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**SIMPLIFICATIONS – Title V UCC/  
“Guidance  
for MSs and Trade ”**

Following the entry into force of Regulation (EU) No 952/2013, the guidance for SP/SASP had to be entirely re-visited. A Customs 2020 Project Group was set up to draft new guidance related to the simplifications in the UCC and to identify good practices. The content of this document reflects the outcome of the discussions with Member States and Trade.

*Disclaimer: "It must be stressed that this document does not constitute a legally binding act and is of an explanatory nature. Legal provisions of customs legislation take precedence over the contents of this document and should always be consulted. The authentic texts of the EU legal instruments are those published in the Official Journal of the European Union. There may also exist national instructions or explanatory notes in addition to this document."*



## ABBREVIATIONS

AA	Administrative Arrangement
AEO	Authorised Economic Operator
AEOC	Authorised Economic Operator “Customs Simplifications”
AES	Automated Export System
AMS	Authorising MS
CC	Centralised clearance
CCC	Community Customs Code
CDMS	Customs decision management system
CN	Combined Nomenclature
COM	European Commission
DA/IA	Delegated/implementing acts
ECA	European Court of Auditors
EIDR	Entry in the declarant's records
EOs	Economic Operators
EU	European Union
HS	Harmonised System
LCP	Local Clearance Procedure
MSs	Member State(s)
NIS	National Import System
NSA	National Statistical Authorities
P&R	Prohibitions and Restrictions
PCO	Presentation customs office
PG	Project Group
PMS	Participating MS
SA	Self-assessment
SAD	Single Administrative Document
SASP	Single Authorisation for Simplified Procedure
SCO	Supervising customs office
SD	Simplified Declaration
SDP	Simplified Declaration Procedure
SP	Simplified Procedures
SPE	Special Procedures
TDA	Transitional Delegated Act
TOR	Traditional Own Resources
TS	Temporary Storage
UCC	Union Customs Code
VAT	Value Added Tax

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## 1. INTRODUCTION

### 1.1. UCC – DA/IA

The Union Customs Code (Regulation (EU) No 952/2013 of the European Parliament and of the Council) has entered into force on 9 October 2013 and is entirely applicable as from 1 May 2016. The related Commission acts, delegated and implementing acts, which replace the Customs Code Implementing Provisions, and allow a full application of the Code, have been published on **29 December 2015** (Official Journal of the European Union, L 343, 29 December 2015). Both the delegated and implementing acts establish provisions to allow a smooth transition from the Customs Code and its Implementing Provisions to the UCC and its related acts. These rules can be found in Title IX of DA and IA.

Nevertheless, many provisions require adaptation or new electronic exchange of information between customs, trade and the Commission. Therefore a **UCC (IT) Work Programme** (Commission Implementing Decision 2014/255/EU) has been set up to draw up the development and deployment of the electronic systems.

In parallel, a delegated act regarding transitional rules for certain provisions of the Union Customs Code where the relevant electronic systems are not yet operational (TDA) was published on 15 March 2016 (Commission Delegated Regulation (EU) 2016/341).

### 1.2. Transitional period

- **The administrative transition (Title IX DA and IA) encompasses the period of progressive conformity of all the customs authorisations/decisions with the new rules.**

Titles IX DA and IA cover the transitional measures and the validity of each type of customs decisions/authorisations:

- the SASP though remain valid till the full deployment of the import and export CC systems (Article 345(4) IA).

**This administrative transition is related to the reassessment of the conditions and criteria, the use of new forms, if applicable, and of IT tools for the granting phase.**

- **The IT transition concerns** transitional measures to apply where the electronic systems which are necessary for the application of the provisions of the Code are not yet operational.

The transitional measures are split between the Transitional Delegated Act, Delegated Act and the Implementing Act.

The application period of these measures is linked with the deadlines for the deployment or upgrading of the relevant IT systems, as referred to in the UCC Work Programme.

- According to Article 278 of the UCC :  
"1. Until 31 December 2020 at the latest, means for the exchange and storage of information, other than the electronic data-processing techniques referred to in Article 6(1), may be used on a transitional basis where the electronic systems which are necessary for the application of the

provisions of the Code other than those referred to in paragraphs 2 and 3 of this Article are not yet operational.

2. Until 31 December 2022 at the latest, means other than the electronic data-processing techniques referred to in Article 6(1) may be used on a transitional basis, where the electronic systems which are necessary for the application of the following provisions of the Code are not yet operational:

(a) the provisions on the notification of arrival, on presentation and on declarations of temporary storage laid down in Articles 133, 139, 145 and 146; and

(b) the provisions related to the customs declaration for goods brought into the customs territory of the Union laid down in Articles 158, 162, 163, 166, 167, 170 to 174, 201, 240, 250, 254 and 256. 3.

Until 31 December 2025 at the latest, means other than the electronic data-processing techniques referred to in Article 6(1) may be used on a transitional basis, where the electronic systems which are necessary for the application of the following provisions of the Code are not yet operational:

(a) the provisions on guarantees for potential or existing customs debts laid down in point (b) of Article 89(2) and Article 89(6);

(b) the provisions on entry summary declarations and risk analysis laid down in Articles 46, 47, 127, 128 and 129;

(c) the provisions on the customs status of goods laid down in Article 153(2);

(d) the provisions on centralised clearance laid down in Article 179;

(e) the provisions on transit laid down in point (a) of Article 210, Article 215(2) and Articles 226, 227, 233 and 234; and

(f) the provisions on outward processing, pre-departure declarations, formalities on exit of goods, export of Union goods, re-export of non-Union goods and exit summary declarations for taking goods out of the customs territory of the Union laid down in Articles 258, 259, 263, 267, 269, 270, 271, 272, 274 and 275.”

Certain systems might be ready before that and respectively the transitional periods depend on each system concerned.

While the MS adapt the currently used solutions (IT or via other means) during the transitional period, they will ensure that the benefits of the simplifications, adapted to the UCC, remain. Therefore, most of the transitional measures are maintaining the current solutions.

### ***1.3. Simplifications of Title V***

Compliant and trustworthy economic operators, subject to the fulfilment of conditions, should be able to take maximum advantages of widespread use of customs simplifications.

The simplifications linked with the placement of goods under a customs procedure are in Title V of the Code and include:

- Simplified declaration (SD) (**Article 166 UCC, article 145 DA and articles 223-224 IA**): allows a holder to have goods placed under a customs procedure on the basis of a simplified declaration. The benefit is related to the two-step procedure: particulars or documents can be missing at the time of release of the goods.



- Entry in the declarant's records (EIDR) (**Article 182 UCC, article 150 DA and articles 233-235 IA**): authorise the holder to lodge a customs declaration in the form of an entry into the declarant records, provided that the particulars of that declaration are at the disposal of the customs authorities in the declarant's system when the declaration is lodged.
- Centralised clearance (CC) (**Article 179 UCC, article 149 DA and articles 229-232 IA**): authorises a holder to lodge, or make available, at the customs office where he is established, a customs declaration for goods which are presented to customs at another customs office within the customs territory of the Union.
- Self-assessment (SA) (**Article 185 UCC, articles 151-152 DA and article 237 IA**): authorises an AEOC to carry out certain customs formalities that are to be carried out by the customs authorities, to determine the amount of import and export duty payable, and to perform certain controls under customs supervision.

The use of all these simplifications, except simplified declaration for non-regular use and possibly CC at national level is dependent upon an authorisation.

- Simplification of the drawing-up of customs declarations for goods falling under different tariff subheadings (Art.177 UCC). See more details in the Annex VII.

#### ***1.4 What are the potential benefits of the simplifications?***

The potential benefits for the economic operators are:

- offering an alternative to the standard procedure;
- answering specific needs related to the flow and types of goods declared;
- corresponding to specific organisation of the economic operator's business,
- offering faster customs release (possibility of a 24h release...);
- a reduction in costs (for instance, if transit can be avoided or once IT solutions are developed);
- less data lodged at the customs office before release of the goods (if notification or simplified declaration lodged);
- fewer physical and documentary checks before release of the goods than in the standard procedure;
- a single lodgement of all the customs declaration particulars in supplementary declaration(s) at the end of a pre-defined period.

Additional potential benefits are related to:

- permanent contact between customs and the economic operator;
- the promotion of the use of system-based approach for the control of the simplifications;

As regards centralised clearance, specific potential benefits are:

1. an asset for centralising the customs obligations of the economic operator;
2. only one authorisation granted by a single customs authority;
3. dissociation of the place where the customs declaration is lodged and the place of presentation of the goods to customs;
4. allowing the centralisation in the authorising MS of the collection of customs duties and collection costs.
5. offering flexibility, meaning CC can be combined with the lodgement of a standard declaration, a simplified declaration or the entry in the declarant's records;
6. promoting a more collaborative approach between all the customs authorities in the EU;

## ***1.5. Purpose and scope of this document***

### *1.5.1. Purpose*

This guidance – covering the areas of trade facilitation and customs simplifications- has been prepared by a Customs 2020 PG, composed of experts from the MSs, Trade and COM.

The guidance should contribute to a correct and uniform application of the new customs rules. They give technical explanations and aim at developing best practice. It also aims at ensuring a smooth change during the transitional period, explaining which provisions should apply and when.

Nevertheless, economic operators should consult the competent customs authorities for further information on how to implement the simplifications because the guidance does not cover all possible business cases and the national planning related to the Work Programme.

### *1.5.2 Scope*

The guidance addresses two main issues, namely:

- how to manage the new applications and authorisations to be granted under the UCC framework,
- and how to manage the current authorisations issued under the CCC framework.

Each of the simplifications is treated from both perspectives. The only exception is related to the SA, where no existing business case has been identified so far by the PG.

## 2. WHAT ARE THE PROVISIONS APPLICABLE AS OF 1 MAY 2016 REGARDING NEW APPLICATIONS AND AUTHORISATIONS?

### 2.1. Common parts to all simplifications

#### 2.1.1. The applicant

##### a) Entities/economic operators

Natural persons, legal persons or associations of persons who are not defined as a legal person but are recognised by EU or national law as having the capacity to perform legal acts (Article 5 (4) UCC) can apply for simplifications provided for in Title V of the Code.

Multinational or big companies usually consist of a parent company and several entities, each of which is an **individual legal person**, i.e. a separate legal entity registered in the local company register in accordance with the company law of the MS where the relevant entity is established. It can also take the form of **an association of persons** recognised as having the capacity to perform legal acts, but lacking the legal status of a legal person. In this case, either all the entities or the association of persons can apply for simplifications, or alternatively one legal entity can apply for a simplification for themselves and to act as a representative for other legal entities within their group.

##### b) Establishment in the customs territory

**As a general rule, according to Articles 18 (2) UCC and 11 (1) (b) DA, EOs, representatives or others, applying for authorisations for simplification, shall be established in the customs territory of the Union.**

*Examples:*

*- In the case of an application by a natural person, the person must be normally resident in the customs territory of the EU.*

*- In the case of a legal person or association of persons, the permanent business establishment, registered office or central headquarters must be located in the customs territory of the EU.*

**Article 170 (2) UCC requires that, as general rule, the declarant lodging the customs declaration has to be established in the customs territory of the Union.**

*To be noted: three legal exceptions have been identified as regards the establishment of the declarant in the customs territory of the Union:*

*1-in accordance with Articles 18(2) and 170(3)(a) UCC, it would be possible that the declarant need not to be established in the EU if the only declarations lodged are related to temporary admission (procedure code "53" in box 37 of the SAD) or transit.*

*2-Article 170(3)(b) UCC allows that the person who lodges the declaration, including for end-use and inward processing, is established outside of the EU if this person only lodges a declaration on occasional basis and if customs considers this justified.*

*3-See also derogations provided for in Article 170(3)(c) UCC.*

### ***c) Representatives***

#### *Two situations can be distinguished:*

- *the authorisation holder for a simplification is the importer/exporter and may work with a representative dealing with customs formalities, as for instance lodging the customs declarations.*

- *the authorisation holder of a particular simplification is a customs representative acting for its clients, subsidiaries or partners.*

### ***Application and acceptance phases***

#### **a) Forms of the applications and authorisations for the simplifications**

Annex A DA/IA defines the dataset for the applications and authorisations for simplifications.

No paper-based forms should be used anymore, except in case of a fallback procedure. The relevant columns in Annex A, general part, are: 7a for the Simplified declaration, 7b for the centralised clearance, 7c for the EIDR and 7d for the Self-assessment. Other elements can be found in the specific parts.

#### **b) Period of acceptance**

1. According to Articles 22(2) UCC and 11(1) DA, customs authorities shall verify whether the conditions for the acceptance of that application are fulfilled within 30 days of receipt of the application, including for example that:

- The applicant must have a valid EORI number (article 11(1) (a) DA);
- The applicant must be established in the customs territory of the Union (article 11(1)(b) DA);
- The applicant must submit his application to the customs authority designated to receive applications in the Member State of the competent customs authority (article 11(1)(c) DA);
- The applicant's application does not concern a decision with the same purpose as a previous decision addressed to him which, during the one year period preceding the application, was annulled or revoked on the grounds that the applicant failed to fulfil an obligation imposed under that decision (article 11(1)(d) DA)<sup>1</sup>.

2. If all the information is given the acceptance of the application shall be notified within the same deadline; on the contrary, according to article 12(2) IA where the required information is not complete, the applicant has an additional period of maximum 30 days to provide it, as from the moment customs authorities requested this information.

3. In case of no feedback from the customs authorities concerning the application, it shall be regarded as accepted. The date of acceptance is the date of submission of the application or additional information, if requested (Article 12 (3) IA).

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<sup>1</sup> Unless the annulment or revocation is made on request of the operator.

### c) The right to be heard

Although the non-acceptance of the application can adversely affect the applicant, the principle of the right to be heard (Art. 22 (6) UCC) is excluded according to Article 10(a) DA.

The operator could re-submit an application taking into account the reason(s) of non-acceptance of the previous application.

#### 2.1.2. Pre-audit

##### a) Carrying out the pre-audit

A pre-audit is performed by customs before granting a simplification requiring an authorisation.

The customs authorities shall perform the pre-audit unless the results of a previous audit can be used, subject to certain conditions:

- the previous audit was carried out no longer than 3 years before the submission of the application,
- the conditions of the authorisation are the same,
- the law has not changed,
- the trader has not changed its activities, internal controls, IT system, products....

**For practical aspects, please refer also to the AEO guidelines and other audit documents, e.g. to identify the risks by a mapping process, the AEO compact model published on the DG TAXUD website can be used:**

[http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/customs\\_security/aeo/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm)

*To be noted: If the applicant for a particular simplification is already an AEOC, he is deemed to fulfill the criteria for all simplifications, but some elements or additional conditions related to the specific type of simplification are still subject to assessment before granting an authorisation (article 38 para 5 UCC).*

##### b) The report

The report of the pre-audit should be similar to the AEO's report (*see 3.III.7.4 of the updated AEO guidelines*), including a written assessment on whether the applicant complies with each of the criteria and a clear recommendation on whether to grant the simplification or not according to the result of auditing activities.

All the work done by the customs office with a view to decide on the granting of such authorisation should be documented and should provide details about the checks performed by the customs office, the results of the visit of the premises, the procedures provided by the operator, the organization of the company, information on the products concerned, etc.

*To be noted: If the applicant is already an AEOC, the final report and audit documentation done for granting the AEO's authorisation should be used for preparing and carrying out the pre-audit for simplifications.*

### **c) Decision on the basis of the risk assessment of the operator**

The time-limits for taking a customs decision are specified in Article 22(3) UCC and 13 DA: 120 days, extended by 30 days in Article 22(3) UCC.

#### ➤ **Unfavourable decision**

At the end of the process and before taking the final decision the competent customs authority will inform the applicant in particular where the results/conclusions are likely to result in a negative decision. In that case, opportunity shall be given to the applicant to express his or her point of view, respond to the shortcomings that might lead to the envisaged decision and provide supplementary information with the intention of achieving a positive decision ("right to be heard").

After the "right to be heard" period, if the customs authority confirms the unfavorable decision, it must be notified to the applicant.

#### Following the refusal:

- When the authorisation involves more than one MS, this is communicated to all MS (including the reason for the refusal).

#### ➤ **Favorable decision**

The authorisation is a formal favourable decision and has to be considered as an explicit commitment between customs and the economic operator defining the rights and obligations of the holder of the authorisation, including the obligation to notify any changes arising in his business and organisation (see Article 23(2) UCC).

#### *2.1.3. Guarantee*

The guarantee is not part of the conditions to grant simplifications as it was the case in the CCIP. Nevertheless:

- in case of special procedures as defined in Article 210(b) to (d) UCC, where simplifications are used for special procedures, the authorisation for simplifications cannot be granted before the authorisation for special procedures as referred in Article 211(1) UCC has been granted. The latter authorisation requires the provision of a guarantee (see Article 211(3)(c) UCC).
- Where a customs debt is incurred, a guarantee is also required related to the simplifications according with Article 102 (4), 105 (1) & (2), 195 (1) UCC. Where the payment of the amount of customs duty is deferred (see Article 110 UCC), such guarantee has to be in place before the use of the simplifications. Where appropriate a separate application for the guarantee or/and for deferred payment has to be submitted and a separate authorisation has to be granted.

For the proper use of simplifications, it is recommended to provide for a comprehensive guarantee as defined in Article 95 UCC. In accordance with Article 195(3) UCC, if a

comprehensive guarantee is provided, the release of the goods shall not be conditional upon the monitoring of the guarantee by the customs authorities.

- In case of release for free circulation, the customs authorities monitor the amount of the guarantee on the basis of the supplementary declarations in accordance with Article 157(1) IA.

- In case of special procedures, the customs authorities monitor by audit in accordance with Article 157(3) IA.

On the contrary, if an individual guarantee is provided, the release of the goods is dependent upon the monitoring of the guarantee.

