

Guide to Customs Procedures for Short Sea Shipping

COMMISSION STAFF WORKING DOCUMENT



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EXECUTIVE SUMMARY

The purpose of this Guide is to set out, in a factual form for interested parties, the EC Customs rules as they apply to Short Sea Shipping, with a view to facilitating its use.

Essential to understanding Customs rules as they apply to Short Sea Shipping is the distinction in EC Customs territory – where the EC has jurisdiction over goods - and non-EC Customs territory – where it has no jurisdiction. The introduction of goods into the EC Customs territory entails the application of EC and national legislation on goods which may be of a financial nature (duties and fiscal charges), or commercial policy (for example, Common Agricultural Policy), or of public interest (embargoes, protection of trademarks, patents, etc.).

This Customs principle applies just as much to road, rail and air as to shipping and it cannot be expected to vary according to the mode of transport.

The effects of introducing goods into the EC Customs territory are, however, different according to the Customs status of a good: whether it is treated as a Community good (meaning that all Customs formalities have been complied with) or not, a so-called non-Community good. This distinction and the conditions and evidence for proving the Community status of goods are explained in detail in this guide.

In the transport of goods, the loss of Community status is an important aspect for (Community) goods that left at one point the EC Customs territory only to re-enter the EC Customs territory at another point.

In the case, for example, of road haulage (where normally trucks remain within EC Customs territory) a truck leaves that territory when it crosses a border with a third country even when the final destination of the truck is a point within the EC Customs territory.

When a ship sails from a Community port for another, it leaves the EC Customs territory only to enter the Customs territory again when it arrives at the other port, where it is then treated accordingly.

In 1998, Short Sea Shipping was presented a new concept, the 'regular shipping service', which dispenses with the requirement to prove the status of the Community goods carried by this service. The character of the regular shipping service is comparable to that of a bridge inside the Community that trucks cross on their journey, in this case the vessel being both truck and bridge.

After Customs status, the guide explains the basic principles and rules of the main Customs procedures: the import procedure as it concerns Short Sea Shipping as well as the export procedure.

The guide further extensively treats the Customs transit procedure applied to certain goods on a 'regular shipping service' including the two levels of simplification Short Sea Shipping may benefit from.

Both standard procedures and the simplified ones implemented by Customs authorities in the individual Member States are described in this Guide. Collectively, the simplified procedures offer a great deal in terms of time, money and inconvenience saved.

The Commission hopes that operators will take advantage of the flexible solutions offered under Customs rules to suit their individual needs and welcomes a substantive discussion where this could further help Short Sea Shipping.

Introduction

Short Sea Shipping and Customs: practicalities and procedures

The purpose of this Guide is twofold. Firstly, to describe, for those concerned with Short Sea Shipping, the various procedural requirements of the Customs services of the EU as they apply to their activities. Secondly, to provide the basis for informed discussion of the subject. For many years now, the stakeholders concerned have expressed the feeling that Customs formalities have made Short Sea Shipping more complex, time-consuming and costly than it might otherwise have been. However, in the opinion of the European Commission, the problem areas have so far not been sufficiently identified for suitable remedies to be found.

The Guide, therefore, is intended not only to assist those concerned with Short Sea Shipping with meeting the Customs requirements applicable to them, but may also serve as a basis for discussing the practicalities of this. It should be read in that light and comments on its various aspects will be welcome.

The background

The EC ports represent the line between EC Customs territory and non-EC Customs territory and the crossing of this line produces certain effects, which give rise to action by Customs. The Customs controls applied to ships entering or leaving EC ports reflect this. Because Customs cannot be certain that a ship entering an EC port has not visited a non-EC port during its voyage, Short-Sea Shipping, which may carry goods of Community, non-Community status or mixed consignments containing both, for import, export or transit, will in principle be subject to the same controls as Deep-Sea Shipping.

There are, however, simplified (control) procedures from which Short Sea Shipping may benefit. It is the purpose of this Guide to explain both the standard and the simplified procedures, together with the requirements which need to be fulfilled in order to qualify for the latter. More specifically, once a Short Sea Shipping Service has been authorised as a regular service, such recognition may allow the documentary and other conditions applied to its ships to be simplified. There still remains, however, the question of the different Customs treatments arising from the different status of goods and the various regimes under which they are transported. These treatments and the scenarios which give rise to them are not always easy to understand. They are set out in summary form in the Chart at page 12 and are further explained in the course of this Guide. The aim is to make their application clear and to enable Short Sea Shipping stakeholders to gauge their effects on their own activities.

Disclaimer

This Guide is of an explanatory nature, and should not be regarded as a statement by the European Commission of the Customs law and rules applying within the EC.

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What is the Customs Union?

After the creation of the European Economic Community (EEC) in 1958, one of the first goals set by the six founding Member States was the creation of a tariff union, which would abolish all Customs duties on trade between them.

The Customs union, completed in 1968, has two main characteristics, the effect of which was:

- (a) to remove all Customs duties on trades between the Member States and
- (b) to introduce a common Customs tariff which meant a single tariff applied across the EEC for goods imported from third countries.

A number of pieces of Customs legislation brought greater administrative Customs harmonisation, leading up to 1988 when the *Single Administrative Document (SAD)*, was introduced which replaced over 100 forms previously used in the Member States. This document, or the appropriate sections of it, is used in the Customs procedures which apply to short sea shipping but alternatives based on commercial documents may be accepted by Customs.

Customs authorities of Member States

Each port in the EC through which goods are transported and processed by Customs has at least one Customs office. This may be located within the port area or within a short distance of the port. The Customs authorities of the Member States of the EU apply EU Customs legislation, often implemented and complemented by national rules, and provide information on their Customs procedures and requirements. The rules are available from web sites which are listed in Annex VI.

Before describing the different Customs procedures which are relevant to short sea shipping, it is important to explain the concept of the status of goods.

STATUS OF GOODS

What is the status of goods and why is it important?

The Customs status of goods¹ plays a major role in Customs matters: In order to explain the various Customs procedures, it is vital to understand the role of the status of goods, proof of which may have to be produced.

Goods are divided into two status categories:

- Community goods and
- Non-Community goods.

Community goods:

- Wholly obtained in the Customs territory of the European Community; or
- Have been imported from countries or territories not forming part of the Customs territory of the Community which have been released for free circulation; or,
- Have been obtained or produced in the Community, either from goods referred to in the second bullet point or from goods referred to in the first and second bullet points.

Non-Community goods:

- All goods other than Community goods, including Community goods that have lost their Community status.

NB: Community goods whose Community status cannot be proved, where required, will be considered to be non-Community goods.

If goods are in free circulation, is proof of Community status always required on arrival in a port?

Yes, **unless** Community goods are carried between ports in the Customs territory of the Community on an ‘authorised regular shipping service’ (see Annex I).

When can the Community status of goods be established?

The circumstances in which the Community status of goods can be established (where appropriate) are when goods have been:

- (1) brought from another Member State without crossing the territory of a third country; or
- (2) brought from another Member State through the territory of a third country and carried under cover of a single transport document issued in a Member State; or
- (3) transhipped in a third country via a means of transport other than that onto which they were initially loaded and under a new transport document. The new document must be

¹ Article 4, par. 6-8 Community Customs Code (CCC)

accompanied by a copy of the original document covering carriage from the Member State of departure to the Member State of destination.

If the above does not apply, the goods will be considered to have non-Community status.

How can the Community status of goods be proved?

Community status of goods can be proved by²:

- a T2L (copy 4 of the Single Administrative Document);
- a T2LF (copy 4 of the SAD, for goods transported to, from or between a part of the Community Customs territory where the provisions of Directive 77/388/EC (VAT) do not apply³);
- a properly completed invoice or transport document, relating only to the Community goods, indicating code T2L/T2LF, as appropriate;
- a shipping company's manifest, completed and endorsed by the competent office, indicating "C" for Community goods, "F" for goods to, from, or between the non-fiscal territories, and "N" for other goods (on an 'other' shipping service);
- the shipping company's manifest, where the simplified transit procedures (level 2) are used, indicating the code "C" for Community goods;
- a voucher of a TIR or an ATA carnet⁴ showing the symbol T2L and authenticated by Customs;
- registration plates and registration documents for motor vehicles registered in a Member State, if these clearly establish their Community status;
- declaration of Community status for packaging, receptacles, packing, pallets and other similar equipment, but not containers, returned empty from other Member States, unless there is doubt;
- declaration of Community status for passengers' accompanied baggage (goods not intended for commercial use); this will suffice unless there is doubt;
- the Administrative Accompanying Document (AAD), provided for in Regulation (EEC) No 2719/92, to cover the movement of free circulation excisable goods;
- a T2M document for products of sea fishing and the goods obtained from such products caught by Community vessels in waters other than the territorial waters of a country or territory outside the Customs territory of the Community;

² Articles 5, 9-12, Appendix II, Convention; Article 314c, paragraph 1, IPC - Implementing Provisions of the Community Customs Code.

³ The Channel Islands, Canary Islands, the French Overseas Departments: Guadeloupe, Martinique, Guyana and Réunion, Mount Athos, The Åland Islands.

⁴ The ATA carnet is an international Customs document used for the temporary admission of goods for specific purposes e.g. for displays, exhibitions and fairs as professional equipment and as commercial samples.

- a special label affixed to the postal packages and accompanying documents where such packages are carried to/from or between the non-fiscal territories; without such a label they are presumed to have Community status, including parcel post) when carried from one point to another within the Customs territory of the Community;
- a document certifying the Community status of the goods which are in a free zone or warehouse;
- a control copy T5 (used where export from the Community is prohibited or subject to restriction, export duty or other charge).

Status documents or rules cannot be used in respect of goods for which the export formalities have been completed (except for exports to an EFTA or Visegrad country under a T2 transit procedure) or which have been placed under the inward processing procedure (drawback system).

NOTE: Community goods placed under the internal Community transit procedure maintain their Community status.

