shall submit the case to the Commission, so that a decision may be taken in accordance with the procedure laid down in Articles 872 to 876. The case submitted to the Commission shall contain all the information required for a full examination.

As soon as it receives the case the Commission shall inform the Member State concerned accordingly.

Should it be found that the information supplied by the Member State is not sufficient to enable a decision to be taken on the case concerned in full knowledge of the facts, the Commission may request that additional information be supplied.

Article 872

Within 15 days of receipt of the case referred to in the first paragraph of Article 871, the Commission shall forward a copy thereof to the Member States.

Consideration of the case in question shall be included as soon as possible on the agenda of a meeting of the Committee provided for in Article 247 of the Code.

Article 873

After consulting a group of experts composed of representatives of all Member States, meeting within the framework of the Committee to consider the case in question, the Commission shall decide whether the circumstances under consideration are or are not such that the duties in question need not be entered in the accounts.

Such decision must be taken within six months of the date on which the case referred to in the first paragraph of Article 871 is received by the Commission. Where the Commission has found it necessary to request additional information from the Member State in order that it may take a decision, the six months shall be extended by a period equivalent to that between the date the Commission sent the request for additional information and the date it received that information.

Article 874

The Member State concerned shall be notified of the decision referred to in Article 873 as soon as possible and in any event within 30 days of the expiry of the period specified in that Article.

A copy of the decision shall be sent to the other Member States.

Article 875

Where it is established by the decision referred to in Article 873 that the circumstances under consideration are such that the duties in question need not be entered in the accounts, the Commission may, under conditions which it shall determine, authorize one or more Member States to refrain from post-clearance entry in the account in cases involving comparable issues of fact and of law.

In such a case, the decision referred to in Article 873 shall also be notified to each Member State so authorized.

Article 876

If the Commission fails to take a decision within the period referred to in Article 873 or fails to notify a decision to the Member State concerned within the period referred to in Article 874, the customs authorities of that Member State shall not enter the duties in question in the accounts.

TITLE IV

REPAYMENT OR REMISSION OF IMPORT OR EXPORT DUTIES

CHAPTER 1

General provisions

Article 877

- 1 For the purposes of this Title:
 - a *customs office of entry in the accounts* means: the customs office where the import or export duties whose repayment or remission is requested were entered in the accounts;
 - b *decision-making customs authority* means: the customs authority competent to decide on an application for repayment or remission of import or export duties in the Member State where the duties concerned were entered in the accounts;
 - c *supervising customs office* means: the customs office having jurisdiction over the goods which gave rise to entry in the accounts of the import or export duties whose repayment or remission is requested, the said office carrying out certain checks required for appraisal of the application;
 - d *implementing customs office* means: the customs office which adopts the measures necessary to ensure that the decision to repay or remit the import or export duties is correctly implemented.
- 2 The functions of office of entry in the accounts, decision-making customs authority, supervising customs office and implementing customs office may be carried out wholly or in part by the same customs office.

CHAPTER 2

Implementing provisions relating to Articles 236 to 239 of the Code

Section 1

Application

Article 878

1 Application for repayment or remission of import or export duties, hereinafter referred to as 'application for repayment or remission', shall be made by the person who paid or is liable to pay those duties, or the persons who have taken over his rights and obligations.

Application for repayment or remission may also be made by the representative of the person or persons referred in the first subparagraph.

2 Without prejudice to Article 882, application for repayment or remission shall be made, in one original and one copy, on a form conforming to the specimen and provisions in Annex 111.

However, application for repayment or remission may also be made, at the request of the person or persons referred to in paragraph 1, on plain paper, provided it contains the information appearing in the said Annex.

Article 879

1 Applications for repayment or remission, accompanied by the documents referred to in Article 6 (1) of the Code, must be lodged with the customs office of entry in the accounts, unless the customs authorities designate another office for this purpose; the said office shall transmit it immediately after acceptance to the decision-making customs authority if it is not itself designated as such.

2 The customs office referred to in paragraph 1 shall enter the date of receipt on the original and the copy of the application. It shall return the copy to the applicant.

Where the second subparagraph of Article 878(2) is applied, the said customs office shall acknowledge receipt in writing to the applicant.

Article 880

Without prejudice to any specific provisions adopted in this connection under the common agricultural policy, an application relating to goods in respect of which an import or export licence or advance fixing certificate was produced when the relevant customs declaration was lodged must also be accompanied by certification issued by the authorities responsible for issuing such licence or certificate attesting that the necessary steps have been taken to cancel the effects of the said licence or certificate.

Such certification shall not be required, however:

- where the customs authority to which the application is submitted itself issued the licence or certificate in question,
- where the ground relied upon in support of the application is a substantive error that has no effect on the attribution of the licence or certificate in question.

Article 881

1 The customs office referred to in Article 879 may accept an application not containing all the information provided for on the form referred to in Article 878 (2). However, the application must contain at least the information to be entered in boxes 1 to 3 and 7.

2 Where paragraph 1 is applied, the said customs office shall set a time limit for the supply of any missing particulars and/or documents.

3 Where the time limit set by the customs office pursuant to paragraph 2 is not observed, the application shall be considered to have been withdrawn.

The applicant shall be informed of this immediately.

Article 882

1 For returned goods on which export duties were levied at the time of their export from the customs territory of the Community, repayment or remission of these duties shall be subject to the presentation to the customs authorities of a request accompanied by:

- a the document issued as evidence of payment, where the amounts concerned have already been collected;
- b the original, or the copy certified by the customs office of reimportation, of the declaration for free circulation relating to the returned goods.