*To be noted: the guarantee has also to be monitored by the person required to provide it in accordance with Article 156 IA.*

*For further information on the monitoring of the guarantee, please refer to the guidance for guarantee for a potential or existing customs debt.*

#### *2.1.4. General control approach*

Customs officials should set up tools allowing how best to tackle and mitigate risks without jeopardizing the advantage of the simplifications. Customs authorities need to have all necessary elements to carry out controls whenever they deem necessary.

*For detailed information about control/audit methodologies, the Customs auditors should use the “guidance” made available by the EU for carrying out controls/audits and take into account the European Court of Auditors’ recommendations (Special report No1/2010).*

**As regards the Control Plan specific to each economic operator**, there is no reference/legal basis for a Control Plan for SDP but it is mandatory for any EIDR authorisations (see art.233 IA).

It has to be set up by the customs authorities and *inter alia* provide for the supervision of the customs procedures operated under the authorisation, define the frequency of the controls, and ensure that effective control can be carried out at all stages of the entry in the declarant's records procedures.

#### *2.1.5. Monitoring of the authorisation and supervision of the operations*

Customs authorities are required to monitor the authorisations and to supervise the operations done.

##### **a) Monitoring by the customs authorities**

The general requirement to the monitoring of all customs decisions is provided in Article 23(5) UCC to the customs authorities shall monitor the fulfilment of the conditions and criteria to be fulfilled by the holder of a decision. They must also monitor compliance with the obligations resulting from that decision. The monitoring of authorisations aims at the early detection of any signal of non-compliance and shall lead to prompt actions in case difficulties or non-compliances are detected.

**It is recommended that a risk assessment of the authorisation holder is carried out at least once every three years and is always necessary when there has been a relevant**

**system change (IT, other) that has an impact on the operation of the customs procedure.**

*For further information, please refer to Part 5 of the updated AEO guidelines.*

***To be noted:** post-clearance checks are examinations on, for instance the administration, organisation, internal procedures and/or internal systems of an economic operator, in order to collect evidence that the operator is still compliant with the relevant legislation and requirements.*

#### **b) Monitoring by the economic operator**

Regular monitoring is also the responsibility of the economic operator. It should be part of its internal control system.

*For further information, please refer to Part 5 of the updated AEO guidelines.*

***To be noted:** as much as possible, the monitoring of the authorisations for simplifications and of the AEO status should be coordinated in order to avoid duplication of examinations. Where the holder of the decision has been established for less than three years, it shall be closely monitored by the customs authorities during the first year the decision is taken.*

#### **c) Supervision of the operations**

The general obligation is laid down in Article 134 UCC. It encompasses controls, including risk-based checks and random checks at clearance of the goods and post-release controls, especially on the supplementary declarations, as defined in Article 48 UCC.

In order to properly address the risk of time-barring of duties, post-clearance checks targeting transactions should be carried out regularly and in due form. The number of transactions to be checked in each post-clearance check should depend on the risks involved.

***To be noted:** post-release controls aim at ensuring the accuracy and completeness of customs declarations in a specific area, for instance, anti-dumping or origin/preference, verification of origin certificates, determination of the customs value, controls carried out following a request for mutual assistance, customs controls in customs warehouses (e.g. inventory or verification of the stock accounts), controls for the purpose of tariff classification etc.*

*For more detailed information about audit methodologies, processes and phases the Customs auditors should use the guidance made available by the EU for carrying out the controls/audits.*

#### **2.1.6. Prohibitions and Restrictions**

There are two types of P&R: ones related to EU regulations and others to national regulations.

The EU P&R provide a legal basis for preventing and/or restricting the entry/import and export of goods for various reasons, in particular security, the protection of health and the environment. Controls can be at the place of entry or exit or when goods are placed under a customs procedure, such as release for free circulation. Customs administrations have a



core function in the control of goods subject to P&R entering or leaving the EU as they are generally the only authorities with a complete overview of the trade flow of goods entering or leaving the customs territory.

P&R exist also at national level and may be applicable only in one MS.

Therefore, in cases of goods for which P&R apply, MSs have to decide whether such simplifications can be used or the goods have to be excluded.

It is recommended to take the decision on the ground of the consultation between the customs authorities and the authorities responsible for the P&R policies at stake.

*Example: when additional checks must be carried out or because of a missing certificate the goods before being released for free circulation, could be placed first in temporary storage or under the customs warehousing procedure for performing the customs controls. Another alternative would be to declare these goods according to the standard procedure.*

#### **(a) Authorisation for SD**

All relevant supporting documents which are required for the release of the goods covered by Article 163(2) UCC have to be presented or made available to the customs authorities at the time the simplified (not supplementary) declaration is made.

The simplified declaration must provide sufficient information so that prohibited/restricted goods can be identified. This is necessary to allow customs authorities to undertake the appropriate controls, and to request, where necessary, the submission of documents indicated as available.

*Please see also Article 145(d) DA, described in part 2.2.3 regarding the conditions for granting SD.*

#### **(b) Authorisation for EIDR**

The holder of an EIDR authorisation must make available information on goods subject to restrictions and prohibitions to the supervising customs office (Art 234(1)(d)IA). In general, from a practical point of view, EIDR can only be used for prohibited or restricted goods where an adequate level of protection can be ensured and where arrangements are put in place with the authorities responsible for the P&R policies at stake. The EIDR authorisation could be used under the condition that the holder of the authorisation presents or makes available the relevant licenses/permits at the time of acceptance of the declaration on request from the customs authority.

The procedure for goods subject to P&R should be clearly laid down in the authorisation.

For instance, the notification could specifically allow the identification of the goods as prohibited or restricted (Article 234(1)(d)IA). The customs authorities must always be in a position to carry out controls to the necessary extent.

#### **(c) Authorisation for Centralised Clearance**

During the consultation procedure, a clear identification of the goods, including any applicable P&R and all possible ways to carry out the necessary controls properly is of the outmost importance. Otherwise the decision should be to exclude certain goods from these

simplifications. It has to be taken on the ground of the requirements of the MS(s) where the goods are physically and where P&R apply.

### *2.1.7. Suspension, revocation and annulment*

#### **a) Suspension**

Based on Article 23(4)(b) UCC, the competent customs authority shall suspend an authorisation for simplifications in the following cases (article 16 DA):

- 1) customs authority considers that there may be sufficient grounds for annulling, revoking or amending the authorisation, but does not yet have all necessary elements to decide on the annulment, revocation or amendment;
- 2) customs authority considers that the conditions for granting the authorisation are not fulfilled or that the holder of the authorisation does not comply with the obligations imposed under that decision, and it is appropriate to allow its holder time to take measures to ensure the fulfilment of the conditions or the compliance with the obligations;
- 3) the holder of the authorisation requests such suspension because he is temporarily unable to fulfil the conditions laid down for the decision or to comply with the obligations imposed under that decision.

**The suspension of the decision means that the authorisation for a simplification is not valid for a certain period of time.**

Prior to the decision to suspend, the competent customs authority must notify the holder of the authorisation of the findings and the assessments made. The authorisation holder is given the right to be heard and possibility to correct the situation. The timescale for the operator to provide comments, corrections and measures taken is 30 calendar days from the date of communication (Article 8 (1) DA).

The competent customs authority should assess the effect of the suspension very carefully. The suspension will not affect a customs procedure which has been started before the date of the suspension and is still not completed.

Where the reason of suspension no longer exists, the suspension shall be lifted. If not, the competent customs authority has to consider whether the authorisation shall be revoked or amended.

According to article 30(1) DA, where an AEO authorisation is suspended due to the non-compliance with any of the criteria referred to in Article 39 UCC, any decision taken with regard to that AEO which is based on the AEO authorisation in general or on any of the specific criteria which led to the suspension of the AEO authorisation, will be suspended by the customs authority that took that decision.

*Examples of cases of suspension can be found in section IV of the AEOs “guidelines”.*

#### **b) Revocation**

Based on article 28 (1) of the UCC a simplification must be revoked where:

- one or more of the conditions for taking the decision were or are no longer fulfilled; or
- upon application by the holder of the decision.

The revocation can be done either directly or after the suspension period (article 18(1)(c) DA). Revocation on the initiative of the customs authorities is a customs decision and the economic operator has the right to be heard so that he or she can express his/her point of view accordingly to Article 22(6) UCC. Therefore any findings, the assessment made and the fact that according to the evaluation this may result in revocation of the authorisation shall be notified to the authorisation holder.

In case the AEOC status is a requirement to obtain a simplification (EIDR with waiver, SA and CC), the suspension or revocation of this status should lead to a direct suspension or revocation of the simplification.

When the suspension or the revocation is decided by the customs authority, the decision must be taken according to the level of non-compliance of the conditions required.

### **c) Annulment**

Based on article 27 UCC, the customs authorities shall annul a decision favorable to the holder of the simplification if all the following conditions are fulfilled:

- (a) The decision was taken on the basis of incorrect or incomplete information;
- (b) The holder of the decision knew or ought reasonably to have known that the information was incorrect or incomplete;
- (c) If the information had been correct and complete, the decision would have been different.

The holder of the decision shall be notified of its annulment.

Annulment shall take effect from the date on which the initial decision took effect.

## ***2.2. New applications for simplified declaration***

### ***2.2.1. Types of SD***

As of 1 May 2016, incomplete and simplified declarations became one single procedure called “simplified declaration”.

The authorisations for SD cover cases where some particulars (some data elements) or some documents (or both) of the declaration are omitted at the time of lodging the customs declaration. During the IT transitional period, the SD can still take the form of an administrative or commercial document in accordance with Article 16(2) TDA.

- **Non-regular use** (former incomplete declaration): the customs authorities may accept or not a declaration (166 UCC) omitting some particulars or required documents or both, on a case by case scenario without requiring an authorisation for lodging such a declaration.

- **Regular use** (former simplified declaration): the customs authorities may grant an authorisation for lodging regularly, a declaration omitting some particulars or required documents, or both.

*To be noted: the regular or non-regular use cannot be strictly quantified. Nevertheless, it might be possible to link the obligation of an authorisation to the cases of **recapitulative and periodical** supplementary declarations.*

#### *2.2.2. Data requirements for the SD*

There is no difference of data requirements between SD of regular and non-regular use. However, in the case of regular use, the MS can postpone some data requirements to the supplementary declaration.

After the transitional period, the simplified customs declaration has to meet the data requirements as set out in Annex B DA, column C1 for export or column I1 for import. In any case, the data omitted cannot be data which are required according to Union legislation.

For instance, where a consignment contains goods subject to the excise legislation, where minimum data are required in the e-AD, these data cannot be omitted in the simplified declaration, ie. the net mass, Commodity Code and goods description (the footnote 5 of Annex B DA which allows to waive the mandatory requirement of these data is not applicable to excise goods).

At import, information regarding deferred payment authorisation shall also be provided in the simplified declaration.

#### *2.2.3. Conditions and criteria for granting the authorisation according to the UCC + points to be checked during the pre-audit*

##### **a) Conditions for regular use of simplified customs declarations**

The conditions to fulfil for granting an authorisation for SD, as listed in Article 145 DA, have been aligned with some parts of the AEO criteria outlined in Article 39 of the Code and Articles 24 and 25 IA. As illustrated in the table below, these conditions are the same as some parts of the AEO criteria described in the IA. As a consequence, full details on how the various criteria and conditions for granting an authorisation for regular use of SD are assessed, and respectively can be considered met are given in the AEO Guidelines.

Conditions to fulfil (Article 145 DA)	IA references regarding AEO criteria
Article 145(1) (a) DA: criterion laid down in Article 39(a) of the Code (the absence of any serious infringement or repeated infringements of customs legislation and taxation rules, including no record of serious criminal offences relating to the economic activity of the applicant).	Article 24 IA
Article 145(1) (b) DA: where applicable, the applicant has satisfactory procedures in place for the handling of licences and authorisations granted in accordance with commercial policy measures or relating to trade in agricultural products.	Article 25 (1) (g) IA
Article 145(1) (c) DA: the applicant ensures that relevant employees are instructed to inform the customs authorities whenever compliance difficulties are discovered and establishes procedures for informing the customs authorities of such difficulties.	Article 25 (1) (i) IA
Article 145(1) (d) DA: where applicable, the applicant has satisfactory procedures in place for the handling of import and export licences connected to prohibitions and restrictions, including measures to distinguish goods subject to the prohibitions or restrictions from other goods and to ensure compliance with those prohibitions and restrictions.	Article 25 (1) (k) IA

If the applicant is already an AEOC, the date of issuance of the AEO status and any monitoring and/or reassessments done after, have also to be taken into account.

Thus, criteria already assessed in connection with granting AEO will not be checked again but when necessary customs authorities can always ask for additional information. However, specific conditions related to requested simplification should be checked if there were not covered during the AEO audit.

*To be noted:* if applications for an authorisation for SD and for the status of AEO are lodged simultaneously, it is recommended that the customs authorities coordinate their activities in order to avoid duplication of examination. The applicant should be informed accordingly.

*For further information on “compliance” criterion, please refer to the AEO “guidelines.”*

**b) Standard list (not exhaustive) of points to be checked**

The pre-audit focuses on some conditions and AEO criteria which are required for SD, but also on specific aspects necessary for authorising the regular use of SD. They can be considered as additional points, if not checked during a previous pre-audit and/or elements to be agreed with the applicant before the authorisation is granted.

- The use of other simplifications provided for in Title V of the Code
- The use of special procedures
- Type of customs procedures
- Time-limit to keep at the disposal of the customs authorities the necessary supporting documents omitted in the simplified declaration (Article 167 (1) of the Code and Article 147(2)&(3) DA)
- Time-limit to lodge the supplementary declaration (Article 146 (3) DA)
- Waiver of the obligation to lodge the supplementary declaration (Article 167(2) of the Code; Article 183 DA)
- Approval of places for the presentation of goods to customs and/or designated places (for goods entering the EU or after being placed under transit arrive at an office of destination, please see corresponding Articles 139 of the Code and 115 DA)
- The representative or declarant (if applicable, empowerment)
- Reconciliation between the SD and the supplementary declaration
- Link between the records and the accounting system
- Place where the records are kept
- Place where the records are accessible (can be different from where they are kept, especially in case of representation)
- Guarantees if applicable for the customs procedure required
- Type of goods, quantity, value
- Companies included in the authorisation
- <u>Specific issues for import:</u> VAT identifications, authorised consignee and other transit aspects, deferred payment information
- <u>Specific issues for export:</u> pre-departure formalities, authorised consignor and confirmation of exit if applicable

To ensure a fair and equitable application of the conditions and criteria as outlined above, the authorizing customs authorities must take due account of the specific characteristics of the applicant, including its size and the volume of its operations.

#### 2.2.4. *Supplementary declaration*

##### **a) Type of supplementary declarations and deadlines**

**Under the UCC (article 146 DA), the supplementary declaration can be:**

- general: 10 days after the release of the goods when the supplementary declaration covers one simplified declaration; in this case, the entry in the accounts is made as provided by art.105§1, paragraph 1 UCC.
- recapitulative: 10 days after the end of the period covering more than one SD by one supplementary declaration (the period should not exceed one calendar month); art.105§1, paragraph 2 UCC applies.
- periodic: 10 days after the end of the period covering one SD by one supplementary declaration (the period should not exceed one calendar month); art.105§1, paragraph 2 UCC applies.

❖ *but the authorisation holder may submit it in advance of the deadline.*

As provided by art.146(4) of the DA, customs authorities may allow during the transitional period for other deadlines than those specified in paragraphs 1 and 3 of this Article.

## **b) Reconciliation**

1. Simplified declaration + supplementary declaration = “*a single indivisible document*” (art 167 (4) UCC) allowing to specify the date of the customs debt.
2. When the supplementary declaration corresponds to more than one simplified declaration, it should cover all the simplified declarations of the period.
3. It is necessary to reduce the risks resulting from the manual and/or sporadic reconciliation between the simplified declarations and the relevant supplementary declarations.
4. Definition: reconciliation is matching the data of the simplified and those of the supplementary declaration.
5. The reconciliation should ensure that fiscal compliance, traceability and integrity of the customs debt are maintained. The reconciliation should be undertaken automatically and ensure the correctness and completeness of the data of the supplementary declarations. It should be done by the EO and controlled by customs.
6. The automated reconciliation ensures that any discrepancies are followed up. The automated reconciliation of the particulars contained in declarations should be carried out in the national customs clearance systems.
7. The customs declaration registration number/MRN can be used to identify the declaration to be reconciled. This electronic reconciliation should provide reasonable assurance on the completeness and accuracy of the supplementary declaration and that all goods have been properly declared.

## **c) Waiver of the supplementary declaration**

As regards waivers of the obligation to lodge a supplementary declaration, they are possible after a simplified declaration has been lodged only in the cases of paragraphs (2)(a) and (3) of Article 167 UCC.

In paragraph 2(a), the goods are placed under the customs warehouse procedure. In paragraph 3, the value and quantity of the goods are below the statistical threshold and the simplified declaration is not omitting necessary information for placing the goods under the customs procedure concerned.

### *2.2.5. TDA aspects applicable until the IT systems have been updated or deployed*

Declarants may continue using the existing national IT systems until the relevant IT systems have been updated or deployed taking into account the following:

- As annex B DA/IA is suspended during the transitional period so the data requirements until the update of the systems are those of the Annex 9 appendix A TDA.

For paper based simplified declarations, it is maintained with the relevant paper based forms provided for in Annex 9, Appendices B1 to B5 of the TDA (forms of Single Administrative Document) [Article 16 (1) of TDA].

As regards the deadlines for lodging the supplementary declaration, the customs authorities may in accordance with article 146(4) DA allow that other deadlines for lodging of the supplementary declaration are used, till the national IT systems are updated.

During the transitional period for the national import and export systems, existing manual reconciliation is still accepted during post clearance or assurance activity.

During the transitional period a SD can still take the form of a commercial and administrative document, provided that conditions of article 16(2) TDA are met.

### **2.3. New applications for EIDR**

#### *2.3.1. Conditions and criteria for granting the authorisation + points to be checked during the pre-audit*

##### **a) Conditions for granting an authorisation for EIDR**

The conditions to fulfill for granting an authorization for EIDR, as provided for in Article 150 (1) DA, have been aligned with the AEO criteria outlined in Article 39(a), (b) and (d) of the Code. The table below provides these conditions and the legal references in the IA.