The use of a shipping company's manifest to prove the Community status of goods

Where shipping company's manifests (on an 'other' shipping service, see A2 on page 13) are used to prove the Community status of goods these shall include the following information:

- the name and full address of the shipping company ;
- the name of the vessel ;
- the place and date of loading ;
- the place of unloading ;

For each consignment:

- a reference to the bill of lading or other commercial document ;
- the number, description, marks, and reference numbers of the packages ;
- the normal trade description of the goods including sufficient detail to permit their identification ;
- the gross mass in kilograms ;
- the container identification number, where applicable;
- the following entries for the status of the goods, as appropriate:
 - the letter 'C' (equivalent to T2L) for goods whose Community status can be demonstrated;

- the letter ‘F’ (equivalent to T2LF) for goods whose Community status can be demonstrated, consigned to, from, or between a part of the Community Customs territory where the provisions of Directive 77/388/EC do not apply;
- the letter ‘N’ for all other goods.

At the request of the Shipping Company a completed, signed manifest shall be endorsed by the competent office.

SIMPLIFIED PROCEDURES

Proof of Community status by an authorised consignor

If an applicant fulfils certain conditions, the Customs authorities may authorise a person, who is known as the “authorised consignor”, to use T2L documents and commercial documents as status documents without having to present them for endorsement to the competent office (also see page 27 ‘Authorised consignor’).

Proof of Community status and use of an electronic shipping manifest

Shipping companies who have authorised consignor status may be authorised not to draw up the manifest serving to demonstrate the Community status of goods until, at the latest, the day after the departure of the vessel and, in any case, before its arrival at the port of destination.

1. The authorisation shall be granted only to shipping companies which fulfil all the following conditions:
 - they use an electronic data interchange system to transmit manifest information between the ports of departure and destination ; and
 - the shipping company is based in an EC Member State or has a regional office there, and,
 - it operates a significant number of voyages between the EC Member States on recognised routes.

For the conditions to be granted authorised consignor status refer to page26-27.

2. The manifest must be approved by Customs prior to use and include at least the following information:
 - (1) name and full address of the shipping company
 - (2) identity of the vessel;
 - (3) place and date of loading;
 - (4) place of unloading
 and, for each consignment:
 - (1) reference for the bill of lading or other commercial document;

- (2) number, description, marks and reference numbers of the packages;
 - (3) the normal trade description of the goods including sufficient detail to permit their identification;
 - (4) gross mass in kilograms;
 - (5) the container identification numbers, where appropriate;
- the following entries for the status of the goods, as appropriate:
 - the letter ‘C’ (equivalent to T2L) for goods whose Community status can be demonstrated;
 - the letter ‘F’ (equivalent to T2LF) for goods whose Community status can be demonstrated, consigned to, from, or between a part of the Community Customs territory where the provisions of Directive 77/388/EC do not apply;
 - the letter ‘N’ for all other goods.

On request, a printout of the manifest shall be presented to the Customs authorities at the port of departure at the latest on the working day following the departure of the vessel and in any case before it arrives at the port of destination.

3. A printout of the manifest shall be presented to the Customs authorities at the port of destination.

STANDARD PROCEDURES

There are standard Customs procedures in place for the importation of goods to, exportation from and transit across the territory of the EC. They apply to all shipping unless a shipping company is eligible for authorisation to use simplified procedures.

Simplified procedures for imports and exports

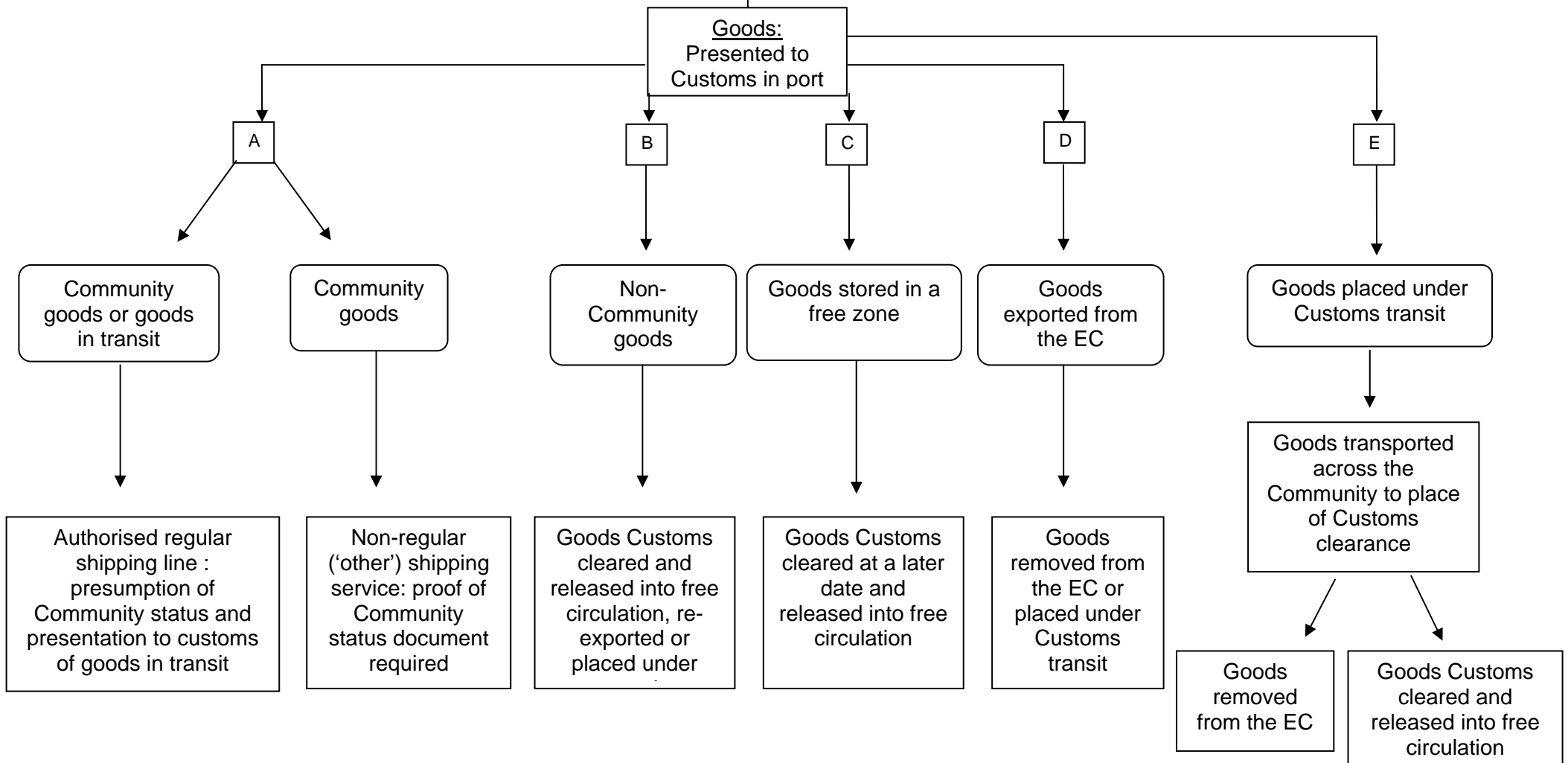
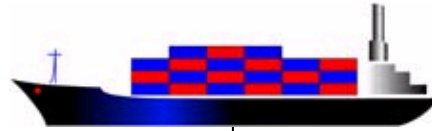
The Community regulations⁵ relating to the simplifications for imports and exports leave implementation to the discretion of the Customs authorities of the Member States. Their authorisation must be given in order to make use of the simplifications (see Annex II).

Simplified procedures for transit

Only authorised regular shipping services are eligible to apply for authorisation from Customs to use simplified transit procedures. Details of the procedures are covered in detail on pages 25-34.

⁵ CCC Art 76 & IPC Art. 253-278

Selected Customs Procedures in the EC



ROUTE A:

COMMUNITY GOODS ARE TRANSPORTED WITHIN THE EC.

For Customs procedures, there are two categories of short sea shipping operators within the EC:

- **A1 - ‘authorised regular shipping service’.** A shipping company requires authorisation by the competent Customs authority to become an ‘authorised regular shipping service’. The conditions which the shipping company must fulfil in order to be authorised are set out in Annex I. Once such authorisation has been given, the shipping company has the advantage that it is not required to prove the Community status of the goods, **unless Customs demonstrates the contrary**⁶.
- **A2 – non-regular (‘other’) shipping services.** If a service-provider does not qualify for, or wish to obtain ‘regular shipping service’ authorisation, the service is categorised as ‘other’. Proof of the Community status of goods carried is required.

THE PROCEDURE

‘Authorised regular shipping service’

An ‘authorised regular shipping service’ works in practice like a bridge carrying goods between ports within the EC. There is no need to prove the status of Community goods where these are carried by an ‘authorised regular shipping service’.

However, where the service also carries goods under T1 (external transit) or T2F (internal transit) these latter goods must be presented to the Customs office of destination or the authorised consignee (see p27-28), as appropriate. The list of transit Customs offices is available at http://europa.eu.int/comm/taxation_Customs/dds/en/csrdhome.htm.

‘Other’ shipping services

Presentation of goods

All ‘other’ shipping services carrying Community goods are obliged upon arrival at an EC port to present information to the Customs authorities in the required manner that the goods have arrived⁷.

All goods arriving in an EC port must be landed at a Customs-approved wharf and presented to the Customs authorities. The presentation must be made by:

- the person who has brought the goods into the Customs territory of the Community; or
- the person who assumes responsibility for their onward carriage.

⁶ The authorised regular shipping service may also carry non-Community goods or Community goods to, from or between a part of the Community Customs territory where the provisions of Directive 77/388/EC (VAT) do not apply. In these cases a transit declaration T1 or T2F respectively must be issued and a guarantee must be lodged if the standard transit procedure applies.

⁷ Articles 37-57 CCC

Details of approved wharves are available from national Customs authorities of the Member States⁸.

Summary declaration

Goods must be presented with a Summary declaration as described below for Route B.

Can presentation be waived?

No.

