

Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (recast)

TITLE VII

SPECIAL PROCEDURES

CHAPTER 1

General provisions

Article 210

Scope

Goods may be placed under any of the following categories of special procedures:

- (a) transit, which shall comprise external and internal transit;
- (b) storage, which shall comprise customs warehousing and free zones;
- (c) specific use, which shall comprise temporary admission and end-use;
- (d) processing, which shall comprise inward and outward processing.

Article 211

Authorisation

- 1 An authorisation from the customs authorities shall be required for the following:
- a the use of the inward or outward processing procedure, the temporary admission procedure or the end-use procedure;
 - b the operation of storage facilities for the customs warehousing of goods, except where the storage facility operator is the customs authority itself.

The conditions under which the use of one or more of the procedures referred to in the first subparagraph or the operation of storage facilities is permitted shall be set out in the authorisation.

- 2 The customs authorities shall grant an authorisation with retroactive effect, where all of the following conditions are fulfilled:
- a there is a proven economic need;
 - b the application is not related to attempted deception;
 - c the applicant has proven on the basis of accounts or records that:
 - (i) all the requirements of the procedure are met;
 - (ii) where appropriate, the goods can be identified for the period involved;
 - (iii) such accounts or records allow the procedure to be controlled;

- d all the formalities necessary to regularise the situation of the goods can be carried out, including, where necessary, the invalidation of the customs declarations concerned;
- e no authorisation with retroactive effect has been granted to the applicant within three years of the date on which the application was accepted;
- f an examination of the economic conditions is not required, except where an application concerns renewal of an authorisation for the same kind of operation and goods;
- g the application does not concern the operation of storage facilities for the customs warehousing of goods;
- h where an application concerns renewal of an authorisation for the same kind of operation and goods, the application is submitted within three years of expiry of the original authorisation.

Customs authorities may grant an authorisation with retroactive effect also where the goods which were placed under a customs procedure are no longer available at the time when the application for such authorisation was accepted.

3 Except where otherwise provided, the authorisation referred to in paragraph 1 shall be granted only to persons who satisfy all of the following conditions:

- a they are established in the customs territory of the Union;
- b they provide the necessary assurance of the proper conduct of the operations; an authorised economic operator for customs simplifications shall be deemed to fulfil this condition, insofar as the activity pertaining to the special procedure concerned is taken into account in the authorisation referred to in point (a) of Article 38(2);
- c where a customs debt or other charges may be incurred for goods placed under a special procedure, they provide a guarantee in accordance with Article 89;
- d in the case of the temporary admission or inward processing procedure, they use the goods or arrange for their use or they carry out processing operations on the goods or arrange for them to be carried out, respectively.

4 Except where otherwise provided and in addition to paragraph 3, the authorisation referred to in paragraph 1 shall be granted only where all of the following conditions are fulfilled:

- a the customs authorities are able to exercise customs supervision without having to introduce administrative arrangements disproportionate to the economic needs involved;
- b the essential interests of Union producers would not be adversely affected by an authorisation for a processing procedure (economic conditions).

5 The essential interests of Union producers shall be deemed not to be adversely affected, as referred to in point (b) of paragraph 4, except where evidence to the contrary exists or where the economic conditions are deemed to be fulfilled.

6 Where evidence exists that the essential interests of Union producers are likely to be adversely affected, an examination of the economic conditions shall take place at Union level.

Article 212

Delegation of power

The Commission shall be empowered to adopt delegated acts, in accordance with Article 284, in order to determine:

- (a) the conditions for granting the authorisation for the procedures referred to in Article 211(1);

- (b) the exceptions to the conditions referred to in Article 211(3) and (4);
- (c) the cases in which the economic conditions are deemed to be fulfilled as referred to in Article 211(5).

Article 213

Conferral of implementing powers

The Commission shall specify, by means of implementing acts, the procedural rules for examining the economic conditions referred to in Article 211(6).

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 285(4).

Article 214

Records

1 Except for the transit procedure, or where otherwise provided, the holder of the authorisation, the holder of the procedure, and all persons carrying on an activity involving the storage, working or processing of goods, or the sale or purchase of goods in free zones, shall keep appropriate records in a form approved by the customs authorities.