Conditions to fulfil (Article 150 DA)	IA references
Criterion laid down in Article 39(a) of the Code (the absence of any serious infringement or repeated infringements of customs legislation and taxation rules, including no record of serious criminal offences relating to the economic activity of the applicant).	Article 24 IA
Criterion laid down in Article 39(b) of the Code (the demonstration by the applicant of a high level of control of his or her operations and of the flow of goods, by means of a system of managing commercial and, where appropriate, transport records, which allows appropriate customs controls).	Article 25 IA
Criterion laid down in Article 39(d) of the Code (with regard to the authorisation referred to in point (a) of Article 38(2) [AEO-C], practical standards of competence or professional qualifications directly related to the activity carried out).	Article 27 IA

If the applicant is already an AEOC, the date of issuance of the AEO status and any monitoring and/or reassessments done after, have also to be taken into account.

Thus, criteria already assessed in connection with granting AEO may not be checked again but when necessary, customs authorities can always ask for additional information (e.g. a change of circumstances). However, specific conditions related to requested EIDR should be checked if there were not covered during the AEO audit.

*To be noted:* if applications for an authorisation for EIDR and for the status of AEO are lodged simultaneously, it is recommended that the customs authorities coordinate their activities in order to avoid duplication of examination. The applicant should be informed



accordingly. In any case the final reports and communications to the applicant shall be separate as related to two different decision processes.

### **b) Additional conditions for waiving the obligation for the goods to be presented**

The customs authorities may, upon application, waive the obligation for the goods to be presented. The table below provides the additional conditions that must be then fulfilled by the declarant and details on how to assess them during the pre-audit.

<b>Conditions (Article 182 (3) of the Code)</b>	<b>Information to check during the pre-audit</b>
a) the declarant is an AEO for customs simplifications	<i>cf. Articles 38 and 39 of the Code, Articles 24 to 27 IA and AEO guidelines for customs simplifications</i>
b) the nature and flow of the goods concerned so warrant and are known by the customs authority	<p>- the nature of the goods has to be known at the time of the pre-audit for assessing if the presentation waiver can be granted.</p> <p>If there is a change in the nature of the goods, it has to be notified to the customs authorities.</p> <p>The following types of goods could for instance be excluded:</p> <ul style="list-style-type: none"> <li>* goods for which a supporting documents as defined in Article 163(2)UCC is required for releasing the goods,</li> <li>* goods for which P&amp;R apply unless the condition of Article 182(3)(d) UCC is met (see below).</li> </ul> <p>- As regards the flow of goods, reasons to exclude could be related to the following:</p> <ul style="list-style-type: none"> <li>* routes,</li> <li>* supply chains,</li> <li>* nature or frequency of flow.</li> </ul> <p>This will have to be decided on a case by case basis.</p>
c) the supervising customs office has access to all the information it considers necessary to enable it to exercise its right to examine the goods should the need arise	The supervising customs office should check the accessibility to the premises and the availability of the information necessary for risk analysis to be provided by the declarant (the records, the attendance of a representative of the company, etc.).
d) At the time of the entry in the records, the goods are no longer subject to prohibitions or restrictions, except where otherwise provided in the authorisation.	<p>- Depending on the outcomes of the pre-audit, conditions to allow a notification waiver in case of goods subject to P&amp;R can be integrated to the authorisation.</p> <p>- A close monitoring of the business should be done</p>
e) However, the supervising customs office may, in specific situations, request that the goods be presented.	- In all cases, the declarant must be able to notify the presentation of the goods to the customs when required by the customs authority. Requests for the goods to be presented could be foreseen for circumstances where the risks change.

### c) Other points to be checked during the pre-audit visits

The pre-audit focuses mostly on the relevant AEO criteria, but also on specific aspects necessary for authorising the use of EIDR. They can be considered as additional points, if not checked during a previous pre-audit and/or elements to be agreed with the applicant before the authorisation is granted:

- the modalities provided for to present the goods/to notify the presentation of the goods if a notification waiver is not authorised (Article 182 (3) of the Code);
- the conditions under which the release of the goods is allowed (Article 182 (4) of the Code);
- the respect of the exclusions of Article 150(3) to (6) DA.

Please see table below as a possible check-list for other points to be checked:

- The use of special procedures
- Type of customs procedures
- Time-limit to make available to the customs authorities the necessary supporting documents (Article 167 (1) of the Code and Article 147 DA)
- Time-limit to lodge the supplementary declaration (Article 146 DA)
- Waiver of the obligation to lodge the supplementary declaration (Article 167(2) of the Code; Article 183 DA)
- Approval of places for the presentation of goods to customs and/or designated places (for goods entering the EU or after being placed under transit arrive at an office of destination, please see corresponding Articles 139 of the Code and 115 DA)
- The representative or declarant (if applicable, empowerment)
- Reconciliation between the presentation notification and the supplementary declaration and in case of presentation waiver, the company has to be able to prove that the data entered for the release of the goods were accurate and then compiled for making the supplementary declaration
- Link between the records and the accounting system, if applicable
- Place where the records are kept
- Place where the records are accessible (can be different from where they are kept, especially in case of representation)
- Guarantees if applicable for the customs procedure required
- Type of goods, quantity, value
- Examples of companies benefiting from the authorisation, in case of representation
- <u>Specific issues for import</u> : VAT identifications, authorised consignee and other transit aspects, deferred payment information
- <u>Specific issues for export</u> : pre-departure formalities, authorised consignor and confirmation of exit if applicable

### 2.3.2. Who can be authorisation holder, for which goods and for which procedures?

#### a) Ship/Aircraft supplies

Simplifications for ship and air supplies should be allowed as much as possible. Operators of ship and aircraft supplies may be authorised by customs e.g. to enter in their records the exported goods and to report their export operations on a periodic basis after the goods have left the customs territory of the Union as long as conditions of Articles 150(4) and (5) DA are met.

See also the guidance document on ANNEX B - SHIP SUPPLIES - Articles 269 and 270 UCC:

[https://ec.europa.eu/taxation\\_customs/sites/taxation/files/resources/documents/customs/customs\\_code/guidance\\_ship\\_supplies\\_en.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/customs/customs_code/guidance_ship_supplies_en.pdf)

#### b) Customs procedures

- **According to Article 150(2) DA**, EIDR cannot be used for transit.

**We also need to highlight that the EIDR cannot be used** for placing goods in temporary storage facilities.

- **According to Article 150(3) DA** EIDR can neither be used for release for free circulation of goods which are exempted from VAT because of an intra-Union dispatch nor for goods which are moved under an excise duty suspension within the EU territory, in accordance with art.17 of the Directive 2008/118/EC. (procedure code 42 and 63).  
Nevertheless, the national movements of such goods can be compatible with EIDR if the Member States decides to apply Article 30 of the Directive 2008/118/EC.
- **According to Article 150(4) DA**, two conditions are to be met for export and re-export:  
there is no pre-departure declaration to be lodged and the customs office of export must also be the customs office of exit or the two customs offices are different and have made arrangements ensuring that the goods are subject to customs supervision at exit.

This means, EIDR applies in cases where the goods to be exported are covered by the provisions of Article 245 DA e.g. *electrical energy or 'goods of a commercial nature provided that they do not exceed either EUR 1 000 in value or 1 000 kg in net mass'*.

- **According to article 150 (5) DA**, the export of excise goods is not allowed unless Article 30 of Directive 2008/118/EC is applicable.

Therefore, EIDR must not be used in the export of excise goods except where Article 30 of Directive 2008/118/EC is applicable. This would be the case where the whole export takes place entirely in one MS. Article 30 of Directive 2008/118/EC does not apply to re-export of goods as the excise regulation does not apply to excise goods covered by a customs suspensive procedure or arrangement according to article 3 (4) directive (EC) 2008/118.

- **According to article 150 (6) DA, for special procedures**, EIDR must not be applied where the customs declaration shall be lodged for inward or outward

processing where information have to be exchanged between customs authorities in more than one MS by using an INF, except if the customs authorities, instead of INF, agree on other means of electronic exchange of information (as laid down in Article 176 (1) (a) DA).

### ➤ **Special Procedures**

Although the use of special procedures requires an authorisation for the procedure itself, it is possible to place the goods under the relevant special procedure with lodging a customs declaration in the form of EIDR.

#### **c) other exclusions:**

- According to Article 163 (2) c) DA EIDR cannot be used where the customs declaration shall constitute the application for an authorisation for a special procedure.
- According to article 234 (2) (b) IA, a customs declaration to replace an entry summary declaration (ENS) shall not be lodged using EIDR.

#### **d) EIDR with presentation:**

In case of EIDR the lodgement of the CD prior to presentation cannot be possible.

#### *2.3.3. Control aspects*

In order to supervise the operations and to deal with an external threat identified by customs, customs should be able to communicate with the authorisation holders. The authorisation may have to be adjusted temporarily or permanently according to the risk situation.

For instance, if new risks are identified for which goods need to be controlled at clearance (e.g. an anti-dumping duties that has to be addressed at clearance, an irregularity or a suspicion or irregularity identified in an audit that has to be addressed at clearance), customs must be able to communicate to the operator and may ask that specific type of goods are withdrawn starting at a certain date (temporarily or permanently) from the authorisation or assorted with specific conditions (e.g. a request to take a sample for certain type of goods without stopping them at clearance). This would allow, if necessary, adapting the authorisation to new emerging trends/risks.

As regards the control plan, Article 233 IA, requires that such plan:

- is specific to the economic operator (individual and used by customs, and for customs use only),
- is related to both the supervision of the customs procedures but also the monitoring of the authorisation.
- determines the main elements to be controlled according to the risks level. It should thus indicate the risks identified for the authorisation concerned.
- defines the frequency of customs controls according to the number of transactions, the risk circumstances and the level of internal control systems/procedures.
- ensures that effective controls can be carried out at all stages of EIDR and are adapted to changing risks,
- foresees the type of controls (risk based controls/random controls/post-clearance audits), the minimum controls to be carried out, the application of measures of the Code related to risk issues (documentary, physical etc).
- where relevant, takes into account the limitation period for notification of the customs debt,
- provides for specific control procedures where a notification waiver is in place (like possible periods of suspension of the presentation waiver according to Article 182(3)),
- the control plan should consider the possibility of changing risks and foresee the appropriate changes in the controls needed to ensure effective risk analysis and management. This may include specific requests for goods to be presented under the second paragraph of article 182.3(d) of the UCC.

*For further information, please refer to the audit working tools.*

*To be noted: When the economic operator is an AEO, this control plan should take into account the monitoring plan drafted by the customs authority for the management of the AEO authorisation.*

#### *2.3.4. The release of goods*

- Where the authorisation for EIDR lays down a time limit for informing the holder of that authorisation of any controls to be performed, the goods shall be deemed to have been released at the expiry of that time-limit, unless the supervising customs office has indicated within that time- limit its intention to perform a control. (Article 235(1) IA)

The specific time-limit must be chosen in order to allow the competent customs office to do the necessary checks.

- Where the authorisation does not lay down a time-limit as referred to in paragraph 1, the supervising customs office shall release the goods in accordance with Article 194 of the Code. (Article 235(2) IA).
- Paragraph 2 of art.235 IA does not apply in case of EIDR with presentation waiver as the release in such case is automatic, as provided for by art.182/3 of the UCC.
- Nevertheless it could apply when an EIDR authorisation with waiver is granted but customs requires the presentation of the goods in specific situations.

### 2.3.5. *The presentation waiver*

The presentation of the goods aims at informing customs of the arrival and availability of the goods for controls (cf. Article 5(33) UCC). In the context of EIDR, the presentation of the goods means notification to customs that the goods concerned are at their disposal and are entered in the records.

According to Article 182(3) UCC, the customs authorities may, upon application for EIDR submitted by an AEOC, waive the obligation for the goods to be presented, meaning that no notification has to be sent to customs. Please note that the notification waiver and presentation waiver are not two separate waivers.

In the case of presentation waiver, the goods shall be deemed to have been released at the moment of entry in the declarant's records. Specific conditions under which the release of the goods is allowed shall be set out in the authorisation, as for instance: "the date of release of the goods has to be clearly entered in the declarant's records".

*To be noted: the automatic release can be suspended by customs or at the request of the economic operator and a notification of presentation can be required for a certain period of time.*

### 2.3.6. *Data requirements for the records and for the notification of presentation if required*

#### **a) In the records**

The reference to the operation is ensured by an internal filing number, for example a delivery note number; invoice number etc.

The data to be entered in the declarant's records are at least those of a simplified declaration (minimal data set), as regulated in Article 234(1)(b) IA and Annex B-DA.

Optional data is generally not required at the point of the entry in the declarant's records. If needed, it can be submitted with the supplementary declaration.

In case where a simplified declaration is entered in the declarant's records, supporting documents may be missing at the release of the goods except those of Article 163(2) UCC.

*To be noted: omissions can be accepted by the supervising customs office, if the payment of the duty is ensured; as in case of export, an average netto weight for some products can be used, if the other authorities included in the process (e.g. Statistical Office) do agree.*

The structure and the form of the data of the records are free; this means there is no standard version for example what the length of a record is supposed to be. However it is recommended to take into account the data-elements for the presentation notification and the (supplementary) declaration that after the transitional phase have to comply with the requirements of annex B (IA).

The data may be stored in different locations and/or also in different IT-systems but have to be accessible to customs and must allow identifying the audit trail of each operation.

## **b) In the NP**

As regards the notification of presentation, the data requirements are set up in Annex B-DA/IA (columns C2-I2).

### *2.3.7. Discharge of the previous procedure or TS*

The previous procedure or TS is discharged by placing the goods under a subsequent procedure. Where the obligation to send the notification or to lodge a supplementary declaration is waived, the customs authorities may require in the authorisation the description of the process related to the discharge of the previous procedure or TS.

*For further information, please refer to the “guidance” for special procedures and TS*

### *2.3.8. Supplementary declaration*

There is no explicit reference in the legislation to reconciliation. The Article that implies the need to reconcile is Article 167 (4) UCC.

The declaration entered in the declarant’s records and the supplementary declaration shall be deemed to constitute a single, indivisible instrument, taking effect on the date on which the goods are entered in the declarant’s records.

The registration in the declarant’s records is equivalent to a simplified declaration or a standard declaration. From the registration, there should be traceability to the supporting documents for example via a reference number. For instance, traceability could be provided from purchase order until the supplementary declaration is submitted and customs debt is paid and vice versa.

### **The date of the EIDR is the date of the acceptance of the customs declaration.**

As regards the waiver of supplementary declaration in the scope of EIDR, there are only two possible cases covered by Article 167(2) UCC:

- where the goods are placed under a customs warehousing procedure,
- the case laid down in Article 183 DA where the goods are placed under a second special procedure by entry in the declarant’s records (which is covered by Article 167(2)(b) UCC).

### *2.3.9. TDA aspects*

#### **a) Notification of presentation**

There are no concrete data requirements stipulated for the notification in the TDA. As the data requirements of the notification are not stipulated in the CCIP either, Member States have developed national rules for these data requirements.

As a consequence, Member States can continue with their practices in place before 1st May 2016 in accordance with Article 21(1) TDA.

## **b) Export/re-export**

Under the export procedure or re-export, customs authorities will continue to be allowed to accept the notification of presentation to be replaced by a customs declaration, including a simplified declaration

### **2.4. New applications for Centralised Clearance**

#### **2.4.1. Definitions**

- **Centralised clearance (CC) (Article 179 UCC, article 149 DA and articles 229-232 IA):** authorises a holder to lodge, or make available, at the customs office where he is established, a customs declaration for goods which are presented to customs at another customs office, within the customs territory of the Union.

#### **- Authorising Member State (AMS)**

The authorising MS has the leading role. This MS is the main contact point for the applicant/authorisation holder. It is responsible for the authorisation process, the granting of the authorisation and the monitoring of the authorisation.

#### **- Participating Member State(s) (PMS)**

The participating MS are all the other MS involved in an authorisation. They are involved in the authorisation process in accordance with the consultation procedure rules. On request they would support the AMS in the audit process and also provide the AMS with information that could assist with the monitoring of the authorisation. The PMS are also responsible for ensuring that the authorisation holder conforms to national requirements on fiscal and statistical aspects.

At export, the PMS are the MS where the goods are when they are declared for export.

#### **- Supervising customs office (SCO)**

This customs office has the responsibility to supervise the placing of the goods under a customs procedure. It is also the customs office where, according to Article 179 UCC, the customs declarations are lodged and supervises the operations of the authorisation holder.

In case of combination with special procedures, it is recommended that the SCO is also the customs office of control of the special procedure.

#### **- Presentation customs office(s) (PCO)**

The PCO is the customs office responsible for the place where the goods are physically located. It is also responsible, jointly with the SCO, for the supervision of operations and the release/controls of the goods.

At export, the presentation office is the office where the goods are located when they are declared.



The customs office of exit can be different from the customs office of export. In this case, the customs office of exit is not a presentation customs office involved in the authorisation.

#### 2.4.2. *Conditions and criteria for granting the authorisation + points to be checked during the pre-audit*

When centralised clearance involves more than one MS, an authorisation is required.

This means that a formal application (see 2.4.3) and a pre-audit allowing checking the conditions but also the specific points for CC have to be performed.

The applicant must be an AEO for customs simplifications (Article 179(2) of the Code) at the time of the application for CC.

#### 2.4.3. *Additional information to be checked*

- Customs offices of presentation;
- Different parties covered by the authorisation;
- Lodgement of the declaration (in own name/own behalf, direct or indirect representative);
- Authorisations for special procedures for which CC will be used, to be granted beforehand or simultaneously;
- Authorisations for other simplifications (EIDR, SD, SA) if combined, to be granted beforehand or simultaneously;
- Deferred payment or postponed accounting, with a comprehensive guarantee covering the VAT (Articles 89 and 95(2) UCC).