Unloading and storage of goods

Goods may only be unloaded from a ship after presentation, lodging of a summary declaration and with Customs permission at places approved by Customs. Details of approved places are available from national Customs authorities of the Member States. In emergencies, goods may be unloaded for safety reasons without permission. However, Customs must be informed immediately once the goods have been unloaded. Customs may also require the unloading of the goods, so that they may be examined.

⁸ Articles 182-189 IPC

ROUTE B:

NON-COMMUNITY GOODS ARE BROUGHT INTO THE EC, CLEARED BY CUSTOMS AND RELEASED INTO FREE CIRCULATION AS COMMUNITY GOODS

THE PROCEDURE

Presentation and summary declaration

Presentation is carried out as for Route A, above. Summary declaration is carried out as follows:

Summary declaration

Presentation of goods must be accompanied by a 'summary declaration' containing the information which identifies them. It should normally be made at the same Customs office as presentation. The declaration must be made by:

- the person who conveyed the goods into the Community;
- the person who assumes responsibility for their onward carriage;
- the shipping company; or
- the representative of any of the above.

Customs may accept commercial documents or computer records if they contain the necessary details. Acceptable commercial documents include:

- bills of lading;
- container manifests;
- loading lists;
- manifests; and
- consignment records (on computerised inventory systems).

The Customs office at the place of unloading should be contacted to agree which commercial documents are acceptable.

Normally, presentation and summary declaration are combined. If the formalities necessary for the goods to be assigned a Customs-approved treatment or use (e.g. release into free circulation, placing under a suspensive procedure, destruction, re-export) before the time when the summary declaration has to be made are completed, Customs may waive the lodging of the summary declaration. The Customs office at the place of unloading should be contacted to check whether a waiver is acceptable.

Are lightering/lightening operations allowed ?

Yes. Where it is necessary for cargo to be transferred at sea from an importing ship at deep-water anchorage to smaller vessels, e.g. barges for delivery ashore, Customs permission may be given for these operations. The Customs office at the place of unloading should be contacted to agree procedures for transporting the goods to an approved wharf. Customs will impose conditions and specify the route the goods must take.

Are there restrictions on the movement of goods after unloading?

Yes. After presentation and lodging of the summary declaration, the goods have the status of being in temporary storage until they are assigned to a Customs approved treatment or use (e.g. release into free circulation). While in temporary storage, goods may not be removed, opened or examined without Customs permission, and may only be handled in a way which preserves them without changing them. They may be stored only in places approved by Customs. These are called 'temporary storage facilities'.

Wharves and transit sheds in ports may be approved as places for temporary storage purposes subject to conditions being met. Details of these conditions are available from national Customs authorities of the Member States.

ROUTE C:

GOODS ARE BROUGHT INTO THE EC AND PLACED IN A FREE ZONE PRIOR TO BEING CLEARED AND RELEASED INTO FREE CIRCULATION.

What is a free zone?

A free zone is a special area belonging to the Community Customs territory in which:

- non-Community goods are considered for the purposes of import duties and commercial policy measures as being outside the Community Customs territory, provided that these goods are neither released for free circulation, nor entered for a Customs procedure giving rise to the incurrance of a Customs debt, not used or consumed within the zone. VAT payment is suspended as long as the goods remain in the zone, however for the supply of goods and services to the zone, VAT is generally due.
- Community goods, prior to their physical exportation, may be considered to have been exported taking into account the application of measures normally attached to exportation (e.g. export refunds, reimbursement or remission of Customs duties).

What types of free zones are there?

Free zones differ according to the way in which Customs controls are executed. Basically, free zones can be controlled in two ways⁹:

- Where a free zone is enclosed, controls are principally based on the physical barrier of a fence. In this case, the free zone is classified as a free zone of 'control type I'.
- Where the free zone is an open space, controls are principally carried out in accordance with the requirements of the Customs warehousing procedure. In this case the free zone is categorised as 'control type II'.

Which goods can be placed in a free zone?

In principal, all kinds of goods can be stored in a free zone, regardless of the type of good, quality or origin, without prejudice to other fields of legislation (e.g. exclusion of goods restricted on safety grounds etc). Furthermore, Customs authorities may require that goods which present a risk or are likely to spoil other goods or which, for other reasons, require special facilities, be placed in premises specially equipped to receive them.

THE PROCEDURE

Placing goods in a free zone

Control type I: Goods are generally placed in the free zone of 'control type I' by virtue of their physical entry into the zone directly from a third country by sea. In general, goods entering a free zone of control type I neither need to be presented to Customs authorities nor need a Customs declaration to be made.

⁹ Arts 166–181 CCC & Arts 799-814 IPC, List of free zones can be found in : OJ C n° 50/2002

Control type II: Goods to be placed in the free zone of ‘control type II’ need to be presented to Customs (including the lodging of a summary declaration) and are subject to a Customs declaration. The goods are not considered to be free-zone goods solely by virtue of their physical entry into the free zone type II.

The operation of free zones

Control type I: Where goods are placed in a free zone, they must be documented in ‘stock records’ to be approved by the Customs authorities. These stock records must enable Customs to identify the goods and must record their movements. To this end, the stock records include particulars, such as goods description, quantity, reference particulars of transport documents.

Where goods are merely transhipped within a free zone, they need not be entered into the stock records. However, the documents relating to the operation must be at the disposal of Customs upon request.

Control type II: Where goods are placed into a free zone of control type II, they must also be documented in the ‘stock records’ enabling Customs to identify the goods and to monitor their movements. However, this information is much more detailed than that required for control type I, because the entire Customs check is based on these records. Therefore, the stock records must contain information such as:

- particulars of Customs declarations;
- how goods are assigned another Customs approved treatment or use; or
- information on temporary removal etc.

Removal of goods from a free zone

When goods are removed from a free zone with the intention of being released into free circulation, the same procedure applies as in Route B. If the goods are placed under a transit procedure, the same procedure applies as for Route E. Except in certain cases, no Customs declaration is needed for non-Community goods which are re-exported from a free zone. In this case, prior notification of the Customs authorities is sufficient. Such notification is not required in the case of re-exportation of non-Community goods which are not unloaded or which are transhipped. If Community goods are exported from a free zone, the same procedure applies as for Route D.

ROUTE D:

GOODS ARE EXPORTED FROM THE EC

When are export declarations required?

Export declarations are required for Community goods exported to a non-EC country or to one of the parts of the Community Customs territory where the provisions of Directive 77/388/EC (VAT) do not apply.

They are used to

- allow payment of any export duties;
- apply export refunds;
- repay or remit certain taxes, such as VAT;
- check on the movements of goods which are licensable, prohibited or restricted and
- compile official trade statistics.

What is the difference between the office of export and the office of exit?

An office of **export** is a Customs office where the export declaration is presented. An office of **exit** for goods exported by sea is the last Customs office visited by the vessel before the goods leave the EC Customs territory. However, in case of a single transport contract the Customs office of exit will be the Customs office at the place where a shipping company takes over the goods under a single transport contract for carriage to a third country. . A Customs office can be both an office of export and office of exit.

STANDARD AND SIMPLIFIED PROCEDURES

As is the case for importing goods to or shipping goods between EU Member States, there are standard and simplified procedures for the export of goods which can be used subject to certain conditions (see Annex II for the simplified procedures).

The standard procedure

The declarant must present the goods, the export declaration and, where necessary, the export authorisation or licence to the office of export:

- where the exporter is established; or
- where the goods are packed or loaded for export.

Exceptions to this rule are possible only for duly justified reasons. Examples are:

- a change of contract and
- a diversion of goods from their original destination.

The closure of a Customs office at the time of export is **not** acceptable grounds for lodging the export declaration in another place.

The Customs office to which the goods and the export declaration have been presented releases the goods for export on condition that they leave the EC Customs territory in the same condition as when the declaration was accepted. Copy 3 of the declaration and goods are finally presented to the Customs office of the port of exit which satisfies itself that the goods presented correspond to those declared and supervises their physical departure.

Some national Customs authorities use electronic systems on which Customs declarations can be made. Details are available from national Customs authorities of the Member States.

When a person claims export refunds, he must:

- lodge the export declaration with the competent Customs office in the place in which the products are to be loaded for export transport, and
- inform that Customs office at least 24 hours prior to starting the loading operations and indicate the anticipated duration of the loading, unless the Customs authorities stipulate another time limit.

In this case, the place of loading is:

- in the case of goods exported in containers, the place where they are loaded into the containers,
- in the case of goods exported in bulk, sacks, cartons, boxes, bottles, etc., the place where the means of transport leaving the EC Customs territory is loaded.

What is the significance of the date of acceptance of an export declaration?

The effective date for the export procedure is the date of acceptance of the lodged export declaration by Customs. The goods must not be removed from the place of presentation until positively released by Customs. The goods remain under Customs supervision until they leave the Customs territory of the Community. **The date of acceptance is important because of the effect it can have on any export charges or refunds or on licensing requirements.**

What is the procedure for exports exiting the Community via another Member State?

Clearance of goods arriving at an office of exit in one Member State without evidence that the export declaration has been accepted by the competent Customs office of export is likely to be delayed. Unless there is a duly justified reason, export formalities will have to be completed with the competent Customs office of export. This will involve return of the goods to that Customs office for presentation purposes.

Where goods are declared for export in one Member State but exit the EC Customs territory via another, an endorsed SAD copy 3 must normally accompany the goods to the office of exit (to indicate that export formalities have already been carried out for the consignment in the country of export).

However, where goods exported by sea are taken over by the shipping company for export under a single transport contract, the office competent for the place where the goods are taken over is also the office of exit.

The SAD copy 3 is not required to travel with the goods beyond the office of exit. The transport document (for example, the standard shipping note or manifest) will be endorsed

“EXPORT” in red by Customs at the office of exit. This then becomes the evidence to Customs that the goods have been cleared for export. It also constitutes commercial evidence that the goods have been exported from the Community.