The records shall contain the information and the particulars which enable the customs authorities to supervise the procedure concerned, in particular with regard to identification of the goods placed under that procedure, their customs status and their movements.

2 An authorised economic operator for customs simplifications shall be deemed to comply with the obligation laid down in paragraph 1 insofar as his or her records are appropriate for the purpose of the special procedure concerned.

Article 215

Discharge of a special procedure

1 In cases other than the transit procedure and without prejudice to Article 254, a special procedure shall be discharged when the goods placed under the procedure, or the processed products, are placed under a subsequent customs procedure, have been taken out of the customs territory of the Union, or have been destroyed with no waste remaining, or are abandoned to the State in accordance with Article 199.

2 The transit procedure shall be discharged by the customs authorities when they are in a position to establish, on the basis of a comparison of the data available to the customs office of departure and those available to the customs office of destination, that the procedure has ended correctly.

3 The customs authorities shall take all the measures necessary to regularise the situation of the goods in respect of which a procedure has not been discharged under the conditions prescribed.

4 The discharge of the procedure shall take place within a certain time-limit, unless otherwise provided.

*Article 216***Delegation of power**

The Commission shall be empowered to adopt delegated acts, in accordance with Article 284, in order to determine the time-limit referred to in Article 215(4).

*Article 217***Conferral of implementing powers**

The Commission shall specify, by means of implementing acts, the procedural rules for the discharge of a special procedure, referred to in Article 216.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 285(4).

*Article 218***Transfer of rights and obligations**

The rights and obligations of the holder of a procedure with regard to goods which have been placed under a special procedure other than transit may be fully or partially transferred to another person who fulfils the conditions laid down for the procedure concerned.

*Article 219***Movement of goods**

In specific cases, goods placed under a special procedure other than transit or in a free zone may be moved between different places in the customs territory of the Union.

*Article 220***Usual forms of handling**

Goods placed under customs warehousing or a processing procedure or in a free zone may undergo usual forms of handling intended to preserve them, improve their appearance or marketable quality or prepare them for distribution or resale.

*Article 221***Delegation of power**

The Commission shall be empowered to adopt delegated acts in accordance with Article 284:

- (a) laying down the cases and the conditions for the movement of goods placed under a special procedure other than transit or in a free zone in accordance with Article 219;
- (b) determining the usual forms of handling for goods placed under customs warehousing or a processing procedure or in a free zone as referred to in Article 220.

Article 222

Conferral of implementing powers

The Commission shall specify, by means of implementing acts, the procedural rules for:

- (a) transferring the rights and obligations of the holder of the procedure with regard to goods which have been placed under a special procedure other than transit in accordance with Article 218;
- (b) the movement of goods placed under a special procedure other than transit or in a free zone in accordance with Article 219.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 285(4).

Article 223

Equivalent goods

1 Equivalent goods shall consist in Union goods which are stored, used or processed instead of the goods placed under a special procedure.

Under the outward processing procedure, equivalent goods shall consist in non-Union goods which are processed instead of Union goods placed under the outward processing procedure.

Except where otherwise provided, equivalent goods shall have the same eight-digit Combined Nomenclature code, the same commercial quality and the same technical characteristics as the goods which they are replacing.

2 The customs authorities shall, upon application, authorise the following, provided that the proper conduct of the procedure, in particular as regards customs supervision, is ensured:

- a the use of equivalent goods under customs warehousing, free zones, end-use and a processing procedure;
- b the use of equivalent goods under the temporary admission procedure, in specific cases;
- c in the case of the inward processing procedure, the export of processed products obtained from equivalent goods before the import of the goods they are replacing;
- d in the case of the outward processing procedure, the import of processed products obtained from equivalent goods before the export of the goods they are replacing.

An authorised economic operator for customs simplifications shall be deemed to fulfil the condition that the proper conduct of the procedure is ensured, insofar as the activity pertaining to the use of equivalent goods for the procedure concerned is taken into account in the authorisation referred to in point (a) of Article 38(2).

