

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down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code (repealed)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 4

Processing under customs control

Section 1

General provisions

Article 650

Pursuant to Article 131 of the Code, the procedure for processing under customs control may be used for goods in column 1 of the list in Annex 87 which are to undergo the processing referred to in column II.

Subsection 1

Authorization — normal procedure

Article 651

1 The application shall be made in conformity with Article 497 and in accordance with the specimen in Annex 67/C, and presented by the person to whom the authorization may be granted under Articles 86, 132 and 133 of the Code.

2

- a The application shall be presented to the customs authorities designated by the Member State where the processing operation is to be carried out.
- b Where it is expected that processing operations will be carried out by or on behalf of the applicant in different Member States, application for a single authorization may be made.

In that case, the application, which shall include particulars of the sequence of operations and the exact places where they will be carried out, shall be lodged with the customs authorities of the Member State where the first such operation will be carried out.

Article 652

1 Without prejudice to Article 656, the authorization shall be issued by the authorities to which the application was presented under Article 651 (2) and shall be made out in conformity with Article 500 and in accordance with the specimen in Annex 68/C.

2 Where Article 651 (2) (b) applies, the authorization may not be issued without the agreement of the customs authorities designated by the Member States in which the places indicated in the application are located. The following procedure shall apply:

- a the customs authorities to which the application was presented, after satisfying themselves that the economic conditions can be considered fulfilled in respect of the planned operation, shall communicate the application and the draft authorization to the customs authorities of the other Member States concerned; the said draft shall include, at least, the rate of yield, the approved methods of identification, the customs offices referred to at point 9 of the specimen authorization in Annex 68/C, any simplified procedures used for entry for the procedure, transfer or discharge and the rules to be observed *inter alia* as regards notification to the supervising office;
- b the customs authorities having received notification shall transmit any objections as soon as possible, and in any case within two months of the date of communication of the application and draft authorization;
- c the customs authorities referred to in subparagraph (a), after taking the necessary steps to ensure payment of the customs debt which may be incurred in respect of the import goods, may issue the authorization if it has received no information concerning the existence of objections to the draft authorization within the period referred to in subparagraph (b);
- d the Member State issuing the authorization shall send a copy thereof to all the Member States referred to above.

Authorizations issued in this way shall be valid only in the Member States referred to above.

The Member States shall communicate to the Commission the names and addresses of the customs authorities designated to receive the application and the draft authorization mentioned in subparagraph (a). The Commission shall inform the other Member States accordingly.

3 To ensure correct application of the provisions governing the procedure, the customs authorities may require the holder of the authorization, in order to facilitate checks, to keep or have kept for him stock records which indicate the quantities of import goods entered for the procedure and of processed products obtained, and all particulars needed for the monitoring of the operations and the correct calculation of any import duties which may be payable.

The 'records of processing under customs control' shall be made available to the supervising office to enable it to carry out any checks necessary for the proper implementation of the procedure.

Where the records kept by the applicant for commercial purposes allow supervision of the procedure they shall be recognized by the customs authorities as valid 'records of processing under customs control'.

Article 653

The period of validity of the authorization shall be set case by case by the customs authorities, having regard to the specific requirements of the applicant.

Where the period exceeds two years, the conditions on which the authorization was issued shall be reviewed periodically at intervals laid down in the authorization.

Article 654

1 When issuing the authorization the customs authorities shall specify the period within which the processed products must be assigned to a customs-approved treatment or use in accordance with Article 134 of the Code, taking into account the time required to carry out the processing operations and the time required to assign the processed products to a customs-approved treatment or use.

2 Where the circumstances so warrant, the period specified in the authorization may be extended even when that originally set has expired.

Article 655

1 The rate of yield, or method of determining the rate, referred to in Article 134 of the Code shall as far as possible be set on the basis of production data and shall be identifiable in the records of the holder of the authorization.

2 The rate or method of determining the rate shall be set in accordance with paragraph 1, subject to retrospective verification by the customs authorities.

Subsection 2

Authorization — simplified procedure

Article 656

1 This Article shall apply where processing operations are to take place in a single Member State.

2 Where the simplified procedures for entry for the procedure referred to in Article 76 of the Code are not applied, any customs office empowered by the customs authorities to grant authorizations using the simplified procedure, shall allow the lodging of the declaration entering goods for the procedure to constitute an application for authorization. In this case acceptance of such declaration shall constitute the authorization, the said acceptance remaining in any event subject to the conditions governing the granting of the authorization.

3 Declarations presented under paragraph 2 shall be accompanied by a document made out by the declarant containing the following information, as necessary, unless such information can be entered in box 44 of the form used for the declaration itself:

- a where the person applying to use the procedure is not the same as the declarant, the name or business name and address of the applicant;
- b where the person carrying out the processing is not the same as the applicant or the declarant, the name or business name and address of that person;
- c the nature of the processing operation;
- d the trade and/or technical description of the processed products to be obtained;
- e the rate of yield or, where appropriate, the method by which the rate will be established;
- f the time allowed for assigning the import goods to a customs-approved treatment or use;
- g the place where it is intended to carry out the processing operation.

Article 498 shall apply *mutatis mutandis*.

4 Article 502 shall apply *mutatis mutandis*.

Section 2

Entry of goods for the procedure

Article 657

1 Except where Article 656 is applied, the declaration entering goods for processing under customs control shall be lodged at one of the offices of entry for the procedure specified in the authorization.

2 Where Article 656 is applied, the declaration referred to in paragraph 1 shall be lodged at a duly empowered customs office.

Article 658

1 The declaration referred to in Article 657 shall be made in accordance with Articles 198 to 252.

2 Without prejudice to the application of Article 656, the description of the goods given in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorization.

3 For the purposes of Article 62 (2) of the Code, the documents to accompany the declaration shall be those provided for in Article 220.

Article 659

1 The simplified procedures provided for in Article 76 of the Code shall apply in accordance with Articles 275 and 276.

2 The customs authorities shall withhold authorization to use the local clearance procedure provided for in Article 276, from persons whose stock records, as referred to in Article 652 (3), cannot be established.

3 The supplementary declaration referred to in Article 76 (2) of the Code shall be supplied within the stipulated period and in any case no later than the time when the bill of discharge is lodged.

Section 3

Discharge of the procedure

Article 660

1 Discharge of the procedure shall be based either on the quantity of import goods corresponding, by application of the rate of yield, to the processed products or on the quantity of goods in the unaltered state which have been assigned to a customs-approved treatment or use.

2 Where necessary, pursuant to Article 135 of the Code, the rules in Articles 591 to 594 concerning the proportion of import goods incorporated in the products shall apply *mutatis mutandis*.

Article 661

1 Except where Article 656 is applied, the declaration discharging the procedure for the processing of goods under customs control shall be lodged at one of the customs offices of discharge specified in the authorization.

2 Where Article 656 is applied, the declaration referred to in paragraph 1 shall be lodged with the customs office which issued the authorization.

3 However, the supervising office may allow the declaration referred to in paragraph 1 to be presented at a customs office other than the one referred to in paragraphs 1 and 2.

Article 662

1 The declaration referred to in Article 661 shall be made in accordance with the provisions laid down for the customs-approved treatment or use concerned.

2 The description of the processed products or import goods in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorization.

3 The provisions of Article 583 (3) shall apply.

Article 663

The simplified procedures provided for in Article 76 of the Code for discharge of the procedure shall apply in accordance with Article 278 (1).

Article 664

1 The holder of the authorization shall supply the supervising office with a bill of discharge within thirty days of the expiry of the time limit for discharge.

2 The bill of discharge shall contain *inter alia* the following particulars:

- a reference particulars of the authorization;
- b the quantity by type of import goods and reference particulars of the declarations entering them for the procedure;
- c the CN code of the import goods;
- d the customs value of the import goods;
- e the rate of yield set;
- f the nature and quantity of the processed products and the customs-approved treatment or use to which they are assigned, together with reference particulars of the declarations assigning the said products to a customs-approved treatment or use;
- g where the fourth indent of Article 666 is to be applied, the processing costs;
- h the CN code of the processed products.

3 Where a simplified procedure is used for entry for or discharge of the procedure, the declarations and documents in question shall be those provided for in Article 76 (3) of the Code.

Article 665

1 The supervising office may agree that:

- a the bill of discharge referred to in Article 664 (2) should be made out by computer or in any other form that the said office shall stipulate;
- b the bill of discharge should be made out on the declaration entering the goods for the procedure.

2 The provisions of Article 598 shall apply.

3 The supervising office may itself make out the bill of discharge subject to the time limit laid down in Article 664 (1). This fact shall be indicated in the authorization.

Article 666

Pursuant to Article 36 (1) of the Code, where the processed products are released for free circulation their customs value shall be one of the following, at the choice of the person concerned, such choice being exercised on the date of acceptance of the declaration for release for free circulation:

- the customs value, determined at or about the same time of identical or similar goods produced in any third country,
- their selling price, provided this is not influenced by a relationship between buyer and seller,
- the selling price in the Community of identical or similar goods, provided this is not influenced by a relationship between buyer and seller,
- the customs value of the import goods plus the processing costs.

Article 667

Where commercial policy measures are in force for the import goods at the time of acceptance of the declaration for release for free circulation, such measures shall not apply to the processed products unless they are also in force for products identical to the processed products.

In this case, the measures shall be applied to the quantity of import goods actually used in the manufacture of the processed products released for free circulation.

Section 4

Exchange of information with the Commission

Article 668

- 1 The Member States shall communicate to the Commission:
 - a in respect of each authorization where the value of the goods entered for the procedure, per operator and per calendar year, exceeds ECU 100 000, the particulars indicated in Annex 88;
 - b in respect of each application for an authorization rejected because the economic conditions referred to in Article 133 (e) of the Code are not considered to be fulfilled, the particulars indicated in Annex 89.

- 2 The particulars referred to in paragraph 1 shall be communicated during the month following that in which the authorization was issued or the application was rejected, as the case may be. They shall be circulated by the Commission to the other Member States and shall be examined by the Committee in cases where this is judged necessary.

Article 669

- 1 The Member States shall communicate to the Commission:
 - a the list of customs authorities to which applications for authorization are to be presented, except under Article 656;
 - b the list of customs offices empowered to accept declarations entering goods for the procedure under Article 656.
- 2 The provisions of Article 649 (2) and (3) shall apply.