Exporting goods following Community transit

In those cases where, for goods to be exported, a transit procedure across the Community must be used, the office of departure shall endorse **all** copies of the transit document with ‘EXPORT’ in red ink. Once this has been done copy 3 of the SAD is also endorsed and given to the person presenting the goods.

Note: Status documents or rules cannot be used in respect of goods for which the export formalities have been completed (except for exports to an EFTA or Visegrad country under a T2 transit procedure) or which have been placed under the inward processing procedure (drawback system¹⁰).

Prohibition or restriction of exporting certain goods

There are some goods for which export is prohibited or restricted. Details are available from national Customs authorities of the Member States.

¹⁰ Goods in an unaltered state which have undergone Customs formalities on export to third countries in order to discharge the inward processing procedure with a view to obtaining repayment or remission of Customs duty.

ROUTE E:

GOODS ARE TRANSPORTED ACROSS THE TERRITORY OF THE EC UNDER CUSTOMS TRANSIT OR ANOTHER SUSPENSIVE REGIME.

If non-Community goods arrive at a point of entry, but are intended to be released into free circulation in another place, they must be placed under a *transit procedure*.

What is the function of transit?

Transit is an important Customs facility available to transport operators and importers to enable goods to cross a given territory without paying the charges normally due or being subject to commercial policy measures when the goods enter or leave¹¹ that territory ('pure transit'). In comparison with the conventional requirement to pay import and other duties only to get them reimbursed when leaving at successive territorial borders, transit offers an administratively simple and more economic procedure for carrying goods across Customs territories.

It also allows for the transport of goods to a point within the EC Customs territory where the Customs clearance procedures (for release into free circulation as Community goods) will be carried out ('inland' or 'proximity transit'). This form of transit is particularly relevant to the Community where a single Customs territory is combined with a multiplicity of fiscal territories. In this transit system goods can move from their point of entry into the Community to the clearance point in the country where Customs and the local fiscal obligations are settled.

Apart from these two main functions of transit the procedure is also used to transfer goods which are entered for, or have just been removed from another suspensive Customs procedure from one part of the Customs territory to another (but alternative transfer procedures exist).

Transit rules apply until the goods reach an approved *Office of Destination* (or authorised consignee). Goods can be placed under the *Community Transit procedure* when they enter the Community or under *an international transit procedure*¹² before entering the Community.

WHAT CUSTOMS TRANSIT MODELS ARE THERE IN THE EC?

Transports Internationaux Routiers (TIR)

Under Community legislation the TIR transit system can only be applied in the Community for a transit movement which

- begins and/or ends outside the Community;
- or relates to consignments of goods which must be unloaded in the Customs territory of the Community and which are conveyed with goods to be unloaded in a third country;
- or is effected between two points in the Community through the territory of a third country. As many short sea shipping routes form part of a multi-modal door-to-door service, use of the TIR is often relevant to the industry. The TIR procedure involves the issuing of TIR

¹¹ See above

¹² Normally Common Transit or TIR

Carnets to allow goods in road vehicles or containers sealed by Customs to cross one or more countries en route to their destination with minimal Customs formalities.

Requirements to provide export declarations on the SAD are unaffected by the TIR provisions.

The TIR carnet is both a Customs document and a guarantee. There is an individual reference number for each TIR carnet. Included in a TIR carnet are 4, 6, 14, or 20 vouchers, the number of which indicates how many countries can be transited (countries of departure and destination included). This means that e.g. a 6-voucher carnet would be valid for transit through up to 3 countries.

Each individual TIR carnet is valid for one TIR operation and once a TIR operation has been completed, the Customs office of destination of the goods will return the TIR carnet to the driver with the required endorsement.

A TIR carnet used to prove Community status

Where goods with Community status are transported under cover of a TIR Carnet, the declarant shall enter the symbol "T2L" in the space reserved for the description of goods, together with his signature, on all relevant vouchers of the carnet and shall present the carnet to the competent authorities for endorsement.

Where the TIR Carnet covers both Community goods and non-Community goods, the two categories of goods shall be shown separately, the symbol "T2L" being reserved for Community goods.

Community transit

The Community transit system only applies to the movement of goods **within** the Community¹³. It is the most frequently used transit system within the Community.

Community transit is a suspensive Customs procedure which allows non-Community goods to be moved from one point to another within the Community as well as the consignment of goods whose Community status can be demonstrated to, from, or between a part of the Community Customs territory where the provisions of Directive 77/388/EC (VAT) do not apply.

The Community transit procedure is managed by the Customs administrations of the various Member States via a network of Customs offices, known as offices of departure, offices of guarantee, offices of transit and offices of destination.

The Community transit procedure starts at the office of departure and ends when the goods and transit declaration¹⁴ are presented at the office of destination (or authorised consignee). An officially receipted copy of the transit declaration is returned by Customs to the office of departure (or a central office in the Member State of departure). On receipt of that copy Customs in the Member State of departure will discharge the transit declaration and the principal's liability, unless an irregularity has been noted.

¹³ And, with exceptions, to Andorra and San Marino.

¹⁴ "Transit declaration" has two meanings: 1st the act whereby a person indicates in the prescribed form a wish to place goods under the transit procedure; and 2nd the document(s) used as a transit declaration, i.e. "copies of the transit declaration".

Short sea shipping may use the standard procedure for Community transit, where appropriate. There is also the possibility of employing simplified transit procedures (see Annex III).

When is Community Transit compulsory?

Community Transit is compulsory for:

- Non-Community goods not put into free circulation or under another Customs procedure which permits movement within the Community ('T1 procedure'); and

- Community goods when they are

transported to, from or between a part of the Community Customs territory where the provisions of Directive 77/388/EC (VAT) do not apply ('T2F procedure').

Common transit¹⁵

The common transit procedure, very similar to the Community Transit System, is used for the transit of goods between the **15 EU Member States, the EFTA countries and the Visegrad countries**¹⁶. The common transit procedure may be used by economic operators to facilitate the movement of goods from one Contracting Party to another. However, **there is no obligation to use it**. (See Annex IV).

Whenever the common transit procedure is used for Community goods subject to a Community measure involving their export to an EFTA country or a third country via the territory of an EFTA country, e.g. Common Agricultural Policy (CAP) goods, they must be placed under the 'T1 procedure'.

Please note that in common transit neither 'authorised regular shipping services' nor simplified transit procedures exist for maritime transport.

What is the standard Customs transit procedure?

This is the procedure which must be used by a trader who does not yet have a track record, qualify for any simplification or who is an incidental user of the transit system. The standard transit procedure requires:

- the presentation of the goods to Customs for examination when the transit declaration is made;
- the presentation of the goods and the accompanying documents to any offices of transit and at the office of destination;
- the use of a guarantee valid only for one single transit operation for the full amount of the Customs duties and other charges at stake (the 'individual guarantee');
- the obligation to seal the means of transport or the container or the package for identification purposes;

¹⁵ EC/EFTA Convention on a common transit procedure 20 May 1987

¹⁶ European Free Trade Association: Membership - Iceland, Norway, Switzerland and Liechtenstein. Visegrad: Membership - Hungary, Poland, Czech Republic and Slovak Republic.

- the obligation to follow an economically justified route or sometimes (in the case of goods involving greater risk of fraud) even a binding itinerary;
- the setting of a time limit within which the goods have to be presented at the office of destination, taking into consideration the route involved and the means of transport used.

The role of a principal

One of the essential elements of Community transit is the principal. This is the operator who is responsible for the transit operation.

The principal indicates that he wishes to carry out a transit operation by making a transit declaration. He is responsible for the presentation of the goods intact (with seals intact where appropriate) together with the transit declaration at the office of destination (or authorised consignee) within a prescribed time limit. He is also responsible for the payment of any duties and other charges which may become due in the event of an irregularity occurring. The principal is responsible for the provision of a guarantee to cover the amount of duties and other charges suspended during the movement of the goods unless there is a guarantee waiver.

It is in the service provider's own interest to ensure he has written evidence of all consignments, including the status of the cargo, from their customers.¹⁷

SIMPLIFIED PROCEDURES FOR CUSTOMS TRANSIT

Since transit is only required for T1 or T2F goods carried on an 'authorised regular shipping service' only these services may be eligible to use simplified transit procedures, provided the following criteria have been met:

What are the general criteria for using a simplified procedure?

Note that only an 'authorised regular shipping service' may be eligible to use simplified transit procedures, provided the following criteria have been met:

- the person seeking the authorisation must be established in the Community, and
- the service will regularly use the transit arrangements, or can demonstrate to Customs that it can meet the obligations, or, as an authorised consignee, regularly receives goods that have been entered for the transit procedure, and
- it has not committed any serious or repeated offences against Customs or tax legislation, and
- Customs is able to supervise the transit procedure and carry out controls without a disproportionate administrative effort, and
- the service provider keeps records which enable the Customs authorities to carry out effective controls.

¹⁷ Service providers may wish to consider taking out an indemnity, in the event of any misinformation being passed on to them by their customers, to allow them to recover any charges levied by Customs.

What simplifications are available?

Provided all conditions have been met, the “authorised regular shipping service” may be authorised to use one of the following simplifications¹⁸:

- use of a comprehensive guarantee or a guarantee waiver;
- special loading lists;
- use of seals of a special type;
- exemption from using a binding itinerary for goods involving greater risk of fraud;
- authorised consignor and authorised consignee;
- special transit simplifications for sea (level 1 or level 2);
- any additional simplifications that may be granted on the basis of bi- or multilateral agreements between countries.

Comprehensive guarantee and guarantee waiver¹⁹

The standard transit guarantee is an individual guarantee covering one single transit movement. However, a trader can be authorised, subject to certain conditions, to use a comprehensive guarantee or a guarantee waiver which can be used to cover several transit movements.

‘Authorised regular shipping services’ which are also authorised to use the simplified transit procedures level 1 or 2 do not need to provide a guarantee for the T1 or T2F goods they carry.

Where the principal in a Community transit procedure is a public authority (either a legal person governed by public law or any other public law institution), no guarantee is required. However, if the public authority is one governed by private law (e.g. a private limited company or a public limited company), the waiver no longer applies²⁰.