3 The use of equivalent goods shall not be authorised in any of the following cases:

- a where only usual forms of handling as defined in Article 220 are carried out under the inward processing procedure;
- b where a prohibition of drawback of, or exemption from, import duty applies to non-originating goods used in the manufacture of processed products under the inward processing procedure, for which a proof of origin is issued or made out in the framework of a preferential arrangement between the Union and certain countries or territories outside the customs territory of the Union or groups of such countries or territories;
- c where it would lead to an unjustified import duty advantage or where provided for in Union legislation.

4 In the case referred to in point (c) of paragraph 2, and where the processed products would be liable to export duty if they were not being exported in the context of the inward processing procedure, the holder of the authorisation shall provide a guarantee to ensure payment of the export duty should the non-Union goods not be imported within the period referred to in Article 257(3).

Article 224

Delegation of power

The Commission shall be empowered to adopt delegated acts, in accordance with Article 284, in order to determine:

- (a) the exceptions from the third subparagraph of Article 223(1);
- (b) the conditions under which equivalent goods are used in accordance with Article 223(2);
- (c) the specific cases where equivalent goods are used under the temporary admission procedure, in accordance with point (b) of Article 223(2);
- (d) the cases where the use of equivalent goods is not authorised in accordance with point (c) of Article 223(3).

Article 225

Conferral of implementing powers

The Commission shall specify, by means of implementing acts, the procedural rules for the use of equivalent goods authorised in accordance with Article 223(2).

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 285(4).

CHAPTER 2

Transit

Section 1

External and internal transit

Article 226

External transit

1 Under the external transit procedure, non-Union goods may be moved from one point to another within the customs territory of the Union without being subject to any of the following:

- a import duty;
- b other charges as provided for under other relevant provisions in force;
- c commercial policy measures, insofar as they do not prohibit the entry or exit of goods into or from the customs territory of the Union.

2 In specific cases, Union goods shall be placed under the external transit procedure.

3 Movement as referred to in paragraph 1 shall take place in one of the following ways:

- a under the external Union transit procedure;
- b in accordance with the TIR Convention, provided that such movement:
 - (i) began or is to end outside the customs territory of the Union;
 - (ii) is effected between two points in the customs territory of the Union through the territory of a country or territory outside the customs territory of the Union;
- c in accordance with the ATA Convention/Istanbul Convention, where a transit movement takes place;
- d under cover of the Rhine Manifest (Article 9 of the Revised Convention for the Navigation of the Rhine);
- e under cover of form 302 provided for in the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces, signed in London on 19 June 1951;
- f under the postal system in accordance with the acts of the Universal Postal Union, when the goods are carried by or for holders of rights and obligations under such acts.

Article 227

Internal transit

1 Under the internal transit procedure, and under the conditions laid down in paragraph 2, Union goods may be moved from one point to another within the customs territory of the Union, and pass through a country or territory outside that customs territory, without any change in their customs status.

2 The movement referred to in paragraph 1 shall take place in one of the following ways:

- a under the internal Union transit procedure provided that such a possibility is provided for in an international agreement;

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- b in accordance with the TIR Convention;
- c in accordance with the ATA Convention/Istanbul Convention, where a transit movement takes place;
- d under cover of the Rhine Manifest (Article 9 of the Revised Convention for the Navigation of the Rhine);
- e under cover of form 302 as provided for in the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces, signed in London on 19 June 1951;
- f under the postal system in accordance with the acts of the Universal Postal Union, when the goods are carried by or for holders of rights and obligations under such acts.

Article 228

Single territory for transit purposes

Where goods are moved from one point in the customs territory of the Union to another in accordance with the TIR Convention, the ATA Convention / Istanbul Convention, under cover of form 302 or under the postal system, the customs territory of the Union shall, for the purposes of such transport, be considered to form a single territory.

Article 229

Exclusion of persons from TIR operations

1 Where the customs authorities of a Member State decide to exclude a person from TIR operations under Article 38 of the TIR Convention, that decision shall apply throughout the customs territory of the Union and TIR carnets lodged by that person shall not be accepted by any customs office.

2 A Member State shall communicate its decision referred to in paragraph 1, together with the date of its application, to the other Member States and to the Commission.

