

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down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code (repealed)

PART II

CUSTOMS-APPROVED TREATMENT OR USE

TITLE III

CUSTOMS PROCEDURES WITH ECONOMIC IMPACT

CHAPTER 3

Inward processing

Section 4

Equivalent compensation and prior exportation

Subsection 1

Equivalent compensation under the suspension system and the drawback system

Article 569

1 Without prejudice to paragraph 2 and Article 570 (2), where use is to be made of equivalent compensation, the equivalent goods must fall within the same eight-digit subheading of the CN code, be of the same commercial quality and have the same technical characteristics as the import goods.

2 Special provisions, set out in Annex 78, shall apply in respect of the goods referred to in that Annex.

3 Use of equivalent compensation shall be possible only where it has been requested by the person concerned in the application and where the authorization specifies the factors referred to in paragraph 1 common to the equivalent goods and the import goods, and the means by which these may be checked.

4 Where the authorization provides for use of equivalent compensation, the specific measures to be taken in order to ensure compliance with the provisions applying to that system shall be indicated in the authorization.

5 Where the authorization does not specify use of equivalent compensation but the holder of the authorization wishes to use that system, the said holder shall apply for the authorization initially granted to be modified. The application shall be made out in accordance with Article 497.

Article 570

1 Where the circumstances so warrant, the customs authorities may allow the equivalent goods to be at a more advanced stage of manufacture than the import goods, provided that the essential part of the processing to which the said equivalent goods are subjected is carried out in the undertaking of the holder of the authorization or in the undertaking where the operation is being carried out on his behalf.

2 The person concerned shall in every case make it possible for the customs authorities to identify the factors referred to in Article 569 (1) before he can use the equivalent compensation system.

Article 571

1 In the case of equivalent compensation without prior exportation, the change in customs status of the import goods and the equivalent goods, referred to in Article 115 (3) of the Code, shall take place at the time of acceptance of the declaration discharging the procedure. However, where the holder of the authorization puts the import goods on the Community market either in the unaltered state or in the form of compensating products before the procedure has been discharged, the change in customs status of the import goods and the equivalent goods shall take place at the time the goods are put on the market.

2 The change in customs status referred to in paragraph 1 shall not alter the origin of the exported goods.

3 In the event of the total destruction or irretrievable loss of goods in the unaltered state or compensating products the proportion of import goods destroyed or lost shall be calculated by reference to the proportion of import goods in stocks of goods of the same kind held by the holder of the authorization at the time when the destruction or loss occurred, unless he can produce evidence of the actual quantity of import goods destroyed or lost.

Subsection 2

Prior exportation under the suspension system

Article 572

1 Where equivalent compensation is used under the suspension system, Article 569, 570 and 571 (2) and (3) shall apply *mutatis mutandis*.

2 In the case of prior exportation, the change in customs status referred to in Article 115 (3) of the Code shall take place:

- in respect of the exported compensating products, at the time of acceptance of the export declaration and on condition that the import goods are entered for the procedure,
- in respect of the import goods and equivalent goods, at the time of release of the import goods declared for the procedure.