*To be noted: an authorisation for special procedure involving more than one MS can be used combined or not combined with an authorisation for centralised clearance:*

*- Movements of goods can occur under a special procedure without having to lodge a new customs declaration, so it is outside the scope of the CC.*

*- But if after a transfer to a second MS, the goods are cleared for another customs procedure, the customs declaration can be lodged in the first MS whereas the goods are located in the second one; an authorisation for CC is then required.*

The requirement for an authorisation for CC may also be waived where the customs declaration is lodged and the goods presented to customs offices under the responsibility of one customs authority (Article 179(1) of the Code).

If, still, an authorisation is required at national level, the applicant has to be an AEOC (Article 179(2) UCC).

When an authorisation is not required at national level, being an AEOC is not mandatory.

#### 2.4.4. *Who can apply, for which goods and for which procedure?*

- For *who can apply*, see the general point 2.1.1.

- For *which goods and which procedure*: Article 149(1) DA excludes transit and temporary storage. If combined with other simplifications or special procedures, any restrictions related to these matters apply.

- In accordance with Article 149(2) DA, when CC is combined with EIDR, the restrictions of Article 150 DA apply.

#### 2.4.5. *Application, consultation and granting procedure*

As regards the data requirements for the application and authorisation, please see the data of annex A DA/IA.

**In case of CC, a specific consultation procedure takes place between MS (Article 229 IA):**

##### ➤ **Communication of the draft project to the participating MS**

The application + draft authorisation + control plan where appropriate + additional information shall be made available by the authorising customs authority (AMS) to the participating one(s) at the latest **60 days** after the date of acceptance of the application. This time period will be reduced to 45 days once the CCI and AES systems have been introduced.

##### ➤ **Objections or agreement of the participating MS**

The PMS will communicate their agreement or objections within **60 days** of the date on which they received the draft authorisation. This time period will be reduced to 45 days once the CCI and AES systems have been introduced.

Where objections are communicated, and no agreement is reached within 90 days of the date on which the draft authorisation was communicated, **the authorisation shall not be granted for the parts on which objections were raised. A 30 day extension is allowed.**

*Examples: one customs procedure may be rejected or some sensitive goods cannot be imported in one of the PMS. In these cases, it can be decided to exclude this customs procedure or these sensitive goods from the authorisation.*

*The authorising MS should assess if the authorisation can work properly without a total agreement from the participating MS.*

*Otherwise, the authorising MS may decide to reject the application, based on well-grounded reasons.*

When a negative decision is taken, the applicant can make use of his right to be heard and eventually appeal in the MS where the decision was taken (Article 44 of the Code).

*To be noted: According to art.229(2)(c) IA the draft authorisation transferred by the AMS to the other MS is completed by other documents on statistical and VAT issues (see Annexes I to IV).*

#### 2.4.6. *The sharing of collection costs, the convention (see Annex 1)*

**In case of an authorisation granted for release of the goods for free circulation, an arrangement is needed between the MS involved in order to share the national collection costs.**

The **Convention** on centralised customs clearance concerning the allocation of national collection costs retained when traditional own resources are made available to the EU budget, entered into force on 16 January 2019. This Convention also applies to Single Authorisations for release for free circulation as defined in Article 1 (13) of Commission Regulation (EEC) No 2454/93, as amended by Regulation 1192/2008, of 17 November 2008.

#### 2.4.7. *Combination with a standard declaration or a simplified declaration*

According to Article 231 IA, CC can be used with the lodging of a standard declaration at the SCO. It can also be a simplified declaration whether used on a regular basis or not.

*Example: CC is authorised with a standard declaration but once every month, a simplified declaration is lodged instead, without authorisation since it is not made regularly.*

Article 231 IA describes the different exchanges of messages between the SCO and the PCO in order to control and/or release the goods (for further details see point 2.4.7).

For fiscal and statistical reasons and according to Articles 231 and 232 IA, the SCO shall transmit the standard or the simplified declaration to the PCO and later on, any amendments or invalidations of the customs declaration to the PCO after the release of the goods.

*To be noted: in case of a simplified declaration (or entry in the declarant's records) the supplementary declaration (and any amendments or invalidations) shall also be provided to the PCO.*

#### 2.4.8. *Case of combination of CC and EIDR with presentation notification and without presentation notification*

When CC is combined with EIDR authorisation with presentation notification, Articles 234, 235 and 236 IA shall apply.

In addition to these articles and for the case of presentation waiver granted in accordance with Article 182(3) UCC, the authorisation holder has to fulfil the obligation laid down in Article 234(1)(f) IA:

The authorisation holder shall ensure that the authorisation holder of the temporary storage facilities has the information necessary to prove the end of the temporary storage.

It is therefore depending on the arrangement between the authorisation holders so that the authorisation holder of the TS facilities can close TS in the PMS system (see point 2.3.7). There is no need for such arrangements in those MS that have the facilitation with an electronic release note.

In case of CC combined with EIDR and SA (three authorisations), where the supplementary declaration is accessible to customs in the trader's IT System, it is of the

responsibility of the supervising customs office to transmit the particulars of this declaration to the customs office of presentation (Article 232(2) IA) for the purposes of Surveillance, VAT and statistics.

#### 2.4.9. *External issues not harmonised*

##### **a) Statistics:**

*Extrastat legislation (Art. 7(2) Extrastat R.471/2009)* lays down that "with implementation of a mechanism for mutual data exchange by electronic means" the AMS should send, for statistical purposes, the particulars of the customs declarations to the other Member State's customs (which should then forward it to its national Statistical Office). The receiving Statistical Office would then use the forwarded data to produce extra-EU trade statistics (and also the national ones).

One step forward with the upcoming CCI system and AES, compared to SASP requirements, is that the authorisation holder should not have to be in contact anymore with the statistical authorities of the PMS.

##### **b) Requirements for import VAT:**

The process for declaring and collecting import VAT should not change during the transitional period. The authorisation holder shall ensure that the payment is done properly in the appropriate MS.

Until the IT system becomes available, there are many variations in the treatment of VAT at national level. Under existing Centralised Clearance authorisations and any new ones, it is the traders' responsibility to provide VAT to the satisfaction of the participating member states. Either within the authorisation or in an annex to the CC authorisation, it should be detailed the participating MS' requirements for submission of the import VAT. Therefore, the VAT requirements should be clarified between the authorising MS and the participating MS during the consultation procedure. The obligation of the authorisation holder to obtain a VAT number or to appoint a fiscal representative in the participating Member State should also be clarified during the consultation procedure so that the applicant can comply with his obligation **before** the granting of the authorisation.

There are two models operated in relation to VAT in the PMS: whether the PMS uses the postponed accounting or deferred payment model.

##### - The deferred payment model

The authorisation holder submits the customs declaration in the AMS. There is a requirement to make an import VAT declaration to the Customs authorities in the PMS. This declaration can either be paper or electronic and must contain all necessary information to enable the PMS to calculate and collect any VAT liabilities.

##### - The postponed accounting model

The authorisation holder submits the customs declaration in the AMS. There will be a requirement to make a periodic fiscal declaration to the fiscal authorities in the PMS. This declaration can either be paper or electronic and must contain all necessary information to enable the PMS to calculate and collect any VAT liabilities.

##### Other issues

For control purposes, verification of the VAT returns may vary across member states. Some MS may require copies of the customs declaration submitted in the AMS for verification purposes.

For further information, please refer to Annex 2 of the guidance.

### **c) Excise goods:**

For the purpose of import of excise goods, centralised clearance only refers to the centralisation of customs formalities associated with the release for free circulation of excise goods. The release for free circulation physically takes place in the Member State of Presentation. Therefore the Supervising Customs Office must provide the Member State of Presentation with the necessary information. Such information enables the competent authorities in the Member State of Presentation to either impose excise debt on the importer or their representative, or to satisfy themselves that a draft e-AD submitted by a registered consignor is consistent with the contents of the import declaration, if the intention is:

- to release excise goods for free circulation and release for consumption – pay excise duty,
- to release for free circulation followed by movement under a duty suspension arrangement – requires evidence of following movement under EMCS,
- to release for free circulation and placing goods in a tax warehouse and suspension from excise duty indicating the appropriate CPC2 - requires evidence of entry in the warehouse records under national excise legislation.

For the purpose of export of excise goods, centralised clearance only refers to the centralisation of customs formalities associated with export. The Supervising Customs Office must provide the release message to the Member State of dispatch. Once the Supervising Customs office has received the confirmation of exit of the goods from the EU, it must provide this message to the Member State of dispatch to enable the excise authorities in the Member State of dispatch to close the EMCS movement.

Details on cross checking and actual message flow cannot be provided before the L4 BPM on centralised clearance is stable.

#### *2.4.10. Drafting a control plan if applicable*

According to Article 233(1) and (4) IA, a control plan is mandatory if CC is combined with an authorisation for EIDR. In this case, the control plan specifies the sharing tasks between the Authorising MS and the participant MS + between the SCO and the PCO as referred to in Article 233(4) IA. The control plan for EIDR with the CC specificities is always to be prepared by the AMS and communicated to the PMS.

It shall also take into account the P&R applicable at the place where the customs office of presentation is located (*see Annex Joint control plan*).

In addition with the control plan for EIDR, some specific tables are/information is added to it for sharing tasks between the MS and explaining how to proceed for instance with a notification waiver.

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<sup>2</sup> The tax warehouse authorisation can be also held by another person than the authorisation holder of the simplification

2.4.11. *Procedural rules - Exchange of information (when all the IT systems of MS involved in a particular authorisation are ready)*

**a) In case of standard and simplified declarations**, the SCO will carry out an automated risk analysis and the appropriate controls, in accordance with Article 179(3) UCC, based on the customs declaration.

- 1) The standard or simplified declaration is transmitted to the PCO with the results of the related risk analysis.
- 2) It shall inform the PCO that the goods can be released or that customs controls are required.
- 3) The PCO will carry out its own risk analysis according to national customs legislation and other non-customs legislation for determining if own controls have to be carried out. If yes, it shall inform the SCO that controls have to be performed so the release of the goods cannot be granted immediately (Article 231(5) IA).
- 4) If not, it has to acknowledge any request for a control from the SCO (Article 231(6) IA).
- 5) It will perform the controls required by the SCO and/or its own controls and once done, it will transmit any results to the SCO (Article 179(5) UCC).
- 6) In accordance with Article 179(6) UCC, only the SCO can take the decision of the formal release of the goods taking into account the results of the possible controls performed by itself and/or by the PCO.
- 7) It shall immediately inform the PCO of the release of the goods in accordance with Article 231(7) IA.
- 8) The standard declaration or the supplementary declaration (in accordance with Article 232(1)(b) IA, in case of simplified declaration) are transmitted to the PCO mostly for fiscal and statistical purposes.
- 9) In case of amendments or invalidations of either the standard declaration or the supplementary declaration, they have to be communicated to the PCO in accordance with art. 232(1) IA.

At export, article 231(8) IA specifies that the SCO shall also deal with ECS messages, exchanged with the declared customs office of exit.

Therefore, it is up to the SCO to certify the exit of the goods to the declarant, in accordance with Article 334 IA.

**b) In case of EIDR**, the notification of presentation is lodged at the SCO which will decide whether a control has to be carried out based on the information received plus the ones foreseen in the control plan.

It will transmit the notification of presentation with a possible request for control to the PCO.

Article 231(5) to (7) IA apply.

*The steps 2) to 9) as for the standard or simplified declaration apply mutatis mutandis.*

**At export**, the conditions of EIDR as laid down in Article 150(4) DA apply, bearing in mind that in accordance with Article 1(16) DA, the customs office of export is the SCO in case of CC.

#### *2.4.12. TDA aspects applicable till the IT systems are updated*

##### **a) Issuing procedure**

Article 229(4) IA extends the periods of consultation by:

- 15 days for the AMS to communicate the application to the PMS and 15 days for the PMS to communicate agreement or objections.
- 30 days for the decision to be taken once no agreement has been reached within 90 days.

Article 19 TDA states that till the Customs decision system is not in place, the MS shall provide the list of applications and authorisations to the Commission, which shall store the public information on CIRCA BC (only non-confidential data can be handed out).

Article 20 TDA specifies that an application can still be rejected by the AMS for disproportionate administrative burden, as it existed in Article 253h (5) CCIP.

##### **b) Control plan and external issues**

According to Article 229(5) IA, a control plan with the CC specificities (see point 2.4.5) is always to be prepared and communicated to the PMS during the transitional period, whatever type of customs declaration is used.

The VAT and statistical aspects must be provided to each participating MS by the holder of the authorisation. Each participating MS will compile information for its own national purposes.

The Statistical information to be provided to EUROSTAT is of the responsibility of the AMS which should transfer the appropriate information to its statistical office.

##### **c) Exchange of information between custom authorities**

During the transitional phase, there is no common IT system in place for ensuring the exchanges of information between the SCO and the PCO. Therefore, Article 18(2) TDA states that the existing means of exchange used for SASP can remain as long as Article 179 UCC is respected.

Article 18(1) specifies that the customs authorities involved in the authorisation have to set out the arrangements to ensure compliance with the necessary exchanges to control and/or release the goods.

This does not imply an exchange of information for each and every operation before the release of the goods but an agreement has to define how to deal with the release of the goods taking into account the requirements of both the SCO and the PCO.

**At export, a customs declaration can be lodged under EIDR until the AES is updated accordingly.**

#### *2.4.13. Monitoring of the authorisation*

In accordance with Article 230 IA, the authorisation has to be monitored by the customs authority of the AMS. But the AMS can do so, only if there is a collaborative approach with all the other customs authorities involved.

Each customs authority should inform the AMS of any changes which may affect the authorisation; and the AMS should immediately make available all relevant information at its disposal, which is related to the activities of the authorisation holder to other MS involved.

In the transitional period, the MS define the way they inform each other during the consultation procedure.

#### **2.5. *New applications for self-assessment (SA)***

##### *2.5.1. Additional elements of definition*

SA does not constitute a new or additional form or type of customs declaration but merely a simplification that allows the ‘delegation’ of certain tasks of the customs authorities on the EO.

When SA is used at the time of the placement of the goods under a customs procedure and re-export, a customs declaration is required, it can be: either a standard, simplified declaration or entry in the declarant’s records.

*To be noted: EIDR with or without supplementary declaration waiver is not a prerequisite for SA.*

##### *2.5.2. Conditions and criteria for granting the authorisation + points to be checked during the pre-audit*

According to Article 185(2) UCC, the applicant has to be an **AEOC**.

And the specific points to be checked depend upon the type of delegations requested by the applicant (see point 2.5.3).

In the applications and authorisations, the EO should tick the delegation(s) he would like to apply for.

*To be noted: when self-assessment is authorised for a customs procedure for which entry in the declarants' records is already granted, the operator has two different but complementary authorisations – one for self-assessment and one for entry in the declarant's records.*

#### **Forms:**

As long as the UCC decision systems of the MS are not updated including: for new applications and authorisations, article 2 DA states that the customs authority can define an alternative data set, different from Annex A DA, taking into account the provisions of paragraph 6.



In accordance with Article 2 TDA, until the deployment of the UCC customs decision systems, the applications and authorisations can be done by any means other than electronic data-processing, paper included.

*To be noted: As SA is a new simplification set up by the UCC, we do not have issues related to the reassessment exercise.*

#### 2.5.3. Who can apply, for which goods and for which procedure?

Representatives can apply for SA but when SA is combined with EIDR, the same rules applicable to EIDR apply.

The list of customs procedures included should be indicated in the authorisation for SA (if SA is used with an EIDR authorisation, the exclusions related to EIDR apply).

#### 2.5.4. Types of SA

According to Article 185(1) UCC and Article 152 DA, self-assessment encompasses two types of delegation, one regarding customs formalities and one regarding customs controls:

- (a) to determine the amount of import and export duty payable,
- (b) to perform certain controls under customs supervision, as of the compliance with P&R as specified in the authorisation.

**As regards point a),** this delegation seems more beneficial if no supplementary declaration is lodged to customs (meaning in the case of SD or entry in the declarant's records with supplementary declaration waiver or direct access to the authorisation holder's system).

According to Article 237 IA, the authorisation holder has to determine the amount of duty payable for the period fixed in the authorisation.

Within 10 days of the end of the period, the holder of that authorisation shall submit to the supervising customs office the details of the amount determined.

The customs debt is deemed to be notified at the time of that submission. The holder shall pay the amount within the period prescribed in the authorisation and at the latest within the deadline laid down in Article 108(1) of the Code (10 days following the self-notification of the customs debt).

**As regards point b),** the delegation of the controls on compliance with P&R will be possible only if the non-customs authorities competent for the P&R concerned have agreed thereof.

*To be noted: the delegation of customs controls to the operator may require amendments of the non-customs legislation related to the control type. It is recommended that national customs authorities liaise with their counterparts in other administrations in order to study the concrete possible delegations (business cases have to be identified).*

#### 2.5.5. Monitoring and controls

Customs shall monitor the proper use of the authorisation, via pre-audit and post-implementation audits.

The control delegated to and performed by the EO does not prevent customs authority from controlling how the EO performs its delegated tasks; such delegations remain under customs supervision and can lead to relevant controls specific to the delegation.

Risk management remaining of the responsibility of the customs authority (having confidential information that will not be disclosed to the SA authorisation holder) and controls performed by the trader have to be distinguished.

*To be noted: if the legislation imposes that a type of control must be performed by customs, then there is no possibility to delegate this task to the economic operator.*

#### *2.5.6. Specific case of combination with EIDR*

According to Article 151 DA, self-assessment combined with the EIDR shall be authorised only for customs procedures which are also allowed for EIDR (referred to in Article 150(2) DA) and re-export.

According to Article 225 IA, in case where SA is granted with EIDR, the authorisation holder can be allowed to make the supplementary declaration available through direct access to its system instead of lodging the supplementary declaration. Therefore, the customs authorities will be able to extract the necessary data of the supplementary declaration for statistical, fiscal and control purposes (e.g. for SURV).

For instance: access could be through national standard solutions that reduce the cost to customs and trade (web service and XML messages).