This document shall bear one of the following endorsements made by the customs office of reimportation:

- Mercancías de retorno en aplicación de la letra b) del apartado 2 del artículo 185 del Código

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- Returvarer i henhold til kodeksens artikel 185, stk. 2, litra b)
 - Rückwaren gemäß Artikel 185 Absatz 2 Buchstabe b) des Zollkodex
 - Εμπορεύματα επανεισαγόμενα κατ' εφαρμογή του άρθρου 185 παράγραφος 2 στοιχείο β) του κώδικα
 - Goods admitted as returned goods under Article 185 (2) (b) of the Code
 - Marchandises en retour en application de l'article 185 paragraphe 2 point b) du code
 - Merci in reintroduzione in applicazione dell'articolo 185, paragrafo 2, lettera b) del codice
 - Goederen die met toepassing van artikel 185, lid 2, onder b), van het Wetboek kunnen worden toegelaten als terugkerende goederen
 - Mercadorias de retorno por aplicação da alínea b) do n^o 2 do artigo 185^o do código;
- c the copy of the export declaration returned to the exporter at the time of completion of the export formalities for the goods, or a copy thereof certified by the customs office of exportation.

Where the decision-making customs authority is already in possession of the particulars contained in one or more of the declarations referred to at (a), (b) or (c) above, the declaration or declarations concerned need not be produced.

2 The request referred to in paragraph 1 must be lodged with the customs office referred to in Article 879 within 12 months of the date of acceptance of the export declaration.

Section 2

Procedure for granting repayment or remission

Article 883

The decision-making customs authority may authorize completion of the customs formalities to which any repayment or remission may be subject before it has ruled on the application for repayment or remission. Such authorization shall be entirely without prejudice to its decision on the application.

Article 884

Without prejudice to Article 883 and until a decision has been taken on the application for repayment or remission, the goods in respect of which repayment or remission of duties has been requested may not be transferred to a location other than that specified in the said application unless the applicant notifies in advance the customs office referred to in Article 879, which shall in turn inform the decision-making customs authority.

Article 885

1 Where an application for repayment or remission relates to a case where supplementary information must be obtained or where the goods must be examined in order to ensure that the conditions for repayment or remission laid down in the Code and in this Title are satisfied, the decision-making customs authority shall adopt the measures necessary to that end, if necessary by requesting the assistance of the supervising customs office, specifying the nature of the information to be obtained or of the checks to be carried out.

The supervising customs office shall comply promptly with this request and shall forward the information obtained and the results of the checks carried out to the decision-making customs authority.

2 Where the application relates to goods which are situated in a Member State other than that in which the import or export duties were entered in the accounts, the provisions of Chapter 4 of this Title shall apply.

Article 886

1 When the decision-making customs authority possesses all the necessary particulars, it shall give its decision in writing on the application for repayment or remission in accordance with Article 6 (2) and (3) of the Code.

2 Where the application is approved, the decision shall include all the particulars necessary for its implementation.

Depending on the circumstances, some or all of the following particulars shall appear in the decision:

- a the information necessary for identifying the goods to which it applies;
- b the grounds for repayment or remission of the import or export duties and a reference to the corresponding article of the Code and, where appropriate, the corresponding article of this Title;
- c the use to which the goods may be put or the destination to which they may be sent, depending on the possibilities available in the particular case under the Code and where appropriate on the basis of a specific authorization by the decision-making customs authority;
- d the time limit for completion of the formalities to which repayment or remission of the import or export duties is subject;
- e a statement indicating that the import or export duties will not be repaid or remitted until the implementing customs office has informed the decision-making customs authority that the formalities to which repayment or remission is subject have been completed;
- f particulars of any requirements to which the goods remain subject pending implementation of the decision;
- g a notice informing the recipient that he must give the original of the decision to the implementing customs office of his choice when presenting the goods.

Article 887

1 The implementing customs office shall take steps to ensure:
— where appropriate, that the requirements referred to in Article 886 (2) (f) are met,
— that in all cases the goods are actually used in the manner or sent to the destination specified in the decision to repay or remit import or export duties.

2 Where the decision specifies that the goods may be placed in a customs warehouse, a free zone or a free warehouse, and the recipient avails himself of this opportunity, the necessary formalities must be carried out with the implementing customs office.

3 Where the decision to repay or remit duties specifies a use to which the goods are to be put or a destination to which they are to be sent which can be established only in a Member State other than that in which the implementing customs office is located, proof of compliance shall be furnished by production of a control copy T 5 issued and used in accordance with the provisions of Articles 471 to 495, and of this Article.

The control copy T 5 must contain the following:

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- a box 33 shall contain the combined nomenclature code of the goods;
- b box 103 shall indicate in words the net quantity of the goods;
- c box 104 shall contain, as appropriate, either the words 'exit from the customs territory of the Community', or one of the following under the heading 'other':
 - Delivery free of charge to the following charity ...,
 - Destruction under customs supervision,
 - Entry for the following customs procedure ...,
 - Placing in a free zone or free warehouse;
- d box 106 shall contain reference particulars of the decision granting repayment or remission of duties;
- e box 107 shall contain the words 'Articles 877 to 912 of Regulation (EEC) No 2454/93'.

4 The supervising customs office which establishes or on whose responsibility it is established that the goods have actually been used for the purpose specified or have arrived at the prescribed destination shall complete the box entitled 'Control of use and/or destination' of the control document by entering a cross against 'have received the use and/or destination declared overleaf' and giving the relevant date.

5 When the implementing customs office has satisfied itself that the conditions set out in paragraph 1 are fulfilled, it shall send a certificate to that effect to the decision-making customs authority.

Article 888

A decision-making customs authority having approved an application for repayment or remission of duties shall repay or remit such duty only after receiving the certificate referred to in Article 887 (5).

Article 889

1 Where the request for repayment or remission is based on the existence, at the time when the declaration of release for free circulation was accepted, of a reduced or zero rate of import duty on the goods under a tariff quota, a tariff ceiling or other preferential tariff arrangements, repayment or remission shall be granted only on condition that, at the time of lodging the application for repayment or remission accompanied by the necessary documents:

- in the case of a tariff quota, its volume has not been exhausted,
- in other cases, the rate of duty normally due has not been re-established.

If the conditions laid down in the preceding paragraph are not fulfilled, repayment or remission shall nevertheless be granted where the failure to apply the reduced or zero rate of duty to the goods was the result of an error on the part of the customs authorities themselves and the declaration for free circulation contained all the particulars and was accompanied by all the documents necessary for application of the reduced or zero rate.