International organisations may also benefit from a waiver if they fulfil the following conditions:

- they must have been established by states or governments at least one of which is a Member State of the European Communities;
- they may not engage in any economic activity which competes with the activities of a private undertaking established in the Community.

¹⁸ Please note that not all of these simplifications are relevant for authorised regular shipping services. They are nevertheless mentioned as other modes of transport may be used in an intermodal context of which short sea shipping forms part.

¹⁹ Articles 379 to 384 IPC

²⁰ Art. 189(4) CCC

Special loading lists

The competent authorities may authorise principals to use special loading lists which do not comply with all the standard requirements of loading lists²¹.

For this simplification to be granted the loading lists shall meet the following criteria:

- (1) they shall be produced by firms which use an integrated electronic or automatic data-processing system to keep their records;
- (2) they shall be designed and completed in such a way that they can be used without difficulty by the competent authorities.

Special seals²²

The Customs authorities may authorise principals to use special types of seals on their means of transport or packages, the type of which is specified on the authorisation. This simplification shall only apply to transit operations beginning in the country where the authorisation was issued. The authorisation to use seals of a special type shall be presented whenever required by the office of departure.

Exemption from using a binding itinerary for higher risk goods²³

The competent authorities may exempt principals from the requirement to follow a prescribed itinerary which ensures that the Customs authorities are able to ascertain the location of the consignments at all times.

The authorisation may only be used for transit operations starting in the country which has granted the authorisation.

The authorisation shall be drawn up in at least two copies, one of which is retained by the competent authorities. The authorisation shall be presented whenever required by the office of departure.

Authorised Consignor

An authorised consignor is a person authorised by the competent authorities to carry out transit operations without presenting the goods and the corresponding transit declarations at the office of departure.

To obtain the status of authorised consignor, a trader has to fulfil the general conditions and in addition hold a comprehensive guarantee or a guarantee waiver²⁴.

Under the transit legislation an authorised consignor will be obliged to use data-processing techniques to communicate with the office of departure and to lodge transit documents as soon as the office of departure is linked to the New Computerised Transit System (NCTS). However consignors originally authorised prior to 31 March 1999 will not have to use data processing techniques until a date yet to be decided by the Customs authorities and at the latest by 31 March 2004.

²¹ Article 385 and Annex 44a IPC

²² Article 386 and Annex 46a IPC

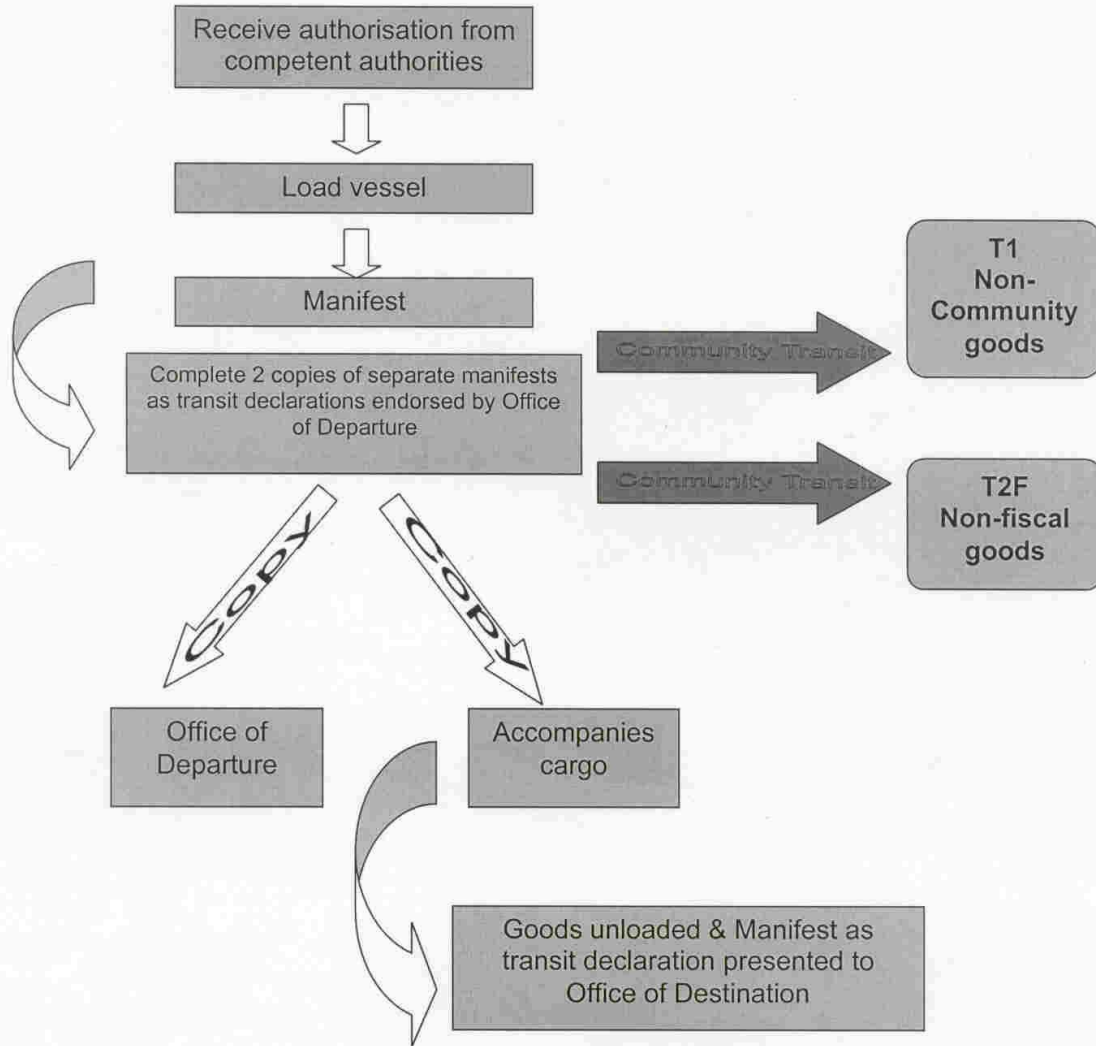
²³ Article 387 IPC

²⁴ Article 398 IPC

Authorised Consignee

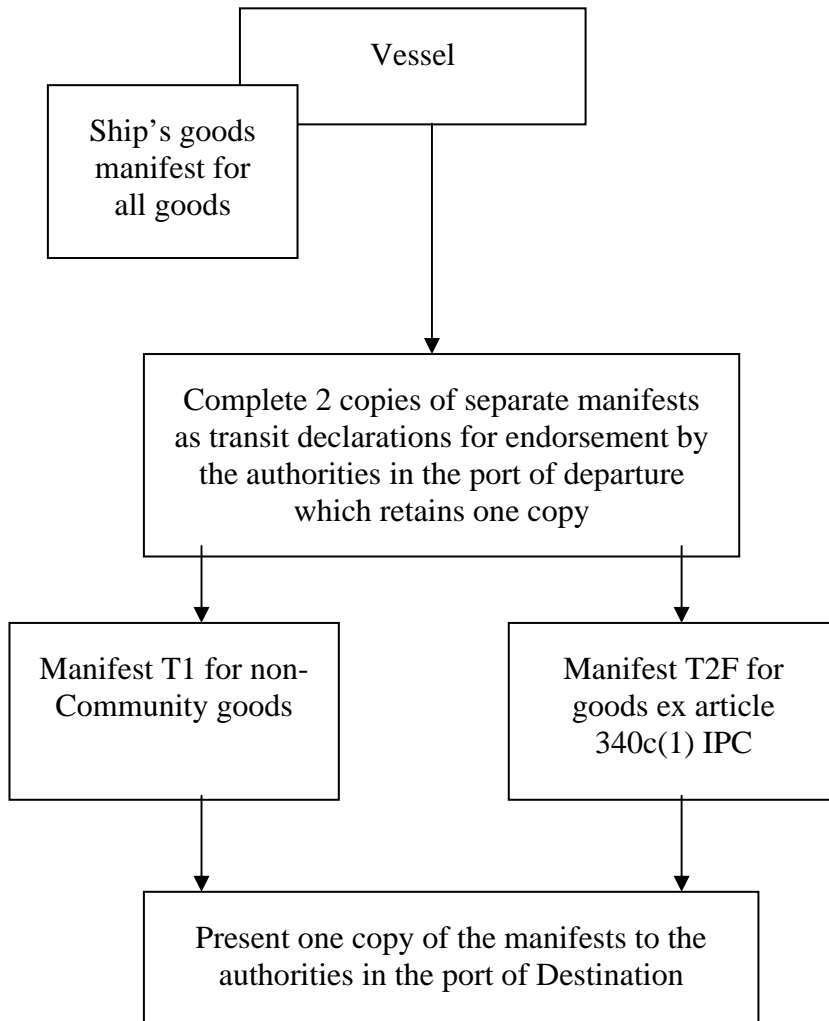
This simplification allows traders to receive goods at their premises or any other specified place without the requirement for presentation at the office of destination of the goods and copies 4 and 5 of the transit declaration.

Level I Simplified Procedure – Manifest(s)
Authorised Regular Shipping Services ONLY
No guarantee required
Shipping company = Principal
Individual Manifest = Transit Declaration



Simplified Procedure - Level 1
Authorised Regular Shipping Service Only

No guarantee required
Shipping company = principal
Individual manifest = transit declaration



LEVEL 1 SIMPLIFICATION²⁵

An 'authorised regular shipping service' wishing to use level 1 simplified procedure shall request authorisation from the competent authorities. The shipping company shall be the principal for the movements concerned, shall be bound by the transit regulations, and shall use the ship's manifest as the transit declaration.