### **3. WHAT ARE THE PROVISIONS APPLICABLE ON 1 MAY 2016 REGARDING CURRENT AUTHORISATIONS? WHEN WILL THE PROCEDURAL RULES CHANGE?**

#### **3.1. EIDR authorisations**

##### *3.1.1. Specific business cases as of 1 May 2016*

#### **a) What are the designated places used under simplifications?**

Places designated by the customs authorities are places established as such at the discretion of the customs authorities.

#### **b) What are the approved places used under simplifications?**

The approved places might be a TS facilities or any approved places as defined at national level.

In an application for a specific simplification, a company must indicate the locations where the goods are at the time they are placed under a customs procedure. By granting the authorisations for simplifications, the locations are approved as well.

#### **c) How to deal with EIDR working with paper-based or non-harmonised notification of arrival of Article 266(1) CCIP?**

It must be pointed out that the notification under Article 266 (1) a) CCIP in the framework of LCP and the presentation notification in the framework of EIDR are similar because

once this notification is provided by the authorisation holder to customs, the goods can be released for the relevant customs procedure within a certain time-limit. In addition both types of notifications play a similar role in respect of the discharge of the previous procedure and of the transaction based risk analysis.

For as long as the systems are not updated, the notification of 266(1) can be accepted as presentation notification.

Therefore, during the transitional period, the current notifications can be maintained as long as the national import system and AES are updated accordingly (Article 21(1) TDA).

*To be noted: this is also valid for new applications granted after 1 May 2016 during the IT transition.*

#### **d) Does an individual control plan have to be set up for each EIDR authorisation?**

The control plan is a new requirement in addition to the conditions of EIDR (Article 233 IA). It is set up on the basis of the risk-assessment performed, the first time, during the pre-audit and followed by customs for the supervision and monitoring of the authorisation once granted. Therefore, it can be considered as a practical aspect of the issuance phase and should be drawn up only for the re-assessed authorisations.

However, it is necessary that during the transitional period, customs authorities can carry out effective customs controls on operators using non-reassessed authorisations and may set up any necessary arrangement for that purpose.

*To be noted: new authorisations for EIDR require a control plan.*

#### **e) How to deal with customs export declarations lodged?**

During the transitional period, the customs authorities may allow the declarant to lodge a customs export declaration, including a simplified declaration (as previously provided for in Article 285 (2) CCIP) instead of a notification of presentation (see Article 21(2) TDA) under EIDR, till the date of update of the export systems.

The same reasoning applies for export of excise goods (Article 150(5) DA): during the transitional period, there is no general exclusion of excise goods as long as the declarant lodges a standard or a simplified declaration at export, replacing the notification of presentation under EIDR, as foreseen in Article 21(2) TDA).

Nevertheless, this exclusion will apply to reassessed and new authorisations as soon as the export systems are updated.

#### **f) How to deal with authorisations for “EIDR” and procedure codes “42” and “63”?**

These customs procedures are legally excluded from EIDR (Article 150(3) DA) since they require some specific information to be provided to customs before release of the goods, which are not part of the data requirements of the notification of presentation as defined in Annex B DA/IA.

However, Article 21(1) TDA foresees that other means than electronic data-processing techniques can be used for the lodging of the notification.

Therefore, during the transitional period, as of 1 May 2016 till the update of the import national systems, it is up to the MS to decide whether the notification can contain or be completed by the appropriate data elements for placing the goods under these regimes. If the specific information to customs is not provided before release of the goods with the notification of presentation, they have to be excluded.

*To be noted: the reassessed and the new authorisations for EIDR have to exclude these regimes after the end of the transitional period.*

### **g) How to deal with cases of INF use (Article 150(6))?**

The cases of INF use where information have to be exchanged between customs authorities in different MS are excluded from EIDR, unless the customs authorities agree on other means of electronic exchange of information (as laid down in Article 176 (1) (a) DA))

Moreover, during the transitional period, as of 1 May 2016 till the update of the national systems, the customs authorities will decide whether INF can be triggered properly or not.

For instance, at export, if a standard or simplified declaration is lodged during the transitional period, in the context of EIDR, there is no issue at stake. INF can be triggered as in the standard procedure.

Example: the placement of goods under inward processing by EIDR may be excluded but not the placement of goods under the outward processing.

## **3.2. Existing authorisations for SASP**

### **3.2.1. How to read an existing authorisation for SASP on 1 May 2016 according to the different types? (SASP with SD, SASP with LCP with notification, SASP with LCP with notification waiver)**

SASP already in force on 1 May 2016 shall remain valid until the respective dates of deployment of the CCI and AES referred to in the Annex to IA (Article 345(1)(4) IA).

The existing SASP are granted with an authorisation for SD or LCP (with or without notification).

As of 1 May 2016, each case will be read according to the new terminology and possibilities of the UCC.

It is recommended the following reading of the current authorisations (despite the possibility to shift a current SASP into another option):

- *SASP with SD will be read as CC with SD,*
- *SASP with LCP with declaration lodged will be read as CC with standard declaration (or simplified declaration),*
- *SASP with LCP with declaration lodged can be also read as CC with presentation of good in an approved place,*
- *SASP with LCP with notification will be read as CC with EIDR with presentation of the goods,*

- *SASP with LCP without notification will be read as CC with EIDR with presentation waiver.*

### 3.2.2. *Procedural rules for each combination: presentation of goods, lodging of the declaration, exchange of information between custom authorities*

See point 2.4.7 for the exchange of information during the transitional period: the existing means of collaboration between the MS involved in a SASP should remain the same as long as they are compliant with Article 179 UCC.

### 3.2.3. *Reassessment of the authorisation*

SASP already in force on 1 May 2016 shall remain valid until the respective dates of deployment of the CCI and AES referred to in the Annex of the UCC WP and in accordance with Article 345 (4) IA. Therefore the reassessment has to be carried out before the IT systems are in place and even starting as earlier as possible taking into account the following:

If the implementation of the system is foreseen in 2019, the calculation of the reassessment period should consider the time limits related to the consultation phase taking place before granting an authorisation for CC: 90 days (art.229IA) and all other time consuming procedures linked to the reassessment of conditions for granting CC but also, if combined, the conditions for the authorisation of SD or EIDR.

As a consequence, it is highly recommended that the reassessment starts well in advance for ensuring the full implementation at the time the systems are in place.

### 3.2.4. *Monitoring and control aspects*

The control plan plays a key role for monitoring the current SASP and will remain the main tool for customs to ensure an appropriate level of cooperation between the involved customs offices. Therefore, customs should base the control plan on the monitoring of the conditions and obligations.

Nevertheless, customs are not limited by the control plan in carrying out appropriate risk based controls.

### 3.2.5. *Disputes*

#### **a) Disputes between the MS involved**

“Any dispute arising between the MS involved in relation to the implementation or operation of this Arrangement or any authorisation subject to its operation will be resolved by negotiation, as much as possible. The Member States involved in a dispute may choose a mediator to solve the dispute”.

This clause allows the customs administrations involved to resolve any issues or problems with the operation, etc. of a centralised clearance, through discussion and consensus. The Commission services are available for any mediation requested. They will when necessary issue comments on any issues involving financial responsibility for any potential losses of traditional own resources.

## **b) Disputes between holder of CC and the customs authorities of the MS involved**

Although no formal dispute resolution procedures are included in CC, it is assumed that the holder of the CC will raise any disputes with the authorising customs administration. It is the responsibility of the authorising customs administration to resolve the dispute. Decisions regarding the operation of a CC are normally made by the authorising customs administration. In such cases the appeal system of the authorising MS is applied.

## **c) Reduction in levels of dispute**

The risk of potential disputes in connection with a CC authorisation, both between administrations or between holders and customs, can be greatly reduced if issues are identified and solved before granting the authorisation.

The importance of conducting a thorough pre-audit and consultation procedure should be emphasized.

While preparing for the use of a CC authorisation, and prior to granting the authorisation, the authorising customs administration should conduct an extensive review of the economic operator's customs procedures, processes, computer systems as well as accounting practices and reports and any binding information. This check should identify all potential issues of dispute and allow all the parties involved to agree on solutions in advance of commencing the operation of the CC.

### *3.2.6. Irregularities*

#### **(a) Background**

CC enables an economic operator to make customs declarations and, where appropriate, pay the customs duties, in the authorising MS, even though the movement of goods may take place in another MS.

However, where an irregularity is discovered in connection with an import or export, careful consideration must be given as to which MS is competent to deal with the irregularity.

Moreover, the internal responsibilities for customs responsibilities within a group of companies should be laid down by arrangement between the members of the group. This division of responsibility is to be made known to the authorising customs authorities.

#### **(b) Example of irregularities with possible financial consequences relating to the authorisation**

The MS competent to grant the authorisation must deal with the irregularity.

The MS where the provisions in the authorisation are applied must deal with irregularities due to non-conformity with those provisions (e.g. bookkeeping, conditions of storage, processing of goods).

**(c) Example of irregularities, with possible financial consequences, relating to declarations for placing under or discharge from a procedure**

The MS where the declaration is lodged must deal with the irregularity according to the legislation in force in that MS.

**(d) Example of irregularities relating to the nature or the quantity of the goods being stored**

Irregular removal or substitution of goods must be dealt with according to the legislation in force in the MS where the irregularity occurred.

**(e) Example of irregularities which occur when goods under the arrangement are declared for free circulation**

Irregularities (material errors) relating to the customs declaration (e.g. which do not correspond to the company records) must be dealt with according to the legislation in force in the MS which granted the authorisation and in which the customs declaration was lodged.

*To be noted: the above mentioned irregularities are related to financial issues whereas other types of irregularities can be detected<sup>3</sup>.*

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<sup>3</sup> - Example of irregularities which occur when prohibited/restricted goods are smuggled or goods are unlawfully introduced into the EU: where prohibited or restricted goods are involved, or a customs debt is incurred, the MS where the unlawful introduction occurred or is deemed to have occurred should take responsibility for any investigations or criminal proceedings. In these cases any disputes should be addressed to that MS and its appeals procedure is to be applied.

- Example of infringement action, either criminal or civil (administrative penalties), does not necessarily follow the above rules. Such action should always be in accordance with the provisions in force, i.e. national provisions.

## ANNEXES

### ANNEX I<sup>4</sup>

#### ADVISE OF THE COLLECTION COSTS AND POSSIBLE SCENARIOS FOR THE SHARING OF COLLECTION COSTS

##### Advice of shared Traditional own resources for month

Company		Date of accounting in the records	Import duty		Repayment	Import duty	Total	Collection costs	Payable at the latest
Name	Authorisation ID		Amount X		File no	Amount Y	Amount X - Y	50% (of 25%)	
<b>Total</b>			<b>0,00</b>			<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	

**Authorising Member State**

*Customs*  
From: *Authorities*  
*address*  
*competent expert*  
*e-mail:*  
*Fax:*

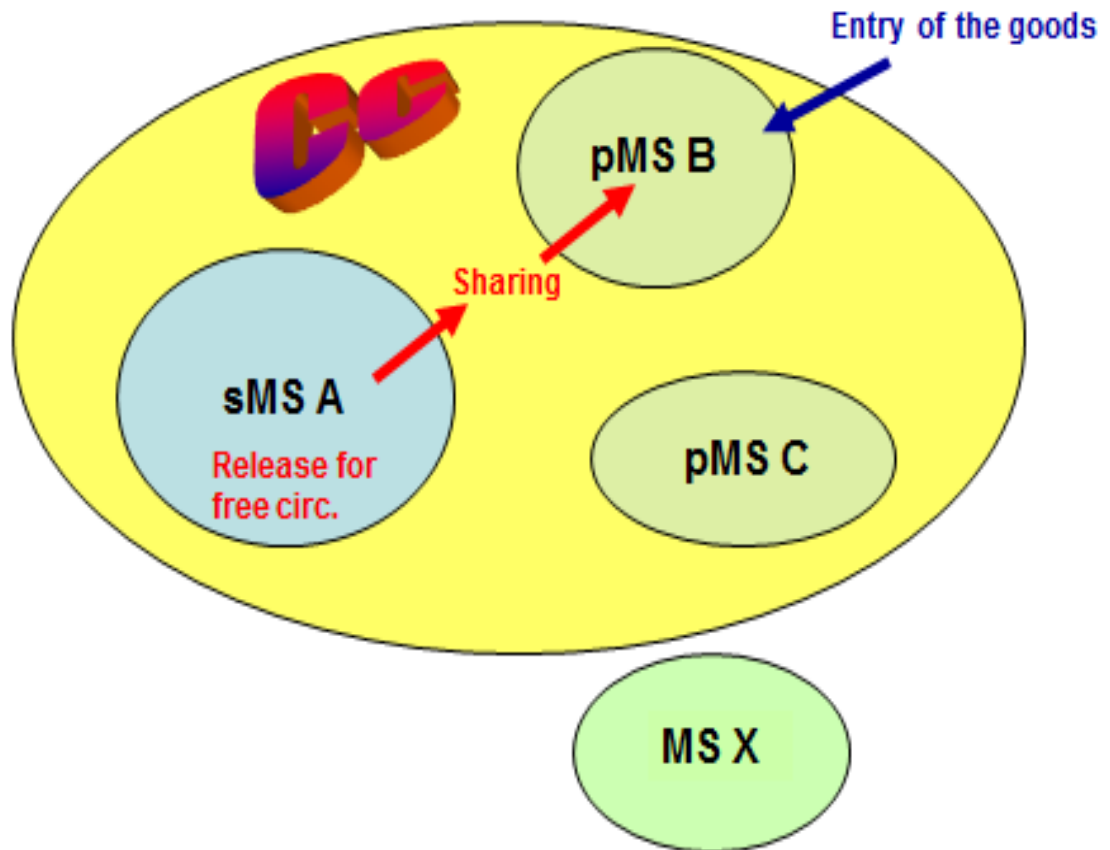
**Assisting Member State**

*Customs*  
To: *Authorities*  
*address*  
  
*competent expert*  
*e-mail:*  
  
Bank  
account:  
BIC:  
IBAN:

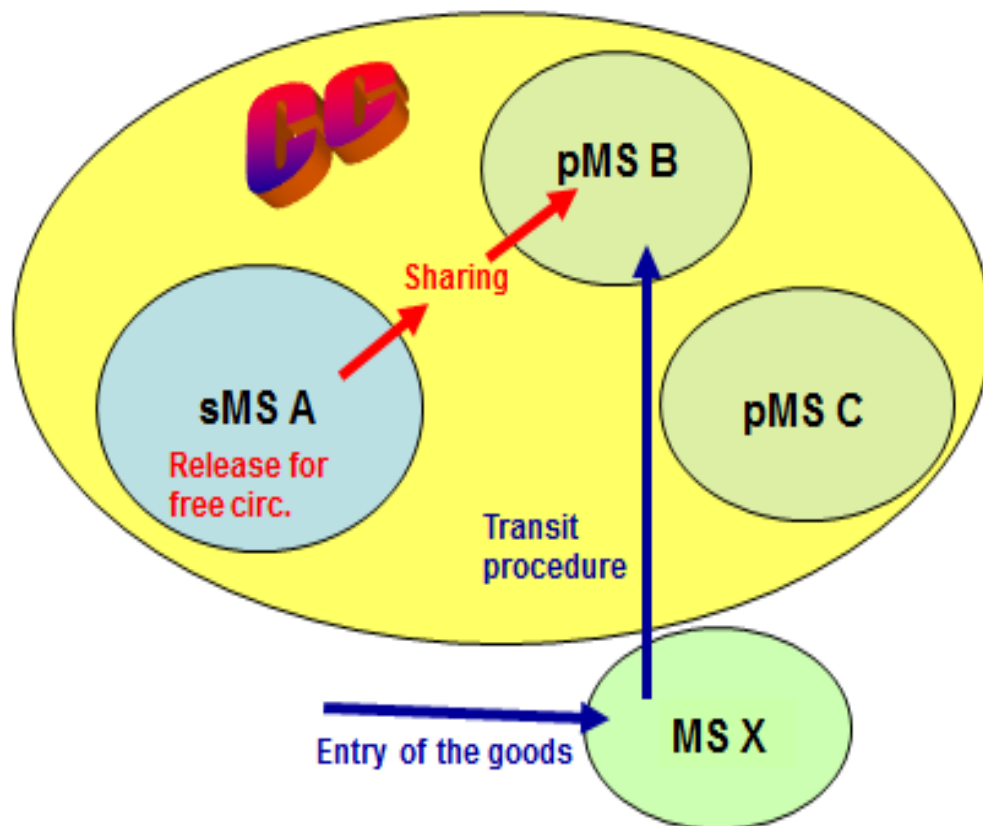
<sup>4</sup> These annexes come from the Guidelines for SP/SASP, they must be read in the context of UCC.