Article 230

Authorised consignee for TIR purposes

The customs authorities may, upon application, authorise a person, referred to as an 'authorised consignee' to receive goods moved in accordance with the TIR Convention at an authorised place, so that the procedure is terminated in accordance with point (d) of Article 1 of the TIR Convention.

Article 231

Delegation of power

The Commission shall be empowered to adopt delegated acts, in accordance with Article 284, in order to determine:

- (a) the specific cases where Union goods are to be placed under the external transit procedure in accordance with Article 226(2);

- (b) the conditions for the granting of the authorisation referred to in Article 230.

Article 232

Conferral of implementing powers

The Commission shall specify, by means of implementing acts, the procedural rules to apply points (b) to (f) of Article 226(3) and points (b) to (f) of Article 227(2) in the customs territory of the Union, taking into account the needs of the Union.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 285(4).

Section 2

Union transit

Article 233

Obligations of the holder of the Union transit procedure and of the carrier and recipient of goods moving under the Union transit procedure

- 1 The holder of the Union transit procedure shall be responsible for all of the following:
 - a presentation of the goods intact and the required information at the customs office of destination within the prescribed time-limit and in compliance with the measures taken by the customs authorities to ensure their identification;
 - b observance of the customs provisions relating to the procedure;
 - c unless otherwise provided for in the customs legislation, provision of a guarantee in order to ensure payment of the amount of import or export duty corresponding to any customs debt or other charges, as provided for under other relevant provisions in force, which may be incurred in respect of the goods.
- 2 The obligation of the holder of the procedure shall be met and the transit procedure shall end when the goods placed under the procedure and the required information are available at the customs office of destination in accordance with the customs legislation.
- 3 A carrier or recipient of goods who accepts goods knowing that they are moving under the Union transit procedure shall also be responsible for presentation of the goods intact at the customs office of destination within the prescribed time-limit and in compliance with the measures taken by the customs authorities to ensure their identification.
- 4 Upon application, the customs authorities may authorise any of the following simplifications regarding the placing of goods under the Union transit procedure or the end of that procedure:
 - a the status of authorised consignor, allowing the holder of the authorisation to place goods under the Union transit procedure without presenting them to customs;
 - b the status of authorised consignee, allowing the holder of the authorisation to receive goods moved under the Union transit procedure at an authorised place, to end the procedure in accordance with Article 233(2);
 - c the use of seals of a special type, where sealing is required to ensure the identification of the goods placed under the Union transit procedure;

- d the use of a customs declaration with reduced data requirements to place goods under the Union transit procedure;
- e the use of an electronic transport document as customs declaration to place goods under the Union transit procedure, provided it contains the particulars of such declaration and those particulars are available to the customs authorities at departure and at destination to allow the customs supervision of the goods and the discharge of the procedure.

Article 234

Goods passing through the territory of a country or territory outside the customs territory of the Union under the external Union transit procedure

1 The external Union transit procedure shall apply to goods passing through a country or a territory outside the customs territory of the Union if one of the following conditions is fulfilled:

- a provision is made to that effect under an international agreement;
- b carriage through that country or territory is effected under cover of a single transport document drawn up in the customs territory of the Union.

2 In the case referred to in point (b) of paragraph 1, the operation of the external Union transit procedure shall be suspended while the goods are outside the customs territory of the Union.

Article 235

Delegation of power

The Commission shall be empowered to adopt delegated acts, in accordance with Article 284, in order to determine the conditions for granting the authorisations referred to in Article 233(4).

Article 236

Conferral of implementing powers

The Commission shall specify, by means of implementing acts, the procedural rules on:

- (a) the placing of goods under the Union transit procedure and the end of that procedure;
- (b) the operation of the simplifications referred to in Article 233(4);
- (c) the customs supervision of goods passing through the territory of a country or territory outside the customs territory of the Union under the external Union transit procedure, referred to in Article 234.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 285(4).

CHAPTER 3

Storage

Section 1

Common provisions

Article 237

Scope

1 Under a storage procedure, non-Union goods may be stored in the customs territory of the Union without being subject to any of the following:

- a import duty;
- b other charges as provided for under other relevant provisions in force;
- c commercial policy measures, insofar as they do not prohibit the entry or exit of goods into or from the customs territory of the Union.