2 Each Member State shall send the Commission a list of the cases in which the provisions of the second subparagraph of paragraph 1 have been applied, giving a short summary of each case.

Article 870 (2), (3) and (4) shall apply.

Article 890

Where a certificate of origin, movement certificate, internal Community transit document or other appropriate document is produced in support of an application for repayment or remission, indicating that the imported goods were eligible, at the

time of acceptance of the declaration for free circulation, for Community treatment or preferential tariff treatment, the decision-making customs authority shall grant such application only where it is duly established:

- that the document thus produced refers specifically to the goods in question and that all the conditions relating to acceptance of the said document are fulfilled,
- that all the other conditions for the granting of the preferential tariff treatment are fulfilled.

Repayment or remission shall take place upon presentation of the goods. Where the goods cannot be presented to the implementing customs office, the latter shall grant repayment or remission only where it has information indicating unequivocally that the certificate or document produced post-clearance applies to the said goods.

Article 891

Repayment or remission of duty shall not be granted where certificates for the advance fixing of levies are presented in support of the application.

Article 892

Import duties shall not be repaid or remitted under Article 238 of the Code where:

- the defective nature of the goods was taken into consideration in drawing up the terms of the contract, in particular the price, under which the goods were entered for a customs procedure involving the obligation to pay import duties,
- the goods are sold by the importer after it has been ascertained that they are defective or do not comply with the terms of the contract.

Article 893

1 Without prejudice to Article 900 (1) (c), the decision-making customs authority shall set a deadline, no later than two months from the date of notification of the decision to repay or remit import duties or export duties, for completion of the customs formalities to which the repayment or remission of duties is subject.

2 Failure to observe the deadline referred to in paragraph 1 shall result in loss of entitlement to repayment or remission except where the person concerned by the decision proves that he was prevented from meeting this deadline by unforeseeable circumstances or force majeure.

Article 894

Where destruction of the goods authorized by the decision-making customs authority produces waste or scrap, such waste or scrap shall be regarded as non-Community goods once a decision has been taken accepting the application for repayment or remission.

Article 895

Where the authorization referred to in the second subparagraph of Article 238 (2) (b) of the Code is granted, the customs authorities shall take all necessary steps to ensure that goods placed in a customs warehouse, free zone or free warehouse may subsequently be recognized as non-Community goods.

Article 896

1 Goods which, under the common agricultural policy, are entered for a customs procedure involving the obligation to pay import duties under an import licence or advance fixing certificate shall benefit from Articles 237, 238 and 239 of the Code only where the

customs office referred to in Article 879 is satisfied that the necessary steps have been taken by the competent authorities to cancel the effects with regard to the certificate under which the importation took place.

2 Paragraph 1 shall also apply in the case of re-exportation, placing in a customs warehouse, free zone or free warehouse, or destruction of the goods.

Article 897

Where it is not the complete article that is exported, re-exported or destroyed or assigned to another authorized customs treatment or use, but one or more parts or components of that article, the amount to be repaid or remitted shall be the difference between the amount of import duties on the complete article and the amount of import duties which would have been chargeable on the remainder of the article if the latter had been entered in the unaltered state for a customs procedure involving the obligation to pay such duties on the date on which the complete article was so entered.

Article 898

The amount referred to in Article 240 of the Code is hereby set at ECU 10.

CHAPTER 3

Specific provisions relating to the application of Article 239 of the Code

Section 1

Decisions to be taken by the customs authorities of the Member States

Article 899

Without prejudice to other situations to be considered case by case in accordance with the procedure laid down in Articles 905 to 909, where the decision-making customs authority establishes that an application for repayment or remission submitted to it under Article 239 (2) of the Code:

— is based on grounds corresponding to one of the circumstances referred to in Articles 900 to 903, and that these do not result from deception or obvious negligence on the part of the person concerned, it shall repay or remit the amount of import duties concerned.

‘The person concerned’ shall mean the person or persons referred to in Article 878 (1), or their representatives, and any other person who was involved with the completion of the customs formalities relating to the goods concerned or gave the instructions necessary for the completion of these formalities,

— is based on grounds corresponding to one of the circumstances referred to in Article 904, it shall not repay or remit the amount of import duties concerned.

Article 900

1 Import duties shall be repaid or remitted where:

- a non-Community goods placed under a customs procedure involving total or partial relief from import duties or goods released for free circulation with favourable tariff treatment by reason of their end—use are stolen, provided that the goods are recovered

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- promptly and placed again in their original customs situation in the state they were in when they were stolen;
- b non-Community goods are inadvertently withdrawn from the customs procedure involving total or partial relief from the said duties under which they had been placed, provided that, as soon as the error is found, they are placed again in their original customs situation in the state they were in when they were withdrawn;
 - c it is impossible to operate the mechanism for opening the means of transport on which goods previously released for free circulation are located and accordingly to unload them on arrival at their destination, provided that they are immediately re-exported;
 - d goods originally released for free circulation are subsequently returned to their non-Community supplier, under the outward processing arrangements, to enable him — free of charge — to eliminate defects existing prior to the release of the goods (even if found after release of the goods) or to bring them into line with the provisions of the contract under which they were released for free circulation, and the said supplier decides to keep the goods permanently because he is unable to remedy the defects or because it would not be economic to do so;
 - e it is found, when the customs authorities decide on post-clearance entry in the accounts of import duties actually due on goods released for free circulation with full relief from such duties, that the goods in question have been re-exported from the customs territory of the Community without customs supervision, provided it is established that the substantive conditions laid down in the Code for the repayment or remission of such import duties would actually have been met at the time of re-exportation if the amount had been levied when the goods were released for free circulation;
 - f a judicial body has forbidden the marketing of an item previously entered for a customs procedure obliging the person concerned to pay import duties under normal conditions, and the said item is re-exported from the customs territory of the Community or destroyed under the control of the customs authorities, provided it is established that the item in question has not actually been used in the Community;
 - g the goods have been entered for a customs procedure involving the obligation to pay such duties by a declarant empowered to do so on his own initiative and, through no fault of the declarant, it has not been possible to deliver them to the consignee;
 - h the goods have been addressed to the consignee in error by the consignor;
 - i the goods are found to be unsuitable for the use for which the consignee intended them because of an obvious factual error in his order;
 - j after having been released for a customs procedure involving the obligation to pay import duties, the goods are found not to have complied, at the time of their release, with the rules in force concerning their use or marketing and therefore cannot be used for the purpose intended by the consignee;
 - k the use of the goods by the consignee for the purpose intended is prevented or substantially restricted as a result of measures of general scope taken, after the date of release for a customs procedure involving the obligation to pay import duties, by an authority or other body having the appropriate power of decision;
 - l total or partial import duty relief applied for by the person concerned in accordance with existing provisions cannot, through no fault of the person concerned, be granted by the customs authorities, who shall accordingly enter in the accounts the import duties which have become due;
 - m the goods reached the consignee after the binding delivery dates stipulated in the contract under which they were entered for a customs procedure involving the obligation to pay import duties;
 - n it has not been possible to sell the goods in the customs territory of the Community and they are delivered free of charge to charities;