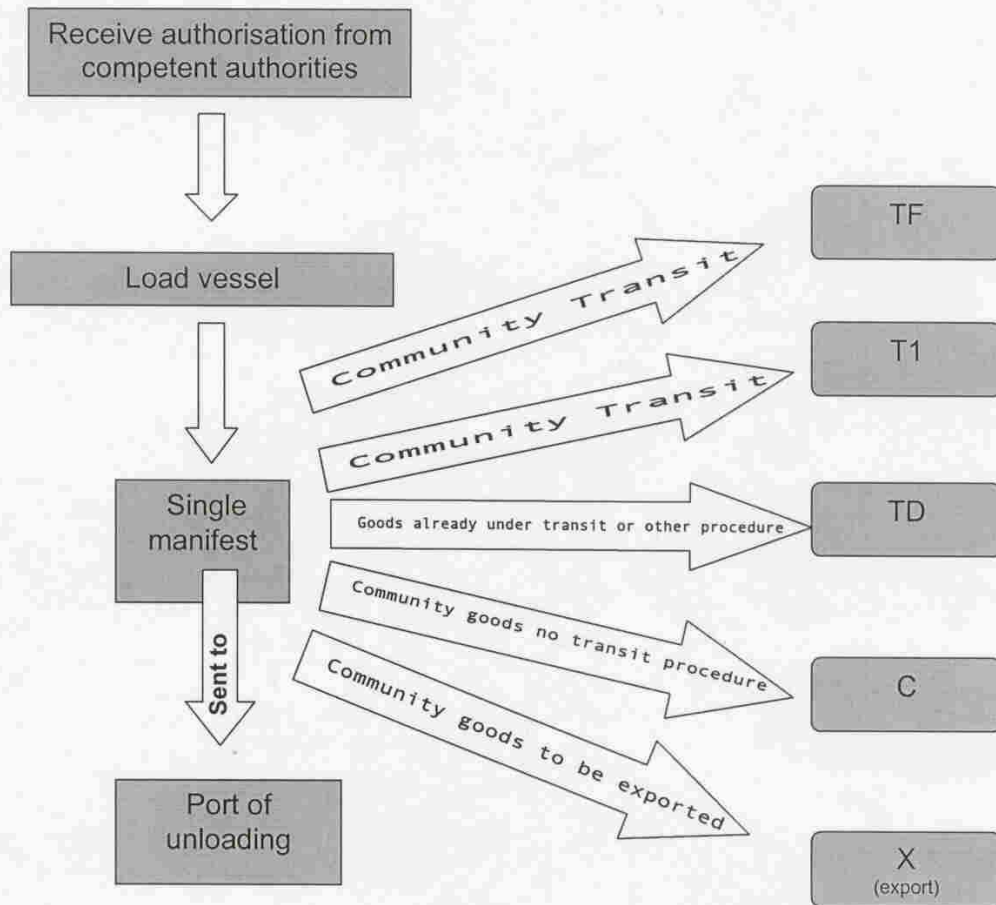
Where a transport operation involves both goods placed under the external Community transit procedure and those under the internal Community transit procedure, a separate manifest shall be used for each category of goods.

The paper manifest shall contain the following information:

- the date and signature of an authorised representative of the shipping company;
- the symbol "T1" or "T2F" to identify the type of transit declaration;
- the name and full address of the shipping company;
- the identity of the vessel;
- the place of loading and the place of unloading;
- for each consignment:
 - the reference for the bill of lading,
 - the number, kind, markings and identification numbers of the packages,
 - the normal trade description of the goods including all the details necessary for their identification,
 - the gross mass in kilograms and,
 - where appropriate, the identifying numbers of containers.

²⁵ Article 447 IPC

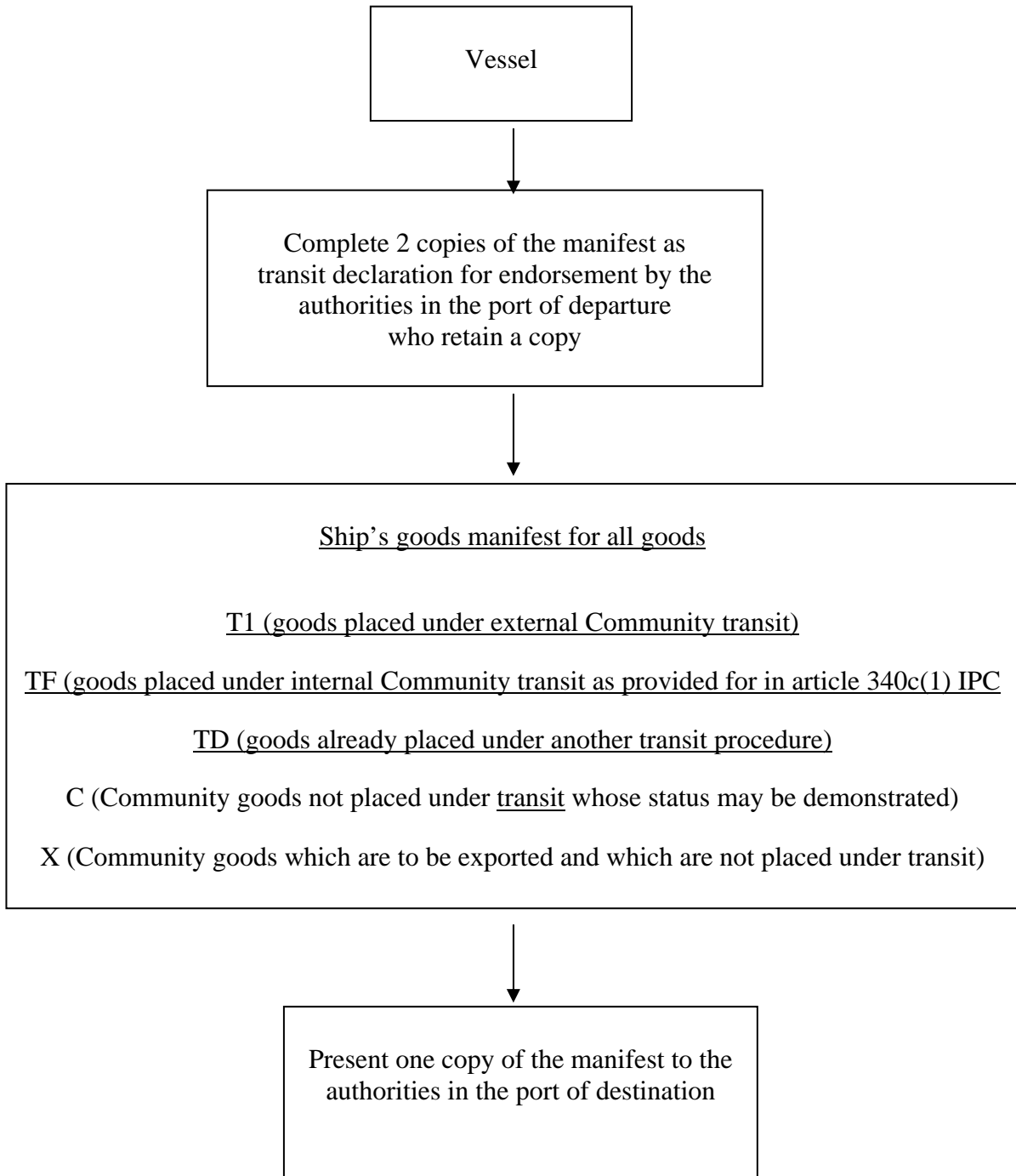
Level II Simplified Procedure – Single manifest
Authorised Regular Shipping Services ONLY
No guarantee required
Shipping company = Principal
Single Manifest for all goods = Transit Declaration



Simplified Procedure - Level 2

Authorised Regular Shipping Service Only

No guarantee required
Shipping company = principal
Individual manifest = transit declaration



LEVEL 2 PROCEDURES²⁶

An 'authorised regular shipping service' which is established or represented in the Customs territory of the Community may be authorised to use the level 2 simplified procedure if it operates a significant number of regular voyages between member states.

The shipping company (principal) is authorised to use a single manifest on which it shall enter the status of the goods - T1, TF, TD, C (for Community goods), or X – against the relevant items in the manifest.

Goods shall be coded "TD" when they are:

- already placed under a formal transit procedure (T1, T2, T2F, TIR carnet, ATA carnet, NATO form 302, etc.); or
- transferred under the inward processing procedure on a copy of the authorisation issued or under trade or administrative documents marked with the reference "IP"; or,
- transported under the Customs warehouse or temporary admission procedure.

The symbol "TD" shall appear against each item on the single manifest or groupage manifest. In all cases the shipping company shall enter the symbol "TD" on the relevant bill of lading or other appropriate commercial document together with a reference to the actual procedure concerned plus the date of the transit or transfer document and the name of the Customs office of departure. The holder of the specific transit (or transfer) procedure is responsible for the movement concerned.

The shipping company shall record the status of all consignments in its commercial records and copies of the manifests.

The Community transit procedure is deemed to have ended when the manifest and goods are presented to the Customs authorities at the port of destination (port of unloading).

The Customs office of destination shall notify the office of departure within a reasonable period of any discrepancies or irregularities.

Where evidence of status is held in the company's commercial records at the port of departure, and there is no doubt as to the Community status of the goods on arrival at the port of destination, the status indicator on the manifest entitles goods to free onward movement to their Community destination.

However, the Customs authorities at the port of destination shall verify the declared Community status by the application of suitable *a posteriori* checks based on assessed risk and by making enquiries with the competent authorities at the port of departure if necessary.

Are there any other 'special cases'?

When several consignments of goods transported by sea are consolidated in a groupage consignment, each item within the groupage consignment is the subject of a contract between

²⁶ Article 448 IPC

the consignor and the consolidator. This contract is evidenced by the issue of a consignment note, a forwarder's bill of lading such as the one approved by the International Federation of Forwarding Agents (FIATA), or other commercial document as agreed between the consignor and the consolidator.

The whole maritime transport element of the groupage consignment is effected under cover of a contract between the consolidator and the shipping company. This contract is evidenced by a carrier's bill of lading, sea waybill or some other commercial document as agreed and accepted by the shipping company and the consolidator.

Additionally, the groupage consignment is the subject of a groupage manifest prepared by the consolidator which is an analytical summary of all the packages contained in the groupage consignment with references to each consignment note, bill of lading or other commercial document as appropriate.