2 Union goods may be placed under the customs warehousing or free zone procedure in accordance with Union legislation governing specific fields, or in order to benefit from a decision granting repayment or remission of import duty.

3 The customs authorities may, where an economic need exists and customs supervision will not be adversely affected, authorise the storage of Union goods in a storage facility for customs warehousing. Those goods shall not be regarded as being under the customs warehousing procedure.

Article 238

Duration of a storage procedure

1 There shall be no limit to the length of time goods may remain under a storage procedure.

2 In exceptional circumstances, the customs authorities may set a time-limit by which a storage procedure must be discharged in particular where the type and nature of the goods may, in the case of long-term storage, pose a threat to human, animal or plant health or to the environment.

Article 239

Conferral of implementing powers

The Commission shall specify, by means of implementing acts, the procedural rules for the placing of Union goods under the customs warehousing or free zone procedure as referred to in Article 237(2).

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 285(4).

Section 2

Customs warehousing

Article 240

Storage in customs warehouses

- 1 Under the customs warehousing procedure non-Union goods may be stored in premises or any other location authorised for that procedure by the customs authorities and under customs supervision ('customs warehouses').
- 2 Customs warehouses may be available for use by any person for the customs warehousing of goods ('public customs warehouse'), or for the storage of goods by the holder of an authorisation for customs warehousing ('private customs warehouse').
- 3 Goods placed under the customs warehousing procedure may be temporarily removed from the customs warehouse. Such removal shall, except in case of force majeure, be authorised in advance by the customs authorities.

Article 241

Processing

- 1 The customs authorities may, where an economic need exists and customs supervision is not adversely affected, authorise the processing of goods under the inward processing or end-use procedure to take place in a customs warehouse, subject to the conditions provided for by those procedures.
- 2 The goods referred to in paragraph 1 shall not be regarded as being under the customs warehousing procedure.

Article 242

Responsibilities of the holder of the authorisation or procedure

- 1 The holder of the authorisation and the holder of the procedure shall be responsible for the following:
 - a ensuring that goods under the customs warehousing procedure are not removed from customs supervision; and
 - b fulfilling the obligations arising from the storage of goods covered by the customs warehousing procedure.
- 2 By way of derogation from paragraph 1, where the authorisation concerns a public customs warehouse, it may provide that the responsibilities referred to in points (a) or (b) of paragraph 1 devolve exclusively upon the holder of the procedure.
- 3 The holder of the procedure shall be responsible for fulfilling the obligations arising from the placing of the goods under the customs warehousing procedure.

Section 3

Free zones

Article 243

Designation of free zones

- 1 Member States may designate parts of the customs territory of the Union as free zones. For each free zone the Member State shall determine the area covered and define the entry and exit points.
- 2 Member States shall communicate to the Commission information on their free zones which are in operation.
- 3 Free zones shall be enclosed.
The perimeter and the entry and exit points of the area of free zones shall be subject to customs supervision.
- 4 Persons, goods and means of transport entering or leaving free zones may be subject to customs controls.

Article 244

Buildings and activities in free zones

- 1 The construction of any building in a free zone shall require the prior approval of the customs authorities.
- 2 Subject to the customs legislation, any industrial, commercial or service activity shall be permitted in a free zone. The carrying on of such activities shall be subject to notification, in advance, to the customs authorities.
- 3 The customs authorities may impose prohibitions or restrictions on the activities referred to in paragraph 2, having regard to the nature of the goods in question, or the requirements of customs supervision, or security and safety requirements.
- 4 The customs authorities may prohibit persons who do not provide the necessary assurance of compliance with the customs provisions from carrying on an activity in a free zone.

Article 245

Presentation of goods and their placing under the procedure

- 1 Goods brought into a free zone shall be presented to customs and undergo the prescribed customs formalities in any of the following cases:
 - a where they are brought into the free zone directly from outside the customs territory of the Union;
 - b where they have been placed under a customs procedure which is ended or discharged when they are placed under the free zone procedure;

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- c where they are placed under the free zone procedure in order to benefit from a decision granting repayment or remission of import duty;
 - d where legislation other than the customs legislation provides for such formalities.
- 2 Goods brought into a free zone in circumstances other than those covered by paragraph 1 shall not be presented to customs.
- 3 Without prejudice to Article 246, goods brought into a free zone are deemed to be placed under the free zone procedure:
- a at the moment of their entry into a free zone, unless they have already been placed under another customs procedure; or
 - b at the moment when a transit procedure is ended, unless they are immediately placed under a subsequent customs procedure.