- carrying out their activities in a third country, provided that they are represented in the Community,
- or
- carrying out their activities in the customs territory of the Community, provided that they are eligible for relief in the case of importation for free circulation of similar goods from third countries.

2 Without prejudice to paragraph 3, repayment or remission of import duties in the cases referred to in paragraph 1 (c) and (f) to (n) shall, except where the goods are destroyed by order of a public authority or delivered free of charge to charities carrying out their activities in the Community, be conditional upon their re-export from the customs territory of the Community under the supervision of the customs authorities.

If requested, the decision-making authority shall permit re-export of the goods to be replaced by their destruction or by placing them, with a view to re-export, under the external Community transit procedure, under the customs warehousing arrangements, or in a free zone or free warehouse.

Goods to be assigned one of these treatments shall be considered to be non-Community goods.

In this case, the customs authorities shall take all requisite measures to ensure that the goods placed in a customs warehouse, in a free zone or in a free warehouse may later be recognised as non-Community goods.

3 In the cases referred to in paragraph 1 (h) and (i), repayment or remission of import duties shall be conditional on re-export of the goods to the original supplier or to another address specified by him.

4 In addition, the supervising customs office must be satisfied that the goods have been neither used nor sold before their re-exportation.

Article 901

1 Import duties shall be repaid or remitted where:

- a goods entered in error for a customs procedure involving the obligation to pay import duties have been re-exported from the customs territory of the Community without having been previously entered for the customs procedure under which they should have been placed, provided the other conditions laid down in Article 237 of the Code have been met;
- b the goods have been re-exported or destroyed in accordance with Article 238 (2) (b) of the Code without customs supervision, provided the other conditions laid down in the said Article have been met;
- c the goods have been re-exported or destroyed without customs supervision in accordance with Article 900 (1) (c) and (f) to (n), provided the other conditions laid down in Article 900 (2) and (4) have been met.

2 Repayment or remission of import duties in the circumstances referred to in paragraph 1 shall be conditional on:

- a production of all the evidence needed to enable the decision-making customs authority to satisfy itself that the goods in respect of which repayment or remission is requested:
 - have actually been re-exported from the customs territory of the Community,
 - or

- have been destroyed under the supervision of authorities or persons empowered to certify such destruction officially;
- b the return to the decision-making customs authority of any document certifying the Community status of the goods in question under cover of which the said goods may have left the customs territory of the Community, or the presentation of whatever evidence the said authority considers necessary to satisfy itself that the document in question cannot be used subsequently in connection with any importation of goods into the Community.

Article 902

- 1 For the purposes of Article 901(2):
- a the evidence needed to enable the decision-making customs authority to satisfy itself that the goods in respect of which repayment or remission is requested have actually been re-exported from the customs territory of the Community shall consist of the presentation by the applicant of:
 - the original or a certified copy of the declaration for export of the goods from the customs territory of the Community,

and

 - certification by the customs office through which the goods actually left the customs territory of the Community.

Where such certification cannot be produced, proof that the goods have left the customs territory of the Community may be presented in the form of:

- certification by the customs office in the third country of destination confirming that the goods have arrived, or
- the original or a certified copy of the customs declaration for the goods made in the third country of destination.

These documents must be accompanied by administrative and commercial documentation enabling the decision-making customs authority to check that the goods exported from the customs territory of the Community are the same as those which had been declared for a customs procedure involving the obligation to pay import duties, namely:

- the original or a certified copy of the declaration for the said procedure,
- and
- where this is considered necessary by the decision-making customs authority, commercial or administrative documents (such as invoices, dispatch details, transit documents or health certificates) containing a full description of the goods (trade description, quantities, marks and other identifying particulars) which were presented with the declaration for the said procedure or with the declaration for export from the customs territory of the Community or the customs declaration made for the goods in the third country of destination, as the case may be;
 - b the evidence needed to enable the decision-making customs authority to satisfy itself that the goods in respect of which repayment or remission is requested have actually been destroyed under the supervision of authorities or persons authorized to certify officially such destruction shall consist of the presentation by the applicant of:
 - a report or declaration of destruction drawn up by the authorities under whose supervision the goods were destroyed, or a certified copy thereof, or

- a certificate drawn up by the person authorized to certify destruction, accompanied by evidence of his authority.

These documents shall contain a sufficiently full description of the destroyed goods (trade description, quantities, marks and other identifying particulars) to enable the customs authorities to satisfy themselves, by means of comparison with the particulars given in the declaration for a customs procedure involving the obligation to pay import duties and the accompanying commercial documents (invoices, dispatch details, etc.), that the destroyed goods are those which had been declared for the said procedure.

- 2 Where the evidence referred to in paragraph 1 is insufficient to allow the decision-making customs authority to take a decision on the case submitted to it in full knowledge of the facts, or where certain evidence is not available, such evidence may be supplemented or replaced by any other documents considered necessary by the said authority.

Article 903

- 1 For returned goods in respect of which an export duty was levied when they were exported from the customs territory of the Community, entry for free circulation shall give the right to repayment of the amounts levied.

- 2 Paragraph 1 shall apply only to goods which are in one of the situations referred to in Article 844.