Where a shipping company transports a groupage consignment under the terms and conditions of a carrier's bill of lading, sea waybill or other commercial document, it is accepted that the shipping company does not necessarily know the contents of the groupage consignments.²⁷

These are acceptable provided that

- the consolidator undertakes to hold the status of consignments in its commercial records;
- the consolidator must supply the shipping company with a groupage loading list containing the following information:

- (1) name and full address of the shipping company;
- (2) identity of the vessel;
- (3) place of loading;
- (4) place of unloading;
- (5) reference for the bill of lading or other commercial document;

and, for each consignment:

- (1) number and kind, marks and reference numbers of the packages and gross weight/mass in kilograms;
 - (2) the description of the goods including sufficient detail to permit their identification;
 - (3) where appropriate, the container identification numbers;
- the shipping company applies the highest status shown on the loading list to all the goods in the groupage consignment for Community transit purposes.

Where the shipping company uses the simplified transit procedure Level 1, the carriage of groupage should be indicated on the manifest that is appropriate to the highest status recorded

²⁷ This is not the case for the carriage of dangerous goods, which need to be declared separately.

on the groupage loading list, e.g. if the groupage comprises T1, TD and Community goods it must be declared on the T1 manifest.

Where the shipping company uses Level 2, the shipping company should enter the highest status shown on the groupage loading list against the description "groupage" on its manifest, e.g. if the groupage contains any T1 goods, then T1; if mixed TF and C goods then use TF.

List of definitions

Affreightment	The hiring of a ship in whole or in part.
Authorised consignor	Person authorised to carry out transit operations without presenting the goods and the transit declaration at the office of departure.
Authorised consignee	Person authorised to receive at their premises or at any other specified place goods under a transit procedure without presenting them and copies 4 and 5 of the transit declaration at the office of destination.
Community transit	A suspensive Customs procedure which allows goods to be moved from one point to another within the Community.
Community Customs Code (CCC)	Council regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code.
Community goods	Goods which are: <ul style="list-style-type: none"> • wholly obtained in the Customs territory of the Community, • imported from countries or territories not forming part of the Customs territory of the Community which have been released for free circulation, • obtained or produced in the Customs territory of the Community, either from goods referred to in the second indent alone or from goods referred to in the first and second indents.
Customs territory of the Community	The Customs territory of the Community comprises: <ul style="list-style-type: none"> – Austria, – Belgium, – Denmark, except the Faeroe Islands and Greenland, – Germany, except the Island of Heligoland and the territory of Buesingen, – Greece, – Finland (including the Åland Islands), – France (including Monaco and the overseas departments Guadeloupe, French-Guyana,

	<p>Martinique and Réunion), except the overseas territories and Saint-Pierre and Miquelon and Mayotte,</p> <ul style="list-style-type: none"> - Ireland, - Italy, except the municipalities of Livigno and Campione d'Italia and the national waters of Lake Lugano which are between the bank and the political frontier of the area between Ponte Tresa and Porto Ceresio, - Luxembourg, - the Netherlands in Europe, - Portugal, - Spain, except Ceuta and Melilla, - Sweden, - the United Kingdom of Great Britain and Northern Ireland and the Channel Islands and the Isle of Man. <p>As from 1 May 2004 the customs territory of the Community will also include:</p> <ul style="list-style-type: none"> - the Czech Republic, - Estonia, - Cyprus, - Latvia, - Lithuania, - Hungary, - Malta, - Poland, - the Slovak Republic, - Slovenia. <p>.</p>
Customs Union	The formation of two or more Customs territories into a single Customs territory.

European Community (EC)	<p>Member States are Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the United Kingdom.</p> <p>As of 1 May 2004 the Community will also include the Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia.</p>
European Free Trade Association (EFTA)	This is a group of countries comprising Iceland, Norway, Switzerland and Liechtenstein.
Goods in free circulation	Goods wholly originating in the EC, or goods imported into the EC on which all import formalities have been completed and all Customs duties or charges have been paid and not repaid in whole or part.
Guarantee	A form of security to ensure the collection of duties and other charges furnished by the principal.
Implementing Provisions of the Code (IPC)	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.
Level 1 Manifest	The manifest which 'authorised regular shipping services' are permitted to use as the transit declaration for either T1 or T2F goods.
Level 2 Manifest	The single manifest which 'authorised regular shipping services' are permitted to use as the transit declaration on which the status of the goods in transit is entered against the relevant items.
Lightering/lightening	A method of offloading vessels at sea or outside ports, usually from large tankers to smaller ones which then continue into a discharge port.
New Computer Transit System - NCTS	The New Computerised Transit System (NCTS) is in use since 1 July 2003. The NCTS replaces transit declarations made on the SAD but does not currently incorporate simplified procedures based on the use of the manifest. Over the coming years the intention is to include the manifest based simplified transit procedures.
'Non-fiscal territories'	Territories that are part of the Customs territory of the Community but not part of the fiscal (VAT) territory as defined by Directive 77/388/EC. These are: the Åland Islands; the Canary Islands; the Channel Islands; French Guyana; Guadeloupe; Martinique; Mount Athos and Réunion.

Office of departure	An approved Customs office where goods are placed under the transit procedure (see also: authorised consignor).
Office of destination	An approved Customs office where the goods and transit document must be produced in order to end the procedure (see also: authorised consignee).
Office of exit (point of exit)	<p>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.</p> <p>Example: Single contract Helsinki-Rotterdam-New York: office of exit Helsinki irrespective whether the line Helsinki-Rotterdam is a regular shipping service or not.</p> <p>In there is no single contract, the office of exit is the last Customs office before the goods leave the Customs territory of the Community.</p> <p>Example: Helsinki-Rotterdam-New York without a single contract: office of exit is Helsinki when the line Helsinki-Rotterdam is not a regular shipping service. The office of exit is Rotterdam when the line Helsinki-Rotterdam is a regular shipping service.</p> <p>For goods leaving by sea under a T5 control document, the office of destination shall be the office responsible for the port where the goods are loaded for the first time on a vessel operating a service other than a regular shipping service.</p> <p>Example: Helsinki-Rotterdam-New York: office of destination is Helsinki when the line Helsinki-Rotterdam is not a regular shipping service. The office of destination is Rotterdam when the line Helsinki-Rotterdam is a regular shipping service.</p>
Office of guarantee	The office where the competent authorities of each country decide that guarantors shall lodge their guarantees.
Office of transit	<ul style="list-style-type: none"> • 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 transit operation via a frontier between a Member State and a third country other than an EFTA country, or • The customs office at the point of entry into the customs territory of the Community when the goods

	<p>have crossed the territory of a third country in the course of a transit operation.</p> <ul style="list-style-type: none"> •
Principal	The person who is the holder of the external Community transit procedure.
Rhine Manifest	The Rhine manifest procedure applies to water transport on the Rhine and its associated tributaries for the purposes of crossing national frontiers on production of a Rhine manifest.
The Single Administrative Document (SAD)	<p>This is a multi-copy form which is used throughout the Community, EFTA and Visegrad countries for the control of imports, exports and goods in transit.</p> <p>It is an eight part document consisting of the following copies:</p> <ul style="list-style-type: none"> • Copy 1 which is retained by the authorities of the Member State in which export (dispatch) or Community transit formalities are completed; • Copy 2 which is to be used for statistical purposes by the Member States of export. This copy can equally be used for statistical purposes by the Member State of dispatch in the cases of trade with parts of the Community Customs territory with a different fiscal regime; • Copy 3 which is returned to the exporter after being stamped by the Customs authority; • Copy 4 which is to be kept by the office of destination upon completion of the Community transit operation or as T2L document providing evidence of Community status of the goods; • Copy 5 which is the return copy for the Community transit procedure; • Copy 6 which is to be retained by the authorities of the Member States in which arrival formalities are completed; • Copy 7 which is to be used for statistical purposes by the Member State of destination (for arrival formalities) including the cases of

	<p>trade between the parts of the Community Customs territory with a different fiscal regime;</p> <ul style="list-style-type: none"> • Copy 8 which is returned to the consignee after being stamped by the Customs authority. <p>National Customs authorities provide various combinations of the eight copy set appropriate for the purpose for which they are intended.</p>
SAD continuation sheet	Form used to supplement the copies of the SAD when more than one item is being shipped.
SAD combined export/transit loading list	Form used to supplement copies of the SAD for export and transit purposes when more than one item is being shipped.
Special loading list	A commercial document which may be used instead of SAD continuation sheets to supplement the SAD when more than one item is being shipped.
Status	Customs status of goods distinguishing between those having Community status (Community goods) and those without (non-Community goods).
T1	Declaration made on the Community transit document that the goods are placed under external Community transit.
T2	Declaration made on the Community transit document that the goods have Community Status and are travelling within the EC, into or via an EFTA, into or via a Visegrad, or via a third country under internal Community transit.
T2F	Declaration made on the Community transit document that Community goods are travelling to, from, or between a part of the Customs territory of the Community where the provisions of Directive 77/388/EEC (VAT) do not apply ('non-fiscal territories') under internal Community transit.
T2L	Document proving the Community status of goods.
T2LF	Document proving the Community status of goods consigned to, from or between a part of the Customs territory of the Community where the provisions of Directive 77/388/EEC (VAT) do not apply ('non-fiscal territories').
TD	Abbreviation used on Level 2 manifest to indicate that

	the goods are covered by another transit or other procedure.
TF	Abbreviation used on Level 2 manifest to indicate that the goods are travelling to or from one of the non-fiscal territories of the Community.
Transit declaration	The act whereby a person indicates in the prescribed form and manner a wish to place goods under the transit procedure.