Article 246

Union goods in free zones

- 1 Union goods may be entered, stored, moved, used, processed or consumed in a free zone. In such cases the goods shall not be regarded as being under the free zone procedure.
- 2 Upon application by the person concerned, the customs authorities shall establish the customs status as Union goods of any of the following goods:
- a Union goods which enter a free zone;
 - b Union goods which have undergone processing operations within a free zone;
 - c goods released for free circulation within a free zone.

Article 247

Non-Union goods in free zones

1 Non-Union goods may, while they remain in a free zone, be released for free circulation or be placed under the inward processing, temporary admission or end-use procedure, under the conditions laid down for those procedures.

In such cases the goods shall not be regarded as being under the free zone procedure.

2 Without prejudice to the provisions applicable to supplies or to victualling storage, where the procedure concerned so provides, paragraph 1 shall not preclude the use or consumption of goods of which the release for free circulation or temporary admission would not entail application of import duty or measures laid down under the common agricultural or commercial policies.

In the case of such use or consumption, no customs declaration for the release for free circulation or temporary admission procedure shall be required.

Such declaration shall, however, be required if such goods are subject to a tariff quota or ceiling.

Article 248

Taking goods out of a free zone

1 Without prejudice to legislation in fields other than customs, goods in a free zone may be exported or re-exported from the customs territory of the Union, or brought into another part of the customs territory of the Union.

2 Articles 134 to 149 shall apply to goods taken out of a free zone into other parts of the customs territory of the Union.

Article 249

Customs status

Where goods are taken out of a free zone into another part of the customs territory of the Union or placed under a customs procedure, they shall be regarded as non-Union goods unless their customs status as Union goods has been proven.

However, for the purposes of applying export duty and export licences or export control measures laid down under the common agricultural or commercial policies, such goods shall be regarded as Union goods, unless it is established that they do not have the customs status of Union goods.

CHAPTER 4

Specific use

Section 1

Temporary admission

Article 250

Scope

1 Under the temporary admission procedure non-Union goods intended for re-export may be subject to specific use in the customs territory of the Union, with total or partial relief from import duty, and without being subject to any of the following:

- a other charges as provided for under other relevant provisions in force;
- b commercial policy measures, insofar as they do not prohibit the entry or exit of goods into or from the customs territory of the Union.

2 The temporary admission procedure may only be used provided that the following conditions are met:

- a the goods are not intended to undergo any change, except normal depreciation due to the use made of them;
- b it is possible to ensure that the goods placed under the procedure can be identified, except where, in view of the nature of the goods or of the intended use, the absence

- of identification measures is not liable to give rise to any abuse of the procedure or, in the case referred to in Article 223, where compliance with the conditions laid down in respect of equivalent goods can be verified;
- c the holder of the procedure is established outside the customs territory of the Union, except where otherwise provided;
 - d the requirements for total or partial duty relief laid down in the customs legislation are met.

Article 251

Period during which goods may remain under the temporary admission procedure

- 1 The customs authorities shall determine the period within which goods placed under the temporary admission procedure must be re-exported or placed under a subsequent customs procedure. Such period shall be long enough for the objective of authorised use to be achieved.
- 2 Except where otherwise provided, the maximum period during which goods may remain under the temporary admission procedure for the same purpose and under the responsibility of the same authorisation holder shall be 24 months, even where the procedure was discharged by placing the goods under another special procedure and subsequently placing them under the temporary admission procedure again.
- 3 Where, in exceptional circumstances, the authorised use cannot be achieved within the period referred to in paragraphs 1 and 2, the customs authorities may grant an extension, of reasonable duration of that period, upon justified application by the holder of the authorisation.
- 4 The overall period during which goods may remain under the temporary admission procedure shall not exceed 10 years, except in the case of an unforeseeable event.