*POSSIBLE SCENARIOS FOR THE SHARING OF COLLECTION COSTS*

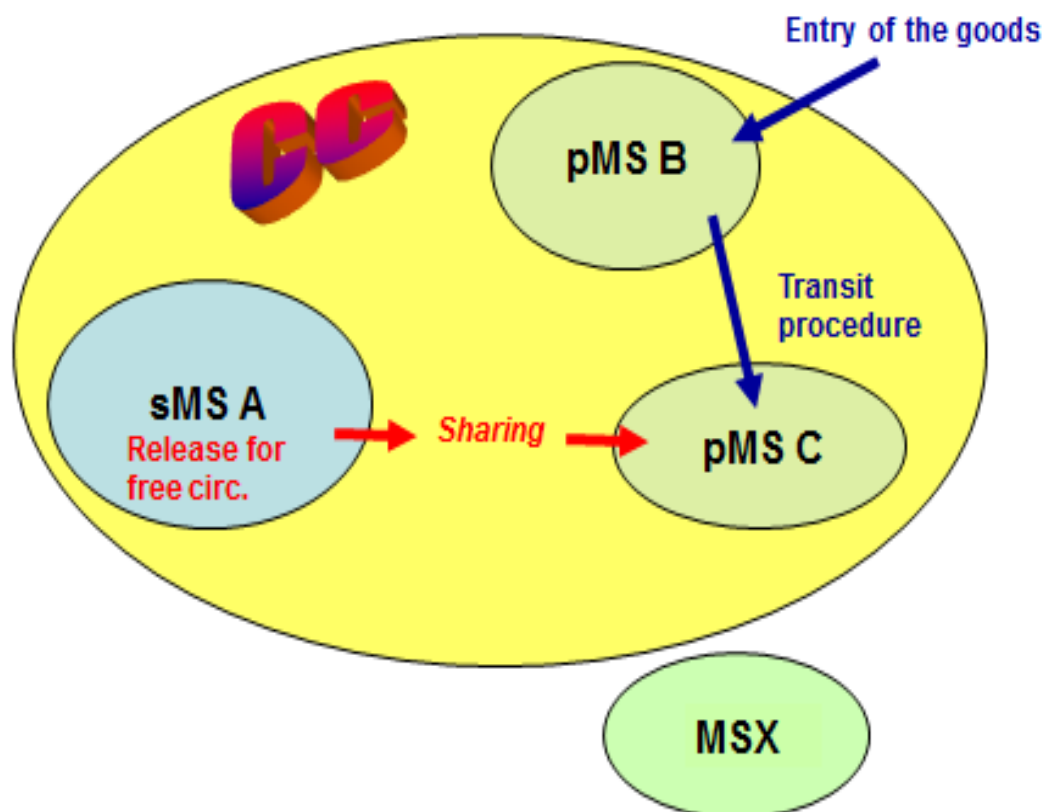


The supervising MS A is the MS of import; the participant MS B is the MS of entry and of consumption of the goods and where the goods are when they are released for free circulation. As the release of the goods for free circulation takes place in pMS B, the collection costs are to be shared between supervising MS A and pMS B



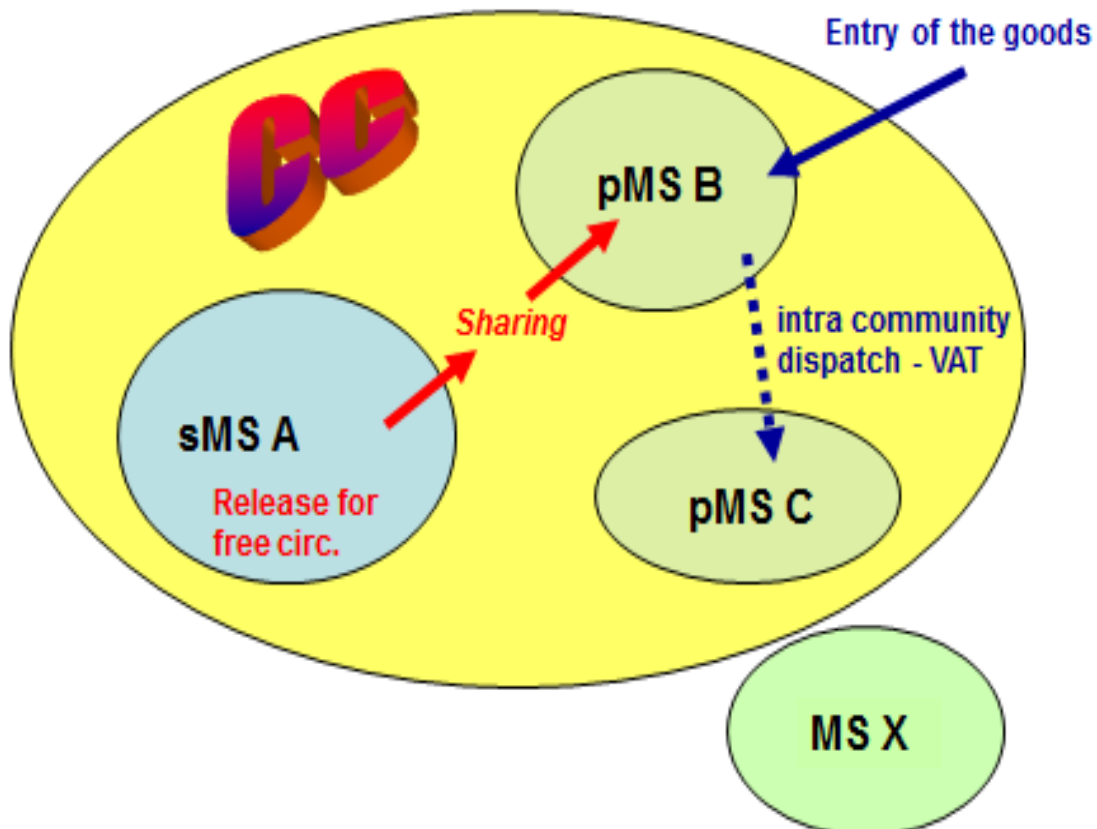
*The supervising MS A is the MS of import; the non participant MS X is the MS of entry ; the participant MS B is the MS of consumption and where the goods are located when they are released for free circulation.*

*As the release of the goods for free circulation takes place in pMSB, the collection costs are to be shared between the supervising MS A and pMS B*



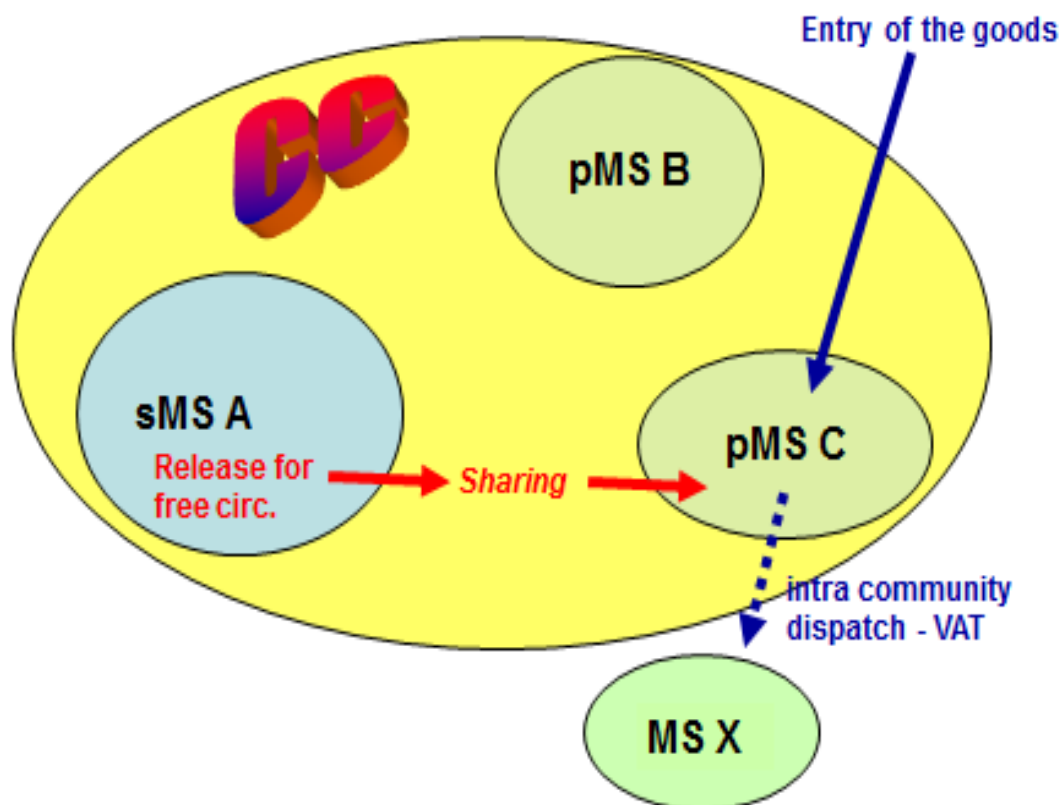
*The supervising MS A is the MS of import; the participant MS B is the MS of entry, the participating MS C is the MS of consumption where the goods are located where they are released for free circulation.*

*As the release of the goods for free circulation takes place in pMS C, the collection costs are to be shared between the supervising MS A and pMSC*



*The supervising MS A is the MS of import; the participant MS B is the MS of entry and where the goods are located when they are released for free circulation, the participating MS C is the MS of consumption of the goods.*

*As the release of the goods for free circulation takes place in pMSA, the collection costs are to be shared between the supervising MS A and pMS B*



*The supervising MS A is the MS of import; the participant MS C is the MS of entry and where the goods are located when they are released for import; the non-participating MS X is the MS of consumption of the goods.*

*As the release of goods for free circulation takes place in MS C, the collection costs are to be shared between the supervising MS A and pMS C*

*ANNEX II*

*MEMBER STATES BASIC IMPORT VAT REQUIREMENTS and STATISTICAL REQUIREMENTS*

<b>VAT and statistical declarations under SASP/centralised clearance arrangements <sup>5</sup></b>		
<b>Member State</b>	<b>Submission of Import VAT declaration under SASP</b>	<b>Submission of statistical declaration under SASP</b>
<b>Belgium</b>	<p><b>As an issuing MS</b> The company that applies for SASP has to comply with the rules and regulations for the reporting and payment of VAT in each participating Member State before the authorisation is granted.</p> <p>When the goods are in Belgium at the moment of release for free circulation, the VAT formalities for the declaration for consumption of the goods must be fulfilled at the same time.</p> <p>When the goods are in another Member State at the moment of the release for free circulation the VAT formalities are due in that other Member State.</p> <p>The necessary agreements have to be made before the granting of the authorisation.</p>	<p><b>As an issuing MS</b> Possible solutions under discussion at a national level</p>
	<p><b>As a participating MS</b> Concerning the physical import of goods into Belgium by using an SASP granted by another Member State, VAT is levied in Belgium. A separate customs declaration needs</p>	<p><b>As a participating MS</b> Possible solutions under discussion at a national level</p>

<sup>5</sup> Based on replies to a questionnaire in 2010 and updated.

	<p>to be submitted in Belgium in order to levy of the Belgian VAT on importation.</p> <p>The levy of the Belgian VAT needs to be done under a Belgian VAT-number.</p> <p>There's an obligation to use postponed accounting.</p> <p>The name and the Belgian VAT-number of the importer needs to be mentioned in the customs declaration.</p> <p>The person who needs to comply with the importation-VAT in Belgium, needs to be mentioned in the SASP-authorisation.</p>	
<p><b>France</b></p>	<p><b>As a supervising MS</b></p> <p>When the goods arrive and are destined to France, VAT is payable to the French Customs service in accordance with Article 1695 of the General Tax Code. The tax event occurs and VAT becomes chargeable at import at the same time as customs duties, i.e. when the goods are imported.</p> <p>The goods arrive in another member state and France is the member state of final destination (i.e. customs procedure 42), VAT is due and payable in France to fiscal authorities.</p> <p>When the goods arrive in a member state involved in the CC and this member state is the final destination, the VAT must be paid to this participating member state.</p> <p>The French IT system Delta offers two possibilities to the operators.</p> <ul style="list-style-type: none"> <li>- The economic operator is authorised to lodge simplified declarations (article 166 UCC): the declaration is performed in two steps. The operator sends a simplified declaration and at the end of the</li> </ul>	<p><b>As an issuing MS</b></p> <p>Concerning statistics, the statistical data is also transferred from Delta to the French statistical database. The flows of goods related to the participating member states are identified by a special mention in box 44 of the SAD, in order to exclude these flows from its own national statistical data and to define the member state where the goods are physically located at the time of their release into the customs procedure. The use of a special mention is a temporary solution, considering the IT system Delta should enable operators to fill up two new boxes: 15a and 17a (member state of destination and member state of actual export).</p>

	<p>globalization period (one month generally) the operator sends a supplementary declaration corresponding to this globalization period. VAT is settled on the supplementary declaration.</p> <p>- The economic operator uses standard declaration: there is no need to submit a supplementary declaration. VAT is settled on each declaration.</p> <p>Therefore, when France acts as an issuing member state, customs duties and VAT is settled on the SAD or on the supplementary declaration according to the type of declarations chosen by the operator only when the goods arrive in France.</p> <p>When the goods arrive in the PMS, special mentions are implemented in box 44 (CANA 1025 and CANA 1026) to waive the calculation of the import VAT for these goods to insure that France does not collect import VAT on behalf of the PMS. For these goods, only customs duties are calculated and paid to French Customs.</p> <p>The French supervising customs office can transmit on a monthly basis a copy of the supplementary customs declaration to the participating customs office of the Member State involved in the CC. This supplementary declaration can be used by the PMS to check the basis of calculation of the import VAT.</p>	
	<p><b>As a participating MS</b>  In case of CC, there is dissociation between the collection of customs duties which is supported by the authorising member state, and import VAT payment for which each participating member state is responsible.</p> <p>The authorisation holder must submit</p>	<p><b>As a participating MS</b>  For statistical purposes, as participating MS, we ask the authorised companies to transmit each month, electronic files including all mandatory data of the SAD, relating to the goods which have physically entered France during the month.</p>



	<p>a supplementary VAT declaration to the French participating customs office and pay VAT for all the importations of the month in France. One supplementary declaration is required for each customs office involved in the procedure. However, it is possible to centralize the payment of VAT at national level, near one French participating customs office when two or more than two French participating customs offices are involved in the CC.</p> <p>The authorizing member state should send a monthly copy of the supplementary customs declaration to the French participating customs office in order to allow a comparison of the data.</p>	
<p><b>United Kingdom</b></p>	<p><b>VAT/statistics: Normal Method of Collection</b></p> <p>In the UK, our existing reporting system for simplified procedures is the Customs Freight Simplified Procedures (CFSP). CFSP is a two-stage electronic declaration method. It offers the economic operator a variety of procedures which may be operated in isolation or combined to best meet the economic operator's needs.</p> <p>The economic operator may opt to use either the Simplified Declaration Procedure (SDP) or Local Clearance Procedure (LCP) or both. In both cases the import declaration is submitted in two stages. The initial message provides Customs with a minimum amount of data which effects release of the goods. This message may be provided either in the format of a Simplified Frontier Declaration (SFD) which is submitted to Customs at the frontier (SDP) or as an entry in the economic operator's commercial records (LCP).</p> <p>The simplified declaration is then followed by an electronic SAD which contains the full fiscal and statistical data. This Supplementary Declaration (SD) must be submitted before the end of the 4<sup>th</sup> working day following the <b>'end of the reporting period'</b> in which the acceptance of the simplified declaration occurred. Our central customs computer system CHIEF then calculates the duty and VAT due and payment is collected by duty deferment. The statistical data is also transferred from CHIEF to our statistical database.</p> <hr/> <p><b>VAT/statistics: As an issuing MS</b></p> <p>The economic operator submits SADs in the UK for both the UK and other Member States' imports. Import VAT and statistics are collected in the normal way for goods imported into the UK.</p> <p>For imports of goods physically located in another Member State the</p>	

	<p>economic operator will have to include an ISO alpha country code in box 30, a method of payment code in box 47 to suppress the import VAT due and a code in box 44 to identify the Member State where the goods are located in the customs declaration. This ensures that the UK does not collect Import VAT and statistical information appropriate to the participating Member State.</p> <p>Economic Operators have the option to either submit an aggregated monthly declaration or separate declarations throughout the month.</p>	
	<p><b>VAT/statistics: As a participating MS</b>  In the UK we decided to use our existing electronic reporting system for simplified procedures as the basis for economic operators to report their Import VAT and statistics. Economic operators have the option of either submitting one monthly aggregated declaration or a number of separate declarations throughout the month.</p> <p>An economic operator will submit to UK customs valid supplementary VAT and statistical declarations and ensure that any failed messages are actioned, corrected and re-submitted by the 4<sup>th</sup> working day of the month following the creation of the tax point and/or base date i.e. the acceptance date of the simplified frontier declaration or the dated and timed entry in the Local Clearance record.</p> <p>The supplementary declaration will be in the format of our normal electronic declaration for simplified procedures but a Method of Payment code will need to be included in box 47 to suppress the customs duty as this will be paid in the authorising Member State, and a code will need to be included in box 44 to identify the Member State where the SASP is authorised. This ensures that the appropriate import VAT is collected and the statistics reported.</p> <p>The economic operator will then submit a Final Supplementary Declaration (FSD) to UK customs at the end of each reporting period confirming the number of Supplementary VAT and Statistical declarations finalised and the number of each due during the period, together with the number of any outstanding supplementary VAT and statistical declarations from previous periods. Nil returns are required. The final supplementary declaration must be submitted and accepted by CHIEF by the 4<sup>th</sup> working day deadline.</p>	
<b>Italy</b>	<p><b>As an issuing MS</b> Possible solutions under discussion at a national level</p>	<p><b>As an issuing MS</b> Possible solutions under discussion at a national level</p>
	<p><b>As a participating MS</b> Possible solutions under discussion at a national level</p>	<p><b>As a participating MS</b> Possible solutions under discussion at a national level</p>
<b>Ireland</b>	<p><b>As an issuing MS</b> The process required in Ireland as an issuing MS for submission of import</p>	<p><b>As an issuing MS</b> The supplementary declaration submitted for the month in question for all declarations and charges,</p>

