

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 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.

*Status: Point in time view as at 01/08/2021.*

*Changes to legislation: There are currently no known outstanding effects for the Regulation (EU) No 952/2013 of the European Parliament and of the Council, CHAPTER 5. (See end of Document for details)*

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 [<sup>X1</sup>The customs authorities shall specify the period within which the inward processing procedure is to be discharged, in accordance with Article 215.]

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.

#### **Editorial Information**

- X1** Substituted by [Corrigendum to Regulation \(EU\) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code \(Official Journal of the European Union L 269 of 10 October 2013\)](#).

#### *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-

*Status: Point in time view as at 01/08/2021.*

*Changes to legislation: There are currently no known outstanding effects for the Regulation (EU) No 952/2013 of the European Parliament and of the Council, CHAPTER 5. (See end of Document for details)*

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.

###### **Modifications etc. (not altering text)**

C1 Arts. 259-262 restricted (1.8.2021) by S.I. 1995/2518, **regs. 133AD(b)**, 133L (as inserted by [The Value Added Tax \(Amendment\) \(EU Exit\) Regulations 2021](#) (S.I. 2021/715), **regs. 1, 43, 47**)

##### 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.

*Status: Point in time view as at 01/08/2021.*

*Changes to legislation: There are currently no known outstanding effects for the Regulation (EU) No 952/2013 of the European Parliament and of the Council, CHAPTER 5. (See end of Document for details)*

#### Modifications etc. (not altering text)

- C1** Arts. 259-262 restricted (1.8.2021) by S.I. 1995/2518, **regs. 133AD(b)**, 133L (as inserted by [The Value Added Tax \(Amendment\) \(EU Exit\) Regulations 2021](#) (S.I. 2021/715), regs. 1, **43**, 47)

### *[<sup>F1</sup> Article 260a*

#### **Goods repaired or altered in the context of international agreements**

1 Total relief from import duty shall be granted to processed products resulting from goods placed under the outward processing procedure where it is established to the satisfaction of the customs authorities that:

- a those goods have been repaired or altered in a country or territory outside the customs territory of the Union with which the Union has concluded an international agreement providing for such relief; and
- b the conditions for the relief from import duty laid down in the agreement referred to in point (a) are fulfilled.

2 Paragraph 1 shall not apply to processed products resulting from equivalent goods as referred to in Article 223 and to replacement products as referred to in Articles 261 and 262.]

#### Textual Amendments

- F1** Inserted by [Regulation \(EU\) 2019/474 of the European Parliament and of the Council of 19 March 2019 amending Regulation \(EU\) No 952/2013 laying down the Union Customs Code.](#)

#### Modifications etc. (not altering text)

- C1** Arts. 259-262 restricted (1.8.2021) by S.I. 1995/2518, **regs. 133AD(b)**, 133L (as inserted by [The Value Added Tax \(Amendment\) \(EU Exit\) Regulations 2021](#) (S.I. 2021/715), regs. 1, **43**, 47)

### *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.

*Status: Point in time view as at 01/08/2021.*

*Changes to legislation: There are currently no known outstanding effects for the Regulation (EU) No 952/2013 of the European Parliament and of the Council, CHAPTER 5. (See end of Document for details)*

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.

**Modifications etc. (not altering text)**

C1 Arts. 259-262 restricted (1.8.2021) by S.I. 1995/2518, **regs. 133AD(b)**, 133L (as inserted by [The Value Added Tax \(Amendment\) \(EU Exit\) Regulations 2021](#) (S.I. 2021/715), regs. 1, **43**, 47)

*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.

**Modifications etc. (not altering text)**

C1 Arts. 259-262 restricted (1.8.2021) by S.I. 1995/2518, **regs. 133AD(b)**, 133L (as inserted by [The Value Added Tax \(Amendment\) \(EU Exit\) Regulations 2021](#) (S.I. 2021/715), regs. 1, **43**, 47)

**Status:**

Point in time view as at 01/08/2021.

**Changes to legislation:**

There are currently no known outstanding effects for the Regulation (EU) No 952/2013 of the European Parliament and