Article 252

Amount of import duty in case of temporary admission with partial relief from import duty

- 1 The amount of import duty in respect of goods placed under the temporary admission procedure with partial relief from import duty shall be set at 3 % of the amount of import duty which would have been payable on those goods had they been released for free circulation on the date on which they were placed under the temporary admission procedure.
- That amount shall be payable for every month or fraction of a month during which the goods have been placed under the temporary admission procedure with partial relief from import duty.
- 2 The amount of import duty shall not exceed that which would have been payable if the goods in question had been released for free circulation on the date on which they were placed under the temporary admission procedure.

Article 253

Delegation of power

The Commission shall be empowered to adopt delegated acts, in accordance with Article 243, in order to determine:

- (a) the specific use referred to in Article 250(1);
- (b) the requirements referred to in point (d) of Article 250(2).

Section 2

End-use

Article 254

End-use procedure

1 Under the end-use procedure, goods may be released for free circulation under a duty exemption or at a reduced rate of duty on account of their specific use.

2 Where the goods are at a production stage which would allow economically the prescribed end-use only, the customs authorities may establish in the authorisation the conditions under which the goods shall be deemed to have been used for the purposes laid down for applying the duty exemption or reduced rate of duty.

3 Where goods are suitable for repeated use and the customs authorities consider it appropriate in order to avoid abuse, customs supervision shall continue for a period not exceeding two years after the date of their first use for the purposes laid down for applying the duty exemption or reduced rate of duty.

4 Customs supervision under the end-use procedure shall end in any of the following cases:

- a where the goods have been used for the purposes laid down for the application of the duty exemption or reduced rate of duty;
- b where the goods have been taken out of the customs territory of the Union, destroyed or abandoned to the State;
- c where the goods have been used for purposes other than those laid down for the application of the duty exemption or reduced duty rate and the applicable import duty has been paid.

5 Where a rate of yield is required, Article 255 shall apply to the end-use procedure.

6 Waste and scrap which result from the working or processing of goods according to the prescribed end-use and losses due to natural wastage shall be considered as goods assigned to the prescribed end-use.

7 Waste and scrap resulting from the destruction of goods placed under the end-use procedure shall be deemed to be placed under the customs warehousing procedure.

CHAPTER 5

Processing

Section 1

General provisions

Article 255

Rate of yield

Except where a rate of yield has been specified in Union legislation governing specific fields, the customs authorities shall set either the rate of yield or average rate of yield of the processing operation or where appropriate, the method of determining such rate.

The rate of yield or average rate of yield shall be determined on the basis of the actual circumstances in which processing operations are, or are to be, carried out. That rate may be adjusted, where appropriate, in accordance with Article 28.

Section 2

Inward processing

Article 256

Scope

1 Without prejudice to Article 223, under the inward processing procedure non-Union goods may be used in the customs territory of the Union in one or more processing operations without such goods being subject to any of the following:

- a import duty;
- b other charges as provided for under other relevant provisions in force;
- c commercial policy measures, insofar as they do not prohibit the entry or exit of goods into or from the customs territory of the Union.

2 The inward processing procedure may be used in cases other than repair and destruction only where, without prejudice to the use of production accessories, the goods placed under the procedure can be identified in the processed products.

In the case referred to in Article 223, the procedure may be used where compliance with the conditions laid down in respect of equivalent goods can be verified.

3 In addition to paragraphs 1 and 2, the inward processing procedure may also be used for any of the following goods:

- a goods intended to undergo operations to ensure their compliance with technical requirements for their release for free circulation;
- b goods which have to undergo usual forms of handling in accordance with Article 220.

Article 257

Period for discharge

1 The customs authorities shall specify the period within which the inward processing procedure is to be discharged, in accordance with Article 216.

That period shall run from the date on which the non-Union goods are placed under the procedure and shall take account of the time required to carry out the processing operations and to discharge the procedure.

2 The customs authorities may grant an extension, of reasonable duration, of the period specified pursuant to paragraph 1, upon justified application by the holder of the authorisation.