It must be proved to the satisfaction of the customs office where the goods are declared for release for free circulation that the goods are in one of the situations referred to in Article 185 (2) (b) of the Code.

- 3 Paragraph 1 shall apply even where the returned goods constitute only a proportion of the goods previously exported from the customs territory of the Community.

Article 904

Import duties shall not be repaid or remitted where the only grounds relied on in the application for repayment or remission are, as the case may be:

- (a) re-export from the customs territory of the Community of goods previously entered for a customs procedure involving the obligation to pay import duties, for reasons other than those referred to in Article 237 or 238 of the Code or in Article 900 or 901, notably failure to sell;
- (b) destruction, for any reason whatsoever, save in the cases expressly provided for by Community legislation, of goods entered for a customs procedure involving the obligation to pay import duties after their release by the customs authorities;
- (c) presentation, for the purpose of obtaining preferential tariff treatment of goods declared for free circulation, of documents subsequently found to be forged, falsified or not valid for that purpose, even where such documents were presented in good faith.

Section 2

Decisions to be taken by the Commission

Article 905

1 Where the decision-making customs authority to which an application for repayment or remission under Article 239 (2) of the Code has been submitted cannot take a decision on the basis of Article 899, but the application is supported by evidence which might constitute a special situation resulting from circumstances in which no deception or obvious negligence may be attributed to the person concerned, the Member State to which this authority belongs shall transmit the case to the Commission to be settled under the procedure laid down in Articles 906 to 909.

The term ‘the person concerned’ shall be interpreted in the same way as in Article 899.

In all other cases, the decision-making customs authority shall refuse the application.

2 The case sent to the Commission shall include all the facts necessary for a full examination of the case presented.

As soon as it receives the case the Commission shall inform the Member State concerned accordingly.

Should it be found that the information supplied by the Member State is not sufficient to enable a decision to be taken on the case concerned in full knowledge of the facts, the Commission may ask for additional information to be supplied.

3 Without awaiting completion of the procedure laid down in Articles 906 to 909, the decision-making customs authority may, if requested, permit the customs formalities relating to the re-export or destruction of the goods to be carried out before the Commission has given a ruling on the application in question. Such permission shall be entirely without prejudice to the final decision on the application.

Article 906

Within 15 days of receipt of the case referred to in Article 905 (2) the Commission shall forward a copy thereof to the Member States.

Consideration of the case in question shall be included as soon as possible on the agenda of a meeting of the Committee provided for in Article 247 of the Code.

Article 907

After consulting a group of experts composed of representatives of all Member States, meeting within the framework of the Committee to consider the case in question, the Commission shall decide whether or not the special situation which has been considered justifies repayment or remission.

That decision shall be taken within six months of the date on which the case referred to in Article 905 (2) is received by the Commission. Where the Commission has found it necessary to ask for additional information from the Member State in order to reach its decision, the six months shall be extended by a period equivalent to that between the date the Commission sent the request for additional information and the date it received that information.

Article 908

1 The Member State concerned shall be notified of the decision referred to in Article 907 as soon as possible and in any event within 30 days of the expiry of the time limit set in Article 907.

A copy of the decision shall be sent to the other Member States.

2 The decision-making authority shall decide whether to grant or refuse the application made to it on the basis of the Commission's decision notified in accordance with paragraph 1.

3 Where it is established by the decision referred to in Article 907 that the circumstances under consideration justify repayment or remission, the Commission may, under conditions which it shall determine, authorize one or more Member States to repay or remit duties in cases involving comparable issues of fact and of law.

In such a case, the decision referred to in Article 907 shall also be notified to each Member State so authorized.

Article 909

If the Commission fails to take a decision within the time limit set in Article 907, or fails to notify a decision to the Member State in question within the time limit set in Article 908, the decision-making customs authority shall grant the application.

CHAPTER 4

Administrative assistance between the Customs authorities of the Member States

Article 910

In the cases referred to in Article 885 (2), the decision-making customs authority shall send the supervising customs office two copies of its request made out in writing on a form conforming to the model in Annex 112. The request shall be accompanied by originals or copies of the application for repayment or remission and of all documents necessary to enable the supervising customs office to obtain the information or carry out the checks requested.

Article 911

1 Within two weeks of the date of receipt of the request the supervising customs office shall obtain the information or carry out the checks requested by the decision-making customs authority. It shall enter the results obtained in the portion of the original of the document referred to in Article 910 reserved for that purpose and shall return the said document to the decision-making customs authority together with all the documents forwarded to it.

2 Where it is unable to obtain the information or carry out the checks requested within the two-week period referred to in paragraph 1, the supervising customs office shall acknowledge receipt of the request submitted to it within that period by returning to the decision-making customs authority the copy of the document referred to in Article 910 duly annotated.

Article 912

The implementing customs office shall send the certificate referred to in Article 887 (5) to the decision-making customs authority on a form conforming to the specimen in Annex 113.

PART V

FINAL PROVISIONS

Article 913

The following Regulation and Directives shall be repealed:

- Regulation (EEC) No 37/70 of the Commission of 9 January 1970 on determining the origin of essential spare parts for use with any piece of equipment machine, apparatus or vehicle dispatched beforehand⁽³¹⁾,
- Regulation (EEC) No 2632/70 of the Commission of 23 December 1970 determining the origin of radio and television receivers⁽³²⁾,
- Regulation (EEC) No 315/71 of the Commission of 12 February 1971 on determining the origin of basic wines intended for the preparation of vermouth, and the origin of vermouth⁽³³⁾,
- Regulation (EEC) No 861/71 of the Commission of 27 April 1971 on determining the origin of tape recorders⁽³⁴⁾,
- Regulation (EEC) No 3103/73 of the Commission of 14 November 1973 on certificates of origin and applications for such certificates⁽³⁵⁾,
- Commission Regulation (EEC) No 2945/76 of 26 November 1976 laying down provisions for the implementation of Council Regulation (EEC) No 754/76 on the customs treatment applicable to goods returned to the customs territory of the Community⁽³⁶⁾, as last amended by the Act of Accession of Spain and Portugal,
- Commission Regulation (EEC) No 137/79 of 19 December 1978 on the institution of a special method of administrative cooperation for applying intra-Community treatment to the fishery catches of vessels of Member States⁽³⁷⁾, as last amended by Regulation (EEC) No 3399/91⁽³⁸⁾,
- Commission Regulation (EEC) No 1494/80 of 11 June 1980 on interpretative notes and generally accepted accounting principles for the purposes of customs value⁽³⁹⁾,
- Commission Regulation (EEC) No 1495/80 of 11 June 1980 implementing certain provisions of Council Regulation (EEC) No 1224/80 on the valuation of goods for customs purposes⁽⁴⁰⁾, as last amended by Regulation (EEC) No 558/91⁽⁴¹⁾,
- Commission Regulation (EEC) No 1496/80 of 11 June 1980 on the declaration of particulars relating to customs value and on documents to be furnished⁽⁴²⁾, as last amended by Regulation (EEC) No 979/93⁽⁴³⁾,
- Commission Regulation (EEC) No 1574/80 of 20 June 1980 laying down provisions for the implementation of Articles 16 and 17 of Council Regulation (EEC) No 1430/79 on the repayment or remission of import or export duties⁽⁴⁴⁾,
- Commission Regulation (EEC) No 3177/80 of 5 December 1980 on the place of introduction to be taken into consideration in applying Article 14 (2) of Council Regulation (EEC) No 1224/80 on the valuation of goods for customs purposes⁽⁴⁵⁾, as last amended by Regulation (EEC) No 2779/90⁽⁴⁶⁾,
- Commission Regulation (EEC) No 3179/80 of 5 December 1980 on postal charges to be taken into consideration when determining the customs value of goods sent by post⁽⁴⁷⁾, as last amended by Regulation (EEC) No 1264/90⁽⁴⁸⁾,
- Commission Regulation (EEC) No 553/81 of 12 February 1981 on certificates of origin and applications for such certificates⁽⁴⁹⁾,
- Commission Regulation (EEC) No 1577/81 of 12 June 1981 establishing a system of simplified procedures for the determination of the customs value of certain perishable goods⁽⁵⁰⁾, as last amended by Regulation (EEC) No 3334/90⁽⁵¹⁾,

- Commission Directive 82/57/EEC of 17 December 1981 laying down certain provisions for implementing Council Directive 79/695/EEC on the harmonization of procedures for the release of goods for free circulation⁽⁵²⁾, as last amended by Directive 83/371/EEC⁽⁵³⁾,
- Commission Directive 82/347/EEC of 23 April 1982 laying down certain provisions for implementing Council Directive 81/177/EEC on the harmonization of procedures for the export of Community goods⁽⁵⁴⁾,
- Commission Regulation (EEC) No 3040/83 of 28 October 1983 laying down provisions for the implementation of Articles 2 and 14 of Council Regulation (EEC) No 1430/79 on the repayment or remission of import or export duties⁽⁵⁵⁾,
- Commission Regulation (EEC) No 3158/83 of 9 November 1983 on the incidence of royalties and licence fees in customs value⁽⁵⁶⁾,
- Commission Regulation (EEC) No 1751/84 of 13 June 1984 laying down certain provisions for the application of Council Regulation (EEC) No 3599/82⁽⁵⁷⁾, as last amended by Regulation (EEC) No 3693/92⁽⁵⁸⁾,
- Commission Regulation (EEC) 3548/84 of 17 December 1984 laying down certain provisions for the application of Regulation (EEC) No 2763/83 on arrangements permitting goods to be processed under customs control before being put into free circulation⁽⁵⁹⁾, as last amended by Regulation (EEC) No 2361/87⁽⁶⁰⁾,
- Commission Regulation (EEC) No 1766/85 of 27 June 1985 on the rates of exchange to be used in the determination of customs value⁽⁶¹⁾, as last amended by Regulation (EEC) No 593/91⁽⁶²⁾,
- Commission Regulation (EEC) No 3787/86 of 11 December 1986 on the annulment or revocation of authorizations issued under certain customs procedures with economic impact⁽⁶³⁾,
- Commission Regulation (EEC) No 3799/86 of 12 December 1986 laying down provisions for the implementation of Council Regulation (EEC) No 1430/79 on the repayment or remission of import or export duties⁽⁶⁴⁾,
- Commission Regulation (EEC) No 2458/87 of 31 July 1987 laying down provisions for the implementation of Council regulation (EEC) No 2473/86 on outward processing relief arrangements and the standard exchange system⁽⁶⁵⁾, as last amended by Regulation (EEC) No 3692/92⁽⁶⁶⁾,
- Commission Regulation (EEC) No 4128/87 of 9 December 1987 laying down conditions for the entry of flue-cured Virginia type, light air-cured Burley type (including Burley hybrids), light air-cured Maryland type and fire-cured tobacco, falling within subheadings 2401 10 10 to 2401 10 49 and 2401 10 49 and 2401 20 10 to 2401 20 49 of the combined nomenclature⁽⁶⁷⁾,
- Commission Regulation (EEC) No 4129/87 of 9 December 1987 specifying the conditions for the inclusion of certain live animals of the domestic bovine species and certain meat of the bovine species under the combined nomenclature listed in Annex C to the Agreement between the European Economic Community and Yugoslavia⁽⁶⁸⁾,
- Commission Regulation (EEC) No 4130/87 of 9 December 1987 laying down conditions for the entry of fresh table grapes of the variety Emperor (*Vitis vinifera cv*) falling within subheading 0806 10 11 of the combined nomenclature⁽⁶⁹⁾,
- Commission Regulation (EEC) No 4131/87 of 9 December 1987 determining the conditions of entry of port, Madeira, sherry, Setubal muscatel and Tokay (Aszu and Szamorodni) wines falling within subheadings 2204 21 41, 2204 21 51, 2204 29 41, 2204 29 45, 2204 29 51 and 2204 29 55 of the combined nomenclature⁽⁷⁰⁾, as last amended by Regulation (EEC) No 2490/91⁽⁷¹⁾,

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- Commission Regulation (EEC) No 4132/87 of 9 December 1987 determining the conditions for the inclusion of bourbon whiskey under subheadings 2208 30 11 and 2208 30 19 of the combined nomenclature⁽⁷²⁾,
- Commission Regulation (EEC) No 4133/87 of 9 December 1987 determining the conditions for the admission of vodka of combined nomenclature subheadings 2208 90 31 and 2208 90 59, imported into the Community, to the tariff conditions provided for in the agreement between the European Economic Community and the Republic of Finland on mutual trade in wines and spirituous beverages⁽⁷³⁾,
- Commission Regulation (EEC) No 4134/87 of 9 December 1987 determining the conditions of entry of preparations known as cheese fondues to be included under subheading 2106 90 10 of the combined nomenclature⁽⁷⁴⁾,
- Commission Regulation (EEC) No 4135/87 of 9 December 1987 determining the conditions of entry of natural sodium nitrate and natural potassic sodium nitrate falling within subheadings 3102 50 10 and 3105 91 10 respectively of the combined nomenclature⁽⁷⁵⁾,
- Commission Regulation (EEC) No 4136/87 of 9 December 1987 determining the conditions of entry of horses intended for slaughter under subheading 0101 19 10 of the combined nomenclature⁽⁷⁶⁾,
- Commission Regulation (EEC) No 4137/87 of 9 December 1987 determining the conditions of entry of goods under subheadings 0408 11 90, 0408 91 90, 0408 99 90, 1106 20 10, 2501 00 51, 3502 10 10 and 3502 90 10 of the combined nomenclature⁽⁷⁷⁾,
- Commission Regulation (EEC) No 4138/87 of 9 December 1987 determining the conditions under which certain potatoes, sweet corn, cereals, oil seeds and oleaginous fruit, for sowing, are eligible on import for a favourable tariff arrangement by reason of their end-use⁽⁷⁸⁾,
- Commission Regulation (EEC) No 4139/87 of 9 December 1987 determining the conditions under which certain petroleum products are eligible on import for a favourable tariff arrangement by reason of their end-use⁽⁷⁹⁾,
- Commission Regulation (EEC) No 4140/87 of 9 December 1987 determining the conditions of entry of bolting cloth, not made up, under subheading 5911 20 00 of the combined nomenclature⁽⁸⁰⁾,
- Commission Regulation (EEC) No 4141/87 of 9 December 1987 determining the conditions under which goods for certain categories of aircraft and ships are eligible on import for a favourable tariff arrangement by reason of their end-use⁽⁸¹⁾, as last amended by Regulation (EEC) No 1418/81⁽⁸²⁾,
- Commission Regulation (EEC) No 4142/87 of 9 December 1987 determining the conditions under which certain goods are eligible on import for a favourable tariff arrangement by reason of their end-use⁽⁸³⁾, as last amended by Regulation (EEC) No 3803/92⁽⁸⁴⁾,
- Commission Regulation (EEC) No 693/88 of 4 March 1988 on the definition of the concept of originating products for purposes of the application of tariff preferences granted by the European Economic Community in respect of certain products from developing countries⁽⁸⁵⁾, as last amended by Regulation (EEC) No 3660/92⁽⁸⁶⁾,
- Commission Regulation (EEC) No 809/88 of 14 March 1988 on the definition of the concept of 'originating products' and methods of administrative cooperation applicable to imports into the Community of products originating in the Occupied Territories⁽⁸⁷⁾, as last amended by Regulation (EEC) No 2774/88⁽⁸⁸⁾,
- Commission Regulation (EEC) No 4027/88 of 21 December 1988 laying down provisions for the temporary importation of containers⁽⁸⁹⁾, as last amended by Regulation (EEC) No 3348/89⁽⁹⁰⁾,

- Commission Regulation (EEC) No 288/89 of 3 February 1989 on determining the origin of integrated circuits⁽⁹¹⁾,
- Commission Regulation (EEC) No 597/89 of 8 March 1989 laying down provisions for the implementation of Council Regulation (EEC) No 2144/87 on customs debt⁽⁹²⁾,
- Commission Regulation (EEC) No 2071/89 of 11 July 1989 on determining the origin of photocopying apparatus, incorporating an optical system or of the contract type⁽⁹³⁾,
- Commission Regulation (EEC) No 3850/89 of 15 December 1989 laying down provisions for the implementation of Council Regulation (EEC) No 802/68 of 27 June 1968 on the common definition of the concept of the origin of goods in respect of certain agricultural products subject to special import arrangements⁽⁹⁴⁾,
- Commission Regulation (EEC) No 2561/90 of 30 July 1990 laying down provisions for the implementation of Council Regulation (EEC) No 2503/88 on customs warehouses⁽⁹⁵⁾, as last amended by Commission Regulation (EEC) No 3001/92⁽⁹⁶⁾,
- Commission Regulation (EEC) No 2562/90 of 30 July 1990 laying down provisions for the implementation of Council Regulation (EEC) No 2504/88 on free zones and free warehouses⁽⁹⁷⁾, as last amended by Commission Regulation (EEC) No 2485/91⁽⁹⁸⁾,
- Commission Regulation (EEC) No 2883/90 of 5 October 1990 on determining the origin or grape juice⁽⁹⁹⁾,
- Commission Regulation (EEC) No 2884/90 of 5 October 1990 on determining the origin of certain goods produced from eggs⁽¹⁰⁰⁾,
- Commission Regulation (EEC) No 3561/90 of 11 December 1990 on determining the origin of certain ceramic products⁽¹⁰¹⁾,
- Commission Regulation (EEC) No 3620/90 of 14 December 1990 on determining the origin of the meat and offals, fresh, chilled or frozen, of certain domestic animals⁽¹⁰²⁾,
- Commission Regulation (EEC) No 3672/90 of 18 December 1990 on determining the origin of ball, roller or needle roller bearings⁽¹⁰³⁾,
- Commission Regulation (EEC) No 3716/90 of 19 December 1990 laying down provisions for the implementation of Council Regulation (EEC) No 4046/89 on the security to be given to ensure payment of a customs debt⁽¹⁰⁴⁾,
- Commission Regulation (EEC) No 3796/90 of 21 December 1990 laying down provisions for the implementation of Council Regulation (EEC) No 1714/90 on the information provided by the customs authorities of the Member States concerning the classification of goods in the customs nomenclature⁽¹⁰⁵⁾, as last amended by Regulation (EEC) No 2674/92⁽¹⁰⁶⁾,
- Commission Regulation (EEC) No 1364/91 of 24 May 1991 determining the origin of textiles and textile articles falling within Section XI of the Combined Nomenclature⁽¹⁰⁷⁾,
- Commission Regulation (EEC) No 1365/91 of 24 May 1991 on determining the origin of cotton linters, impregnated felt and nonwovens, articles of apparel of leather, footwear and watch straps of textiles⁽¹⁰⁸⁾,
- Commission Regulation (EEC) No 1593/91 of 12 June 1991 providing for the implementation of Council Regulation (EEC) No 719/91 on the use in the Community of TIR carnets and ATA carnets as transit documents⁽¹⁰⁹⁾,
- Commission Regulation (EEC) No 1656/91 of 13 June 1991 laying down special provisions applicable to certain types of inward processing operations or processing under customs control⁽¹¹⁰⁾,
- Commission Regulation (EEC) No 2164/91 of 23 July 1991 laying down provisions for the implementation of Article 5 (2) of Council Regulation (EEC) No 1697/79 on the post-clearance recovery of import duties or export duties which have not been

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- required of the person liable for payment on goods entered for a customs procedure involving the obligation to pay such duties ⁽¹¹¹⁾,
- Commission Regulation (EEC) No 2228/91 of 26 June 1991 laying down provisions for the implementation of Regulation (EEC) No 1999/85 on inward processing relief arrangements ⁽¹¹²⁾, as last amended by Regulation (EEC) No 3709/92 ⁽¹¹³⁾,
 - Commission Regulation (EEC) No 2249/91 of 25 July 1991 laying down provisions for the implementation of Council Regulation (EEC) No 1855/89 for the temporary importation of means of transport ⁽¹¹⁴⁾,
 - Commission Regulation (EEC) No 2365/91 of 31 July 1991 laying down the conditions for use of the ATA carnet for the temporary importation of goods into the customs territory of the Community or their temporary exportation from that territory ⁽¹¹⁵⁾,
 - Commission Regulation (EEC) No 3717/91 of 18 December 1991 drawing up the list of goods which may benefit from the arrangements permitting goods to be processed under customs control before being put into free circulation ⁽¹¹⁶⁾, as last amended by Regulation (EEC) No 209/93 ⁽¹¹⁷⁾,
 - Commission Regulation (EEC) No 343/92 of 22 January 1992 on the definition of the concept of originating products and methods of administrative cooperation applicable to imports into the Community of products originating in the Republics of Croatia and Slovenia and the Yugoslav Republics of Bosnia-Herzegovina and Macedonia ⁽¹¹⁸⁾, as last amended by Regulation (EEC) No 3660/92 ⁽¹¹⁹⁾,
 - Commission Regulation (EEC) No 1214/92 of 12 April 1992 on provisions for the implementation of the Community transit procedure and for certain simplifications of that procedure ⁽¹²⁰⁾, as last amended by Regulation (EEC) No 3712/92 ⁽¹²¹⁾,
 - Commission Regulation (EEC) No 1823/92 of 3 July 1992 laying down detailed rules for the application of Council Regulation (EEC) No 3925/91 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 taking an intra-Community sea crossing ⁽¹²²⁾,
 - Commission Regulation (EEC) No 2453/92 of 31 July 1992 implementing Council Regulation (EEC) No 717/91 concerning the Single Administrative Document ⁽¹²³⁾, as last amended by Regulation (EEC) No 607/93 ⁽¹²⁴⁾,
 - Commission Regulation (EEC) No 2674/92 of 15 September 1992 supplementing the implementing provisions of Council Regulation (EEC) No 1715/90 on the information provided by the customs authorities of the Member States concerning the classification of goods in the customs nomenclature ⁽¹²⁵⁾,
 - Commission Regulation (EEC) No 2713/92 of 17 September 1992 on the movement of goods between certain parts of the customs territory of the Community ⁽¹²⁶⁾,
 - Commission Regulation (EEC) No 3269/92 of 10 November 1992 laying down certain implementing provisions of Articles 161, 182 and 183 of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code, relating to the export and re-export procedure and to goods leaving the customs territory of the Community ⁽¹²⁷⁾,
 - Commission Regulation (EEC) No 3566/92 of 8 December 1992 on the documents to be used for the purpose of implementing Community measures entailing verification of the use and/or destination of goods ⁽¹²⁸⁾,
 - Commission Regulation (EEC) No 3689/92 of 21 December 1992 laying down detailed rules for the application of Council Regulation (EEC) No 719/91 on the use in the Community of TIR carnets and ATA carnets as transit documents and of Council Regulation (EEC) No 3599/82 on temporary importation arrangements ⁽¹²⁹⁾,

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- Commission Regulation (EEC) No 3691/92 of 21 December 1992 laying down provisions for the implementation of Council Regulation (EEC) No 719/91 on the use in the Community of TIR carnets and ATA carnets as transit documents and Council Regulation (EEC) No 3599/82 on temporary importation arrangements ⁽¹³⁰⁾,
- Commission Regulation (EEC) No 3710/92 of 21 December 1992 establishing the procedures for transfers of goods or products covered by inward processing arrangements (suspension system) ⁽¹³¹⁾,
- Commission Regulation (EEC) No 3903/92 of 21 December 1992 on air transport costs ⁽¹³²⁾.

Article 914

References to the provisions repealed shall be understood as referring to this Regulation.

Article 915

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

It shall apply from 1 January 1994.

Article 791 (2) shall cease to apply from 1 January 1995.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 2 July 1993.

For the Commission

Christiane SCRIVENER

Member of the Commission

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- (1) OJ No L 270, 14. 2. 1970, p. 1.
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- (4) OJ No L 169, 10. 7. 1969, p. 3.
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