ANNEX I

'Authorised Regular Shipping Service': General Checklist for Applications

- Applicant established in a Member State and operates a regular shipping service
- Applicant is free of serious or repeated Customs or tax offences
- Written applications only, signed, dated, including all required evidence²⁸ and stating which simplification is requested
- Applications lodged in country where applicant is established
- Authorisation is given to named vessels on a route²⁹
- When authorised, advise the authorities of any changes which might influence the continuation or content of the authorisation (change of vessel or route)

'Authorised regular shipping services'³⁰

What is an 'authorised regular shipping service'?³¹

An 'authorised regular shipping service' may carry goods on vessels that ply **only** between ports situated in the Customs territory of the Community and may not come from, go to or call at points outside this territory or in a free zone of control type I (i.e. controls principally based on the existence of a fence) of a port in this territory. This concept is only applicable to *port-to-port* transport and does not cover the transport of goods beyond the port of arrival on inland journeys. That part of the transportation is carried out under the Community transit procedure or can be carried under the TIR system if it concerns a road transport with contact with a third country or ends there.

Unless there is evidence to the contrary, goods on 'authorised regular shipping services' are assumed to have Community status.

Goods 'not in free circulation' carried on an 'authorised regular shipping service' will require Community Transit documentation and a guarantee. A guarantee is not required for goods placed under simplified transit procedures level 1 and level 2).

What are the advantages of 'authorised regular shipping service' status?

- For Community goods, no proof of status is required. Note that for non-Community goods the transit procedure shall be used;
- For transit, level 1 and/or level 2 simplified transit procedures may be used which have the advantage that:

²⁸ Advise on how records are kept of the business activity, how often the transit procedure is used and other information to help the competent authority determine whether the obligations can be filled.

²⁹ See Annex V for sample form

³⁰ This concept of regular service shall not be confused with the term "regular service" as used for maritime transport operations.

³¹ Art 313a IPC

- (a) the system is based upon the service provider's own manifest(s);
- (b) there is no requirement for a Community transit guarantee for goods carried under T1 or T2F, and,
- (c) as the manifest replaces the various individual Community transit documents, paperwork is reduced.

If most of the cargo transported contains T1 goods, operating as an 'authorised regular shipping service' will involve more Customs documentation than operating as an "other" service.

However, shipping companies which gain approval as an 'authorised regular service' can avoid the requirement for T1 forms for each T1 consignment by obtaining simplified transit procedure approval which allows it to replace individual transit documents with the manifest(s).

It is **not** obligatory for an 'authorised regular shipping service' to use the simplified transit procedures. In that case the service uses the standard transit procedure when it carries T1 or T2F goods, using the SAD-based NCTS and a guarantee.

Where are applications for authorisation as a 'regular shipping service' made?

Applications for a regular service should be made to the Customs authorities of the Member State in which the shipping company providing the service is established. (Please see the list of links to national Customs authorities in Annex VI).

Part-charter arrangements

In the case of part-charter arrangements, an application for authorisation of a regular service is submitted by the person (lessor or charterer), or his representative, defining the regular service, i.e. determining the vessel(s) to be used for the regular service and specifying the ports of call. The competent Customs authorities may request any information required to process the application.

Important note:

When Community goods are transported by a shipping company using the level 2 simplification they are coded "C" on the manifest. However, if the goods are subsequently transhipped in a Community port on to a vessel that is not a regular shipping service, the status can be lost. This presents a problem in the final Community port of destination.

In such cases the required proof of status at the final Community port of destination shall be a T2L, issued and authenticated by the competent authorities at the latest, at the port of transhipment.

It is recommended that in these cases the proof of status accompanies the goods from the start of the transport operation.

Alternatively, the required proof may be demonstrated by the shipping manifest (see: Status of Goods).

ANNEX II

Simplified procedures for import and export can include³²:

- the acceptance of incomplete declarations, or declarations not accompanied by all documents necessary for the Customs procedure in question;
- the presentation of a simplified declaration with subsequent presentation of a supplementary declaration;
- the entry or export of goods to be carried out at the premises of the person concerned or at other places designated or approved by the Customs authorities.

Some Customs authorities of the Member States use electronic systems to facilitate simplified procedures. In addition to those set out in the Community regulations, Customs authorities of the Member States may also implement their own simplifications provided they comply with Community policies. Details are available from national Customs authorities of the Member States.

³² Council Regulations EEC 2913/92 & EEC 2454/93 Art. 253-278

ANNEX III

Examples of shipping routes and the related Customs transit requirements

Below are a number of typical cases which illustrate the type of procedure which applies and the documents required.

1. Example 1: Dunkirk/Rotterdam on an 'authorised regular shipping service'

- Standard transit procedure: guarantee compulsory

The Community transit procedure is compulsory for third-country goods. A T1 transit declaration (copies 1, 4 and 5 of the SAD) is issued and a guarantee is furnished.

For Community goods subject to excise duty a specific accompanying document is issued (AAD).

NOTE: Community goods are in free circulation and the Community transit procedure is not required.

Simplified transit procedure: no guarantee required

The Customs status of the goods shall be indicated on the manifests as follows:

(level 1 – separate manifest per transit category):

- "T1" for goods placed under the external Community transit procedure;
- "T2F" where the goods are placed under the internal Community transit procedure and consigned to, from, or between a part of the Community Customs territory where the provisions of Directive 77/388/EC do not apply;

or (level 2 – single manifest):

- "C" for Community goods ;
- "T1" for third-country goods;
- "TD" for goods already moving under a transit procedure (e.g. TIR carnet) or any other procedure;
- "X" for Community goods being exported.

2. Example 2: Genoa/Marseilles on a non-regular service

The goods are all deemed to be non-Community goods on arrival at Marseilles.

- For Community goods (other than goods subject to excise duties) loaded in Genoa: issue a T2L status document or use at the request of the shipping company of a manifest as a status document bearing the code "C".

- For Community goods subject to excise loaded at Genoa: administrative accompanying document (AAD) shall be furnished. No additional T2L is required for these goods.

ANNEX IV

Common Transit and SAD Conventions

In 1987 two Conventions were drawn up between the European Community and all EFTA³³ countries. These Conventions facilitate the importation, exportation and movement of goods to, from and between the European Community and the EFTA countries. One Convention (EC/EFTA Convention on a common transit procedure of 20 May 1987, O.J. L 226, 18.8.1987 + amendments), established a common transit procedure, while the other (EC/EFTA Convention on the simplification of formalities in trade in goods (including a Single Administrative Document –SAD - for use in such trade), O.J. L 134, 22.5.1987 + amendments), provided for the simplification of import, export and transit formalities. In this guide book, the Conventions are referred to as the “Convention” and the “SAD Convention” respectively. A SAD form is completed as either a T1 or a T2 document to indicate which transit procedure applies.

³³ European Free Trade Association: Membership - Iceland, Norway, Switzerland and Liechtenstein. The same rules apply also to the Visegrad countries: the Czech Republic, Slovakia, Hungary and Poland.

ANNEX V

Certificate of an 'authorised regular shipping service'

EUROPEAN COMMUNITY	<i>ANNEX III</i>	<i>'Annex 42 A</i>
<p>1. Applicant (name of the shipping company, or its representative, and full address)</p> <input type="checkbox"/>	<p>Serial number: </p>	<p>CERTIFICATE OF REGULAR SHIPPING SERVICES</p> <p>— Article 313a of Regulation (EEC) No 2454/93</p>
<p>2. Ports concerned (route, with ports of call in order of calling)</p>		
<p>3. Vessels of the shipping service</p>		
<p>4. Other information</p>		
<p>5. Declaration by the shipping company</p> <p>I, the undersigned, hereby declare that the vessels forming part of the regular service in respect of which this application is made:</p> <ol style="list-style-type: none">1. ply solely between ports in Community customs territory;2. do not call at any points outside Community customs territory or at any free zone of a port in Community customs territory; and3. do not tranship cargo on the high seas. <p>Date: (Signature)</p>		
<p>A. Customs authority which issued the certificate authorizing the regular service:</p> <p>Name: Date: Stamp</p> <p>Address:</p> <p>Member State: (Signature)'</p>		

ANNEX VI

General information sources

European Union

http://europa.eu.int/comm/taxation_Customs/Customs/Customs.htm

Directorate General for Taxation and Customs Union (TAXUD) of the European Union

http://europa.eu.int/comm/taxation_Customs/Customs/transit/index_en.htm

TAXUD Customs transit website

National Customs Websites

Austria:	http://www.bmf.gv.at/
Belgium:	http://www.minfin.fgov.be/index.html
Bulgaria :	http://www.customs.government.bg/
Cyprus :	http://www.mof.gov.cy/ce
Czech republic:	http://www.cs.mfcr.cz/
Denmark:	http://www.toldskat.dk/
Estonia:	http://www.customs.ee/
Finland:	http://www.tulli.fi/
France:	http://www.finances.gouv.fr/DGDDI/
Germany:	http://www.Zoll-D.de/ Customs Information Centre: mailto:info@zoll-infocenter.de
Greece:	http://www.gsis.gov.gr/
Hungary:	http://www.vam.hu/
Iceland :	http://www.tollur.is/english/default.htm
Ireland:	http://www.revenue.ie/
Italy:	http://www.finanze.it/dogane/
Latvia:	http://www.vid.gov.lv/
Lithuania:	http://www.cust.lt/
Luxembourg:	http://www.etat.lu/DO/
Malta:	http://www.business-line.com/depofcus/
Netherlands:	http://www.belastingdienst.nl/
Norway :	http://www.toll.no/
Poland:	http://www.guc.gov.pl/
Portugal:	http://www.dgaiec.min-financas.pt/sitedgaiecinternet/index.html
Romania:	http://www.customs.ro/
Slovak republic:	http://www.colnasprava.sk/
Slovenia:	http://www.carina.si
Spain:	http://www.aeat.es/inicio.htm
Sweden:	http://www.tullverket.se
Switzerland :	http://www.zoll.admin.ch/
Turkey:	http://www.gumruk.gov.tr/
United Kingdom:	http://www.hmce.gov.uk/

National Advice Service: 0845 010 9000

Other:

World Customs Organisation:

<http://www.wcoomd.org/ie/index.html>

UN – TIR convention:

<http://www.unece.org/trans/Welcome.html>