<p>VAT declarations is as follows;</p> <p>Security for customs duty and VAT provided by the economic operator. The import VAT declaration for Irish imports is made at the same time as the customs declaration.</p> <p>A pre authenticated release note (PARN) is submitted by e-mail to the relevant customs authorities in Ireland. The PARN entry signals that the arrival of the goods is imminent and permits risk analysis to be considered. Entry in the record of the economic operator is made which has the same legal force as a normal customs entry.</p> <p>A supplementary declaration is submitted for the month in question where all charges, including VAT applicable in Ireland, are formally declared. There are two options;</p> <ul style="list-style-type: none"> <li>— Individual supplementary declarations per consignment items to be submitted; or</li> <li>— a global declaration containing all single line items per consignment for the month in question to be submitted by the 5<sup>th</sup> day of the following month.</li> </ul> <p>By the 5<sup>th</sup> day of the following month, the economic operator provides a full report of all activity for the previous month. This report, along with PARNs presented, form the basis for a manual post clearance write off against supplementary declarations presented.</p> <p>By the 15<sup>th</sup> of the following month, customs duty and VAT for the reference month is debited from the economic operator's account by means of the deferred payment facility. Every 30 months, a VAT at the point</p>	<p>including VAT applicable in Ireland, are the basis for statistical data.</p>
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	of entry audit must be completed.	
	<p><b>As a participating MS</b> The process required by Ireland as a participating MS for submission of import VAT declarations is as follows;</p> <p>Security provided by the economic operator for import VAT in Ireland. A PARN is provided by the economic operator in respect of goods imported into Ireland. Unique Consignment numbers (UCRNs) must be assigned to each consignment as per a prescribed format. The presence of these UCRNs in Box 44 of the ultimate supplementary declaration permits cross-reference with the original PARNs. PARN is copied to all relevant Irish import stations and control officers to permit risk analysis where considered appropriate. By the end of the month concerned, a supplementary declaration for VAT will be made through the Irish AEP Clearance system. By the 15th of the following month, VAT is debited from the economic operator's account by means of a deferred payment facility.</p>	<p><b>As a participating MS</b> The supplementary declaration submitted for the month in question for VAT applicable in Ireland, is the basis for statistical data.</p>
<b>Sweden</b>	<p><b>As an issuing MS</b> No experience with SASP</p>	<p><b>As an issuing MS</b> No experience with SASP</p>
	<p><b>As a participating MS</b> Sweden is not participating in any CC/SASP for import.</p> <p><b><u>VAT requirements for submission of import data in Sweden</u></b> The solution Sweden uses today for national import declarations and most likely will be the way that is adapted as solution for CC is described below.</p> <p>The way for VAT follows the method of postponed accounting. It means that the VAT will be accounted for</p>	<p><b>As a participating MS</b> For export: - The holder of the authorization sends a file including the statistical data to the Swedish customs. Through electronic communication the data is transmitted into the Swedish customs declaration system where there is a validation between declared commodity code, value and weight to find anything irrational. The data is then reported to the national statistical authority in Sweden.</p>

	<p>and paid to the Tax agency in Sweden in a VAT return and not in the customs declaration. This requires a registration for VAT at the Tax agency in Sweden and the VAT return for a particular accounting period, shall include all the imports included on customs bills that are issued during this period.</p> <p>In the declaration it is indicated a so called monetary customs value with a national code 1MT instead of the code B00 (tax type). The monetary customs value is entered in box 47 (tax base) but no calculating will be done (no data on tax rate or payable tax amount). The monetary customs value is calculated according to the same rules as when customs duty is calculated on the value of the goods.</p> <p>In its accounting and payment to the Tax agency the economic operator has to calculate VAT using the monetary customs value as the basis. This value is the starting point for calculating the total tax base for VAT.</p> <p>The Customs administration provides the Tax agency with information from the customs declaration so that crosschecks can be done on the reported VAT.</p>	<p>- The data can be sent on monthly basis or for each export declaration. Conditions for the management of national statistics will be specified in the authorization decision.</p>
<p><b>Estonia</b></p>	<p><b>As an issuing MS</b> No experience with SASP</p>	<p><b>As an issuing MS</b> No experience with SASP</p>
	<p><b>As a participating MS</b> No experience with SASP</p>	<p><b>As a participating MS</b> The exchange of the statistical data between AMS and PMS has to be clarified under the consultation procedure. The holder of the authorisation has to transmit the statistical data directly to the Estonian customs office via e-mail. Data has to be provided in Excel sheet until the 20<sup>th</sup> of the current month for the previous month. List of requested data for statistical</p>

		<p>purposes is an annex to authorisation. The Estonian customs administration provides statistical data to the statistical authorities.</p>
<b>Lithuania</b>	<p><b>As an issuing MS</b> No experience with SASP</p>	<p><b>As an issuing MS</b> No experience with SASP</p>
	<p><b>As a participating MS</b> No experience with SASP</p>	<p><b>As a participating MS</b> No experience with SASP</p>
<b>Greece</b>	<p><b>As an issuing MS</b> No experience with SASP</p>	<p><b>As an issuing MS</b> No experience with SASP</p>
	<p><b>As a participating MS</b> No experience with SASP</p>	<p><b>As a participating MS</b> No experience with SASP</p>
<b>Austria</b>	<p><b>As an issuing MS</b> The duty calculation (incl. VAT, excise duties...) for national authorisations for simplified procedures always is carried out by the Customs administration on the basis of the supplementary customs declaration.</p> <p>For the imports under a SASP authorisation the economic operator has to indicate the location of the goods, where they have been physically released. If the goods have been released in another Member State only the calculation of customs duties takes place; VAT is to be collected by the participating Member State(s) concerned.</p>	<p><b>As an issuing MS</b> For national authorisations for simplified procedures the statistical data always is provided by the customs administration to the statistical authorities on the basis of the supplementary customs declaration.</p> <p>For the imports under a SASP authorisation the economic operator has to indicate the location of the goods, where they have been physically released. If the goods have been released in another Member State there is no collection of the statistical data; the statistical data has to be communicated by the authorisation holder to the designated authorities (customs, statistics ...) in the participating Member State(s) concerned.</p> <p>For SASP procedure with Slovenia the data of the supplementary customs declaration is communicated to the Slovenian customs</p>

		administration electronically (via e-mail); the Slovenian customs administration extracts the relevant statistical data and provides it to the statistical authorities
	<p><b>As a participating MS</b> For import VAT the economic operator has to apply for an authorisation for a simplified VAT declaration; this is a global declaration, which has to be lodged for a period of a month until the twelfth day of the following month.</p> <p>This simplified VAT declaration contains the following particulars for the goods released in Austria (for the period of a month separated according to the 2 applicable tax rates):</p> <ol style="list-style-type: none"> <li>1. the customs value</li> <li>2. the amount of import customs duties</li> <li>3. the amount of additional costs applicable in Austria</li> <li>4. the tax rate applicable</li> <li>5. the VAT amount determined by the economic operator</li> </ol>	<p><b>As a participating MS</b> The statistical declarations have to be lodged direct with the statistical authorities; the applicant for a SASP authorisation therefore has to apply for a separate statistical authorisation. The form and the media to communicate the statistical declaration direct to the statistical authorities have to be agreed in advance between the applicant and the statistical authorities.</p> <p>An agreement to a SASP authorisation only can be given when the statistical authorisation has been granted</p>
<b>Finland</b>	<b>As an issuing MS</b>	<b>As an issuing MS</b>
	<p><b>As a participating MS</b></p> <ul style="list-style-type: none"> <li>- Belgian Customs sends customs clearance declaration information on DVD.</li> <li>- The authorisation holder gives a monthly periodical declaration to Finnish customs office in Vantaa using SAD form.</li> <li>- Finnish Customs office compares the Belgian customs clearance information and monthly periodical declaration</li> <li>- Finnish customs clearance system calculates the VAT amount</li> </ul>	<p><b>As a participating MS</b> No separate statistical declarations, Finnish customs get statistic information with VAT declaration.</p> <p>In Finland, Finnish Customs act also as the Statistical Authorities.</p>

	<p>- Finnish customs office sends the VAT decision to Toyota</p> <p>A copy of declarations and VAT decisions are sent to Belgian Customs and originals are archived at Finnish Customs in Vantaa</p>	
<b>Bulgaria</b>	<p><b>As an issuing MS</b> No experience with SASP</p>	<p><b>As an issuing MS</b> No experience with SASP</p>
	<p><b>As a participating MS</b> No experience with SASP until now, since as participating MS, Bulgaria is involved only in authorisations for import of electricity and natural gas, which are exempted from VAT at import</p>	<p><b>As a participating MS</b> For statistical purposes, as participating MS, we ask the holder of authorisation or the SCO to transmit each month (usually until 20th), electronic files including all mandatory statistical data, relating to the goods which have physically entered Bulgaria during the previous month ( e-mail: SASP-data@customs.bg). The format of the data is agreed and specified in the authorization. The Bulgarian customs administration extracts the relevant statistical data and provides it to the Bulgarian statistical authorities</p>
<b>Latvia</b>	<p><b>As an issuing MS</b> No experience with SASP</p>	<p><b>As an issuing MS</b> No experience with SASP</p>
	<p><b>As a participating MS</b> No experience with SASP</p>	<p><b>As a participating MS</b> No experience with SASP</p>
<b>Slovakia</b>	<p><b>As an issuing MS</b> No experience with SASP</p>	<p><b>As an issuing MS</b> No experience with SASP</p>
	<p><b>As a participating MS</b> No experience with SASP</p>	<p><b>As a participating MS</b> No experience with SASP</p>
<b>Slovenia</b>	<p><b>As an issuing MS</b> No experience with SASP</p>	<p><b>As an issuing MS</b> No experience with SASP</p>
	<p><b>As a participating MS</b> Due to procedure 42 no VAT declaration needed</p>	<p><b>As a participating MS</b></p> <ul style="list-style-type: none"> <li>• Due to procedure 42 less data is required</li> <li>• Customs Administration of Republic of Slovenia has reached</li> </ul>



		an agreement with Statistical Administration about required data and the way of their transfer. Necessary data is obtained from Austrian supplementary declaration (transformation of data is done by our IT provider).
<b>Hungary</b>	<b>As an issuing MS</b> There are no specific rules: the import VAT is calculated and collected on the basis of the data elements of the supplementary declaration	<b>As an issuing MS</b> The statistical data is collected on the basis of the data elements of the supplementary declaration
	<b>As a participating MS</b> The holder of the authorisation shall provide a VAT declaration (see Annex 5. of Decree of the Ministry for National Economy No. 11/2016 (IV.29) to establish the VAT till the 10 <sup>th</sup> day of each calendar month covering the transactions for release for free circulation and end use (unless he holds an authorisation to pay the VAT by self-declaration).	<b>As a participating MS</b> The authorisation holder is directly contacted by the Hungarian Central Statistical Office.
<b>Portugal</b>	<b>As an issuing MS</b> No experience with SASP	<b>As an issuing MS</b> No experience with SASP
	<b>As a participating MS</b> No experience with SASP	<b>As a participating MS</b> No experience with SASP
<b>The Netherlands</b>	<b>As an issuing MS</b> The company that applies for SASP has to comply with the rules and regulations for the reporting and payment of VAT in each participating Member State before the authorisation is granted.	<b>As an issuing MS</b> The company that applies for SASP has to comply with the rules and regulations for the reporting of statistical data in each participating Member State before the authorisation is granted.
	<b>As a participating MS</b> Concerning the import of goods into the Netherlands by using an SASP / CC granted by another Member State, VAT is levied in the Netherlands. The VAT must be calculated over the	<b>As a participating MS</b> The SASP authorisation holder must forward the relevant statistical data concerning good flows in the Netherlands directly to the Central Bureau of Statistics (C.B.S.). The

<p>customs value of the imported goods. For the levying of the VAT the customs value has to include:</p> <p>(1) Import duties, taxes and levies;</p> <p>(2) Additional costs such as commission costs, packaging costs, transport and insurance to the place of destination.</p> <p>Are you established in the Netherlands, or do you have a permanent establishment here? Then the same VAT regulations as for Dutch entrepreneurs apply to you.</p> <p>If you are not established or have a permanent establishment in the Netherlands, than you can use the reverse-charge mechanism on import of goods. To use this mechanism you need an article 23 permit.</p> <p>As foreign entrepreneur, you are not able to apply for an Article 23 permit yourself. However you can engage a <a href="#">tax representative</a> for this purpose. This representative can request for a permit for you at the VAT department. When the request is granted the applicant will be given a BTW-identificatie nummer (VAT identification number).</p> <p>In case of an article 23 permit, instead of the declarant (Article 77.3 UCC) the tax representative designated on basis of Article 23 VAT law is the debtor for the VAT. The tax representative will declare the VAT that you are required to pay on the VAT return for that period. The representative will deduct this VAT as input tax on the same VAT return. Then you will not be required to pay this VAT in advance on import.</p> <p>The use of Article 23 is mandatory when goods that are physically present in the Netherlands at the time of import, are released for free</p>	<p>SASP authorisation holder must make the necessary arrangements with the CBS himself.</p>
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	<p>circulation by using an SASP/Centralised Clearance authorisation granted by another Member State. The SASP/Centralised Clearance authorisation holder must include the given VAT identification number in his import declaration. A copy of article 23 permit is added as annex to the SASP/Centralised Clearance authorisation.</p> <p>For more information check the following link:  <a href="http://www.belastingdienst.nl/wps/wcm/connect/bldcontenten/belastingdienst/business/vat/vat_in_the_netherlands/vat_for_foreign_entrepreneurs/vat_for_foreign_entrepreneurs">http://www.belastingdienst.nl/wps/wcm/connect/bldcontenten/belastingdienst/business/vat/vat_in_the_netherlands/vat_for_foreign_entrepreneurs/vat_for_foreign_entrepreneurs</a></p>	
<b>Poland</b>	<p><b>As an issuing MS</b>  Import VAT tax occurs in MS where goods are located, when they are released for free circulation. It is the place in Participating MS. In such a case, during the process of issuing the authorisation, the Polish customs authorities agree under consultation procedure, requirements relating to VAT in Participating MS. Then Polish customs authorities include those VAT requirements in SASP authorisation and specify them in the Joint Control Plan.</p>	<p><b>As an issuing MS</b>  Poland as issuing MS collects statistical data directly from the supplementary declaration, which should be submitted electronically. We require, according to our national legislation, additional information in supplementary declaration  -box 15a – MS of actual export and  -box 17a - MS of final destination. These rules should also be included in the authorisation.</p> <p>Statistical data, which is collected from supplementary declaration, is delivered as EXTRASTAT statistics to EUROSTAT.</p> <p>No additional statistical rules in EXTRASTAT required from economic operator or his representative.</p>
	<p><b>As a participating MS</b>  Import VAT tax occurs in Participating MS. In Poland, the economic operator (regulation covered in national law) is obliged to be registered in tax office and then submits import declaration for VAT purposes in local customs office.</p>	<p><b>As a participating MS</b>  Poland as participating MS requires statistical data from economic operator or his representative only for national purposes. This statistical data is not transferred to EUROSTAT.</p>

	<p>The form of import declaration for VAT purposes, schedule, simplifications, competent authorities for submission are set out in Polish legislation.</p> <p>The data required in import declaration for VAT purposes is based on the data covered in supplementary declaration (which is submitted in SMS). The import declaration for VAT purposes should be lodged till the 16th day of each month following the month in which import tax duties occurred.</p> <p>As participating MS Poland agrees VAT issue under consultation procedure with Authorising MS. Because of lack of supplementary declaration in Participating MS, it is very important to agree exchange of information between PMS and SMS. It should allow customs authorities to supervise the accuracy of import declaration for VAT purposes and identify all irregularities. The Joint Control Plan should include the VAT issue.</p> <p>Submission of VAT guarantee is required from economic operator.</p>	<p>The rules relating to;</p> <ul style="list-style-type: none"> <li>- form of statistical declaration,</li> <li>- range of data elements,</li> <li>- schedule</li> </ul> <p>-competent authorities are unified and published on our website (only in Polish):  <a href="http://www.mf.gov.pl/dokument.php?const=2&amp;dzial=529&amp;id=155935">http://www.mf.gov.pl/dokument.php?const=2&amp;dzial=529&amp;id=155935</a></p> <p>According to this regulation, the statistical declaration should be submitted exclusively electronically. This declaration should be lodged monthly, till the 20th day of each month, following month of statistical period.</p> <p>These statistical rules should be agreed with Authorising MS under consultation procedure, and included in the authorisation and the Joint Control Plan.</p>
<p><b>Czech Republic</b></p>	<p><b>As an issuing MS</b></p> <p>VAT has to be paid in MS, where the goods is physically released into relevant customs regime. The holder will send the data for the VAT purposes on the basis of request of the participating MS. This condition has to be communicated with participating MS under the consultation procedure.</p>	<p><b>As an issuing MS</b></p> <p>The statistical data are sent by holder or customs office on the basis of the request from participating MS. The exchange of the statistical data between AMS and PMS has to be clarified under the consultation procedure.</p>
	<p><b>As a participating MS</b></p> <p>If the holder will be registered as a tax payer in the Revenue authority, the Revenue office is a competent authority for the VAT collection in the case of the import of goods to Czech Republic under the SASP. The VAT declarations are lodged to the relevant financial office monthly or</p>	<p><b>As a participating MS</b></p> <p>The Czech Customs Administration has developed web application “SASP Client” for secured and saved transmission of the data from the customs declarations released under the SASP authorization. The holder of the authorization will send the data via this SASP Client on the</p>

	<p>quarterly by holder.</p> <p>If the holder will be registered as a non- payer of VAT in the Revenue authority, the customs authority is a competent authority for the VAT collection in the case of the release the goods into customs regime of free circulation under the SASP. Because we have no experience with this type of SASP at this moment, the solution will be discussed on the national internal level.</p>	<p>basis of the authorization for electronic communication. The holder of the authorization has to send this data on the monthly basis in the defined format by 10<sup>th</sup> day after the previous calendar month. The procedure of the exchange of the data for the statistical purposes is clarified during the consultation procedure.</p>
<p><b>Romania</b></p>	<p><b>As an issuing MS</b> No experience with SASP</p> <p><b>As a participating MS</b></p>	<p><b>As an issuing MS</b> No experience with SASP</p> <p><b>As a participating MS</b> In the authorisation for entry into the declarants records and authorisation for centralised clearance for export the holder of the authorization must provide the requirements for statistics, which cover the following aspects:</p> <p>Informing the National Institute of Statistics (INS) regarding the approval of the authorisation and its validity period;</p> <p>Establishing as soon as possible after approval of the entry into the declarants records and authorisation for centralised clearance, of a contact person from the part of authorisation beneficiary, responsible for the transmission of the statistical declaration and to determine / resume the calendar and details regarding data transmission to INS;</p> <ul style="list-style-type: none"> <li>• data provided to the INS must contain all fields of standard customs declaration (the form for statistics); <ul style="list-style-type: none"> <li>- data will be transmitted electronically, in Excel format.</li> </ul> </li> <li>• data transmission will be done on</li> </ul>