The authorisation may specify that a period which commences in the course of a month, quarter or semester shall end on the last day of a subsequent month, quarter or semester respectively.

3 In the case of prior export in accordance with point (c) of Article 223(2), the authorisation shall specify the period within which the non-Union goods shall be declared for the inward processing procedure, taking account of the time required for procurement and transport to the customs territory of the Union.

The period referred to in the first subparagraph shall be set in months and shall not exceed six months. It shall run from the date of acceptance of the export declaration relating to the processed products obtained from the corresponding equivalent goods.

4 At the request of the holder of the authorisation, the period of six months referred to in paragraph 3 may be extended, even after its expiry, provided that the total period does not exceed 12 months.

Article 258

Temporary re-export for further processing

Upon application, the customs authorities may authorise some or all of the goods placed under the inward-processing procedure, or the processed products, to be temporarily re-exported for the purpose of further processing outside the customs territory of the Union, in accordance with the conditions laid down for the outward processing procedure.

Section 3

Outward processing

Article 259

Scope

1 Under the outward processing procedure Union goods may be temporarily exported from the customs territory of the Union in order to undergo processing operations. The processed products resulting from those goods may be released for free circulation with total or partial

relief from import duty upon application by the holder of the authorisation or any other person established in the customs territory of the Union provided that that person has obtained the consent of the holder of the authorisation and the conditions of the authorisation are fulfilled.

- 2 Outward processing shall not be allowed for any of the following Union goods:
 - a goods the export of which gives rise to repayment or remission of import duty;
 - b goods which, prior to export, were released for free circulation under a duty exemption or at a reduced rate of duty by virtue of their end-use, for as long as the purposes of such end-use have not been fulfilled, unless those goods have to undergo repair operations;
 - c goods the export of which gives rise to the granting of export refunds;
 - d goods in respect of which a financial advantage other than refunds referred to in point (c) is granted under the common agricultural policy by virtue of the export of those goods.
- 3 The customs authorities shall specify the period within which goods temporarily exported must be re-imported into the customs territory of the Union in the form of processed products, and released for free circulation, in order to be able to benefit from total or partial relief from import duty. They may grant an extension, of reasonable duration, of that period, upon justified application by the holder of the authorisation.

Article 260

Goods repaired free of charge

- 1 Where it is established to the satisfaction of the customs authorities that goods have been repaired free of charge, either because of a contractual or statutory obligation arising from a guarantee or because of a manufacturing or material defect, they shall be granted total relief from import duty.
- 2 Paragraph 1 shall not apply where account was taken of the manufacturing or material defect at the time when the goods in question were first released for free circulation.

Article 261

Standard exchange system

- 1 Under the standard exchange system an imported product ('replacement product') may, in accordance with paragraphs 2 to 5, replace a processed product.
- 2 The customs authorities shall, upon application authorise the standard exchange system to be used where the processing operation involves the repair of defective Union goods other than those subject to measures laid down under the common agricultural policy or to the specific arrangements applicable to certain goods resulting from the processing of agricultural products.
- 3 Replacement products shall have the same eight-digit Combined Nomenclature code, the same commercial quality and the same technical characteristics as the defective goods had the latter undergone repair.
- 4 Where the defective goods have been used before export, the replacement products must also have been used.

The customs authorities shall, however, waive the requirement set out in the first subparagraph if the replacement product has been supplied free of charge, either because

of a contractual or statutory obligation arising from a guarantee or because of a material or manufacturing defect.

5 The provisions which would be applicable to the processed products shall apply to the replacement products.

Article 262

Prior import of replacement products

1 The customs authorities shall, under the conditions they lay down, upon application by the person concerned, authorise replacement products to be imported before the defective goods are exported.

In the event of such prior import of a replacement product, a guarantee shall be provided, covering the amount of the import duty that would be payable should the defective goods not be exported in accordance with paragraph 2.

2 The defective goods shall be exported within a period of two months from the date of acceptance by the customs authorities of the declaration for the release for free circulation of the replacement products.

3 Where, in exceptional circumstances, the defective goods cannot be exported within the period referred to in paragraph 2, the customs authorities may grant an extension, of a reasonable duration, of that period, upon justified application by the holder of the authorisation.