		<p>monthly basis, the deadline being Month +15 (15 days of the end of the month reference);</p> <ul style="list-style-type: none"> <li>• the statistical declaration will be submitted by e-mail,</li> <li>• if one month reference period from authorizing period, transactions were not made, it the INS's, must be notified so that we do not consider the economic operator as non-respondent.</li> <li>• correction of inaccurate or erroneous data, contained in a statistical declaration (Excel file) <b>already submitted</b> to the INS may be made by changing the file and forwarded it to the INS with the flag 'Revised'. This declaration containing corrected data must be transmitted to INS as soon as possible after the time of detection errors in statistical declarations submitted previously.</li> <li>• the name of the statistical declaration file will be set on the models: <ol style="list-style-type: none"> <li>1. For export, new declaration: <b>VATcode_E_yyyymm.xls</b> ex. CZ29376211_E_201701.xls for reference period January 2017</li> <li>2. For export, revised declaration: <b>VATcode_ER_yyyymm.xls</b> ex. CZ29376211_ER_201701.xls for reference period January 2017</li> </ol> </li> </ul> <p>When INS finds out errors in the sent declarations, the economic operator is obliged to correct errors immediately and to resent the correct revised declaration no later than 3 working days after the INS informed about the errors found.</p>
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<b>Cyprus</b>	<b>As an issuing MS</b> No experience with SASP	<b>As an issuing MS</b> No experience with SASP
	<b>As a participating MS</b> No experience with SASP	<b>As a participating MS</b> No experience with SASP
<b>Malta</b>	<b>As an issuing MS</b> No experience with SASP	<b>As an issuing MS</b> No experience with SASP
	<b>As a participating MS</b> No experience with SASP	<b>As a participating MS</b> No experience with SASP
<b>Luxembourg</b>	<b>As an issuing MS</b> No experience with SASP	<b>As an issuing MS</b> No experience with SASP
	<b>As a participating Member State</b> No answer	<b>As a participating Member State</b> According to the authorisation, - as approved by our Luxembourg customs authorities- extrastat data is sent to the "Service central de la statistique et des études économiques" (authorisation number: 999000030 dated as from 05.05.2006)
<b>Denmark</b>	<b>As an issuing MS</b> No experience with SASP	<b>As an issuing MS</b> No experience with SASP
	<b>As a participating MS</b> No experience with SASP	<b>As a participating MS</b> No experience with SASP
<b>Germany</b>	<b><i>As an issuing MS</i></b>	<b><i>As an issuing MS</i></b>
<b>Import</b>	A reconciliation of the data of the supplementary customs declaration with the supplementary VAT declaration of the participating MS can be agreed between the MS in a common control plan.	The applicant makes an arrangement of the intended procedure with the competent statistical authority of the participating MS. Only with the existence of the statistical agreement can a SASP be granted. The statistical authority of the authorizing MS is responsible for forwarding the statistical data to EUROSTAT.
	<b><i>As a participating MS</i></b>	<b><i>As a participating MS</i></b>
	The authorisation holder has to lodge a supplementary VAT declaration on a monthly basis at the competent customs office of settlement and has to pay the duties incurred.	The applicant makes an arrangement with the Statistisches Bundesamt Wiesbaden ( <i>Wiesbaden Federal Statistical Office</i> ) for submitting the statistical data. The SASP may only be agreed, if the arrangement with

		the Statistische Bundesamt Wiesbaden is presented to the Hauptzollamt Nürnberg, Arbeitsgebiet Einzige Bewilligungen ( <i>German contact point of SA/SASP</i> ).
<b>Export:</b>		
	<i>As an issuing MS</i>	<i>As an issuing MS</i>
	The authorising office shall inform the applicant that the proof of exportation for VAT-purposes has to be supplied in the participating MS. Therefore the applicant has to arrange the proceedings with the competent VAT authority in the participating MS.	See information ‘for import’
	<i>As a participating MS</i>	<i>As a participating MS</i>
	The applicant has to clarify with the competent German Landesfinanzbehörden ( <i>German fiscal authority at federal state level</i> ) how to supply the proof of exportation for VAT-purposes concerning the export shipments from the German places of packing and loading.	See information ‘for import’.



**ANNEX IV**

**CONTROL ACTIONS OF THE CUSTOMS ADMINISTRATIONS PARTICIPATING IN  
CC WHEN A CUSTOMS DECLARATION UNDER CC IS LODGED**

**1. Control Actions**

<b>Kind of control</b>	<b>Responsible customs office</b>	<b>Main reason for the control</b>	<b>Further reason</b>
Verification according to Article 188 (a) and (b) of UCC	Local or authorising office	Concrete request from the authorising customs office or initiated by the local office under national legislation	Notification of the control results to the authorising customs office
Examination and sampling according to Article 188 (c) and (d) UCC	Local office	Concrete request from the authorising customs office or initiated by the local office	Notification of the control results to the authorising customs office
Retrospective checks on procedures in the authorisation holder's or representative's company (customs audit)	Competent customs authorities	Concrete request from the authorising customs office or initiated by the local office	Transmission of the audit results to the authorising office
Value added tax (VAT) and other national regulation.	Responsible office according to national legislation or service in charge of post-release controls	Required under national VAT law; concrete request by the responsible office in accordance with national legislation	Request for additional information by the authorising customs office
Verification of data in the supplementary declaration; for instance amount of customs duties	Authorising customs office	Required by law and in accordance with national administrative instructions	In the case of discrepancies which would have an effect on customs duties and would also affect the VAT in the participating Member State, the local offices are informed
Taking an inventory	Local customs office	Customs audit; concrete request from the authorising customs office	An inventory is taken in the storage place in the participating MS; notification of the control results to the authorising customs office

## **2. General arrangements:**

- Each request and each answer / notification has to be completed using the form set out in Annex VI , in English. If necessary, an additional sheet can be added. This should be done electronically where possible.
- How and where to communicate the requests and answers and/or notifications? This is to ensure that the information is passed on to the intended contact person.
- The two people indicated below will cooperate closely to ensure the control and administration of the procedure.

## **3. Contact points:**

### a) authorising customs office:

Name:

Address:

Official in charge:

Phone number:

Fax number:

E-mail address:

### b) local customs office:

Name:

Address:

Official in charge:

Phone number:

Fax number:

E-mail address:

## **4. Data protection**

In consideration of national laws governing data protection and data security an encoder should be used for sending information on controls between the authorising and the participating customs offices.

For example, Germany and Finland use the freeware 7zip as encoder (software).

**ANNEX V<sup>6</sup>**  
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**JOINT CONTROL PLAN**

**1. Joint control plan**

<b>Authorising Member State</b>	<b>Participating Member State</b>
<p>The authorising customs authorities and/or authorising office, taking into consideration:</p> <ul style="list-style-type: none"> <li>• the characteristics of the company (for instance AEO status);</li> <li>• the goods which are to be imported or exported and</li> <li>• relevant data,</li> </ul> <p>carry out a risk analysis. The authorising office then decides the best strategy to reduce or eliminate possible risks. This strategy is included in a draft control plan for the Centralised Clearance (see separate control plan including types of control, division of responsibilities and procedures).</p> <p>In general, the control plan includes four types of control:</p> <ul style="list-style-type: none"> <li>• audits (administrative controls);</li> <li>• verification of the declaration and other documents;</li> <li>• physical checks of the goods;<sup>7</sup></li> <li>• post-release controls;</li> </ul> <p>The draft control plan is sent to the contact point(s) in the participating MS(s), if necessary in the appropriate translation(s), via the IT system. Until this system is available, e-mail should be used.</p>	<p>The contact point in the participating MS contacts the local customs office(s) and, if</p>

<sup>6</sup> Annexes III to V will apply during the transitional period

<sup>7</sup> Physical checks of the goods are carried out by the local offices responsible for the place where the goods are located at the time of import / export.

	<p>necessary, other competent authorities.</p> <p>The draft control plan indicates any special notifications required, and the clearance procedure.</p> <p>In general, it will indicate the type and the number of controls to be carried out and practical requirements, such as response times.</p> <p>Where appropriate, the customs authorities also inform the authorising office about controls required under national legislation.</p>
<p>It is recommended that a meeting between the customs administrations of the authorising MS and the participating MS(s) is organised. This would contribute to a better mutual understanding and offers the possibility of building a better relationship between the contact persons concerned.</p> <p>.</p> <p>The draft control plan is completed taking account of the suggestions and requests made by the participating Member States. If necessary, some procedures will be inserted in the authorisation.</p> <p>The control plan is agreed via the IT system.</p>	<p>In exceptional circumstances, the customs authorities in the participating MS carry out post-release controls.</p> <p>The control plan is agreed via the IT system. Until this system is available, e-mail should be used.</p>

## 2. Physical checks

Authorising Member State	Participating Member State
<p>The authorisation must specify where and how the goods covered by the authorisation will be released for free circulation or another customs procedure, given that import goods may be released for free circulation or other customs procedure both by the authorising office and by the local customs office.</p> <p>The release can be granted:</p> <ul style="list-style-type: none"> <li>-after notification to the local customs office of all the consignments presented in the participating MS;</li> <li>-through central entry of data in the records and the local customs office should be notified only in a specific time period or for specific types of goods.</li> </ul> <p>The authorising office has to decide, together with the local customs offices, on the checks to be carried out in order to ensure the supervision of the procedure and the release of the goods for free circulation or other customs procedure.</p> <p>In accordance with the control plan, the authorising office asks the local customs offices to carry out a number (or percentage) of physical checks on arriving consignments or specific subjects. Usually a time period must be established during which the decision about the need to check the imported goods must be made.<sup>8</sup></p> <p><b><i>Only for the simplified declaration procedure:</i></b> For the SDP a simplified declaration has to be lodged, for each import, at the competent local customs office or at the authorising customs office.</p>	<p>The holder of the authorisation has to notify the local customs office according to the authorisation, in principle whenever national requirements have to be met.</p> <p>Local customs offices carry out physical checks taking account of national legislation and the control plan.</p> <p>The local customs offices can carry out any type of controls on their own initiative (especially discharge of transit).</p> <p>The results of these checks are reported to the authorising customs office. The document in Annex VI can be used both to request a physical check and to report the results of controls carried out.</p>

<sup>8</sup> When it is necessary that a specific consignment has to be checked, this request must be forwarded to the local customs office directly.

**Other types of control**

The authorising office verifies declarations, carries out post-clearance controls, audits and reassesses procedures.

The authorising office should inform the participating MS(s) of any irregularities detected.

Part of the controls will be carried out in the participating MS(s), if possible in the form of a joint audit, whenever it is considered advisable.

**ANNEX VI**  
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**REQUEST FOR CONTROL IN THE CONTEXT OF CC**

**Requesting office/authorising office or local office**

(name, address, officer's name, phone, e-mail address)

**Kind of control** (description of the content of the control):

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**Result of control:**

**Office which carried out the control** (name, address, officer's name, phone, e-mail address)

**Result of control:**

**ANNEX VII**  
**Article 177 UCC**

The simplification of article 177 UCC allows the drawing-up of a single customs declaration for goods falling under different tariff subheadings. The import or export duty must be charged on the basis of the tariff subheading of the goods which are subject to the highest duty rate. <sup>9</sup>

Conditions:

- 1) a consignment is made up of goods falling within different tariff subheadings,
- 2) dealing with each of those goods in accordance with its tariff subheading for the purpose of drawing-up the customs declaration would entail a burden of work and expense disproportionate to the import or export duty chargeable, and
- 3) there must be an application of the declarant that import or export duty be charged on the whole consignment on the basis of the tariff subheading of the goods which are subject to the highest rate of import or export duty.

Exception: Customs authorities shall refuse the use of the simplification to goods subject to prohibitions or restrictions or excise duty where the correct classification is necessary to apply the measure.

The application is done through the lodgement of a customs declaration with a reference to Article 177 UCC.

In principle no upper limit is foreseen. However, both the Regulation (EU) No 471/2009, which lays down the requirement to provide statistics on imported and exported goods exceeding the value of 1000 euros (which refers to the consignment as a whole) as well as the obligation to submit surveillance data to the Commission, should be respected.

Also, the different VAT rates should also be taken into account as no relevant provisions for simplification are of application for VAT.

Article 228 UCC IA

Goods falling under different tariff subheadings declared under a single subheading

- (1) The goods in a consignment fall within tariff subheadings subject to a specific duty expressed by reference to the same unit of measure, the duty to be charged on the whole consignment shall be based on the tariff subheading subject to the highest specific duty.

*Example (fictional):*

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<sup>9</sup> Such simplification may be used for the following procedures: release into free circulation, export (even in the case where the customs debt is equal to 0). It should be noted that currently, there are no export customs duties in the EU.



*A consignment of 100 pieces composed of 50 pencils (taxed 1 euro per piece) with 50 puzzles (taxed 2 euro per piece): the whole consignment may be charged as puzzle (2 euro on 100 pieces that is the whole consignment) and the amount of the correspondent duty charged will be 200 euros for the consignment. If this consignment was taxed under the normal rules it would result in an amount of 150 euros (50 euros for the pencils + 100 euros for the puzzles).*

(2) The goods in a consignment fall within tariff subheadings subject to a specific duty expressed by reference to different units of measure, the highest specific duty for each unit of measure shall be applied to all of the goods in the consignment for which the specific duty is expressed by reference to that unit, and converted into an ad valorem duty for each type of those goods. The duty to be charged on the whole consignment shall be based on the tariff subheading subject to the highest rate of the ad valorem duty resulting from this conversion.

*Example (fictional):*

*A consignment of*

- *40 pencils (taxed 0.25 euro per piece) (customs value of 400 euros)*
- *40 puzzles (taxed 0.5 euros per piece) (customs value 400 euros)*
- *100 packets (1 m each) of ribbon (taxed 0,1 euro per m) (customs value of 50 euros)*

*The duty to be charged on the whole consignment shall be based on the conversion of the specific duty on ribbon that corresponds to an ad valorem duty of 20%. The 20% duty rate of the conversion of the specific duty on ribbon in an ad valorem duty is the highest rate because the conversion of the specific duty on the pencils and puzzles in an ad valorem duty are lower (5% for the puzzles and 2,5% for the pencils).*

*How did we convert the specific duty for ribbon into an ad valorem duty? Applying the rate of 0,1 euro per m to 100 m (100 packets with 1m each) resulted in an amount of 10 euros. This amount (10 euros) corresponds to an ad valorem duty of 20% applied to the customs value of the ribbon (50 euros).*

*How did we convert the specific duty for puzzles into an ad valorem duty? Applying the rate of 0.5 euro per piece to 40 puzzles resulted in an amount of 20 euros. This amount (20 euros) corresponds to an ad valorem duty of 5% applied to the customs value of the puzzle (400 euros).*

*How did we convert the specific duty for pencils into an ad valorem duty? Applying the rate of 0.25 euro per piece to 40 pencils resulted in an amount of 10 euros. This amount (10 euros) corresponds to an ad valorem duty of 2,5% applied to the customs value of the pencils (400 euros).*

*Consequently, this consignment will pay under the rules of 177 UCC an amount of 170 euros (850 euros – the customs value of all the consignment – charged with a 20% rate). If this consignment was taxed under the normal rules it would result in an amount of 40 euros (10 euros for the pencils + 20 euros for the puzzles + 10 euros ribbon).*

(3) The goods in a consignment fall within tariff subheadings subject to an ad valorem duty and a specific duty, the highest specific duty shall be converted into an ad valorem duty for each type of goods for which the specific duty is expressed by reference to the same unit.

The duty to be charged on the whole consignment shall be based on the tariff subheading subject to the highest rate of ad valorem duty, including the ad valorem duty resulting from the conversion.

*Example (fictional):*

*A consignment of 180 pieces composed of 40 pencils (taxed 0.25 euro per piece + 20% ad valorem duty) (customs value of 400 euro) with 40 puzzles (taxed 0.5 euro per piece) (customs value 400 euro) and 100 packets (1 m each) of ribbon (taxed 0,1 euro per m) (customs value of 50 euros): the duty to be charged on the whole consignment shall be based on the conversion of the composed specific duty plus the ad valorem duty on pencils that corresponds to a single ad valorem duty of 22,5%.*

*The 22,5% duty rate (resulting from the conversion of the specific duty on pencils plus the ad valorem component of the duty on pencils in a single ad valorem duty) is the highest rate because the conversion of the specific duty on the puzzle and ribbon are lower (5% for the puzzles and 20% for the ribbon).*

*How did we convert the composed specific duty plus ad valorem duty on pencils into a single ad valorem duty? Applying the rate of 0.25 euro per piece+ 20% ad valorem duty to the 40 pencils with a customs value of 400 euro resulted in an amount of 90 euros. This amount (90 euros) corresponds to a single ad valorem duty of 22,5% when applying the composed specific duty plus the ad valorem duty on pencils into a single ad valorem duty to the 40 pencils with a customs value of 400 euro.*

*How did we convert the specific duty for puzzles into an ad valorem duty? Applying the rate of 0.5 euro to 40 pieces resulted in an amount of 20 euros. This amount (20 euros) corresponds to an ad valorem duty of 5% applied to the customs value of the puzzles (400 euros).*

*How did we convert the specific duty for ribbon into an ad valorem duty? Applying the rate of 0,1 euro per m to 100 m (100 packets with 1m each) resulted in an amount of 10 euros. This amount (10 euros) corresponds to an ad valorem duty of 20% applied to the customs value for the ribbon (50 euros).*

*Consequently, the declarant will have to pay for this consignment under the rules of 177 UCC an amount of 191.25 euros (850 euros – the customs value of all the consignment – taxed with a 22,5% rate). If this consignment was charged under the normal rules it would result in an amount of 120 euros (90 euros for the pencils + 20 euros for the puzzles + 10 euros ribbon).*

With regard to the interpretation of "different tariff subheading" it should be understood that article 177 may apply (subject to the limitations set out in its paragraph 2) as soon as two products fall under two different CN codes, regardless of the HS 4 digit code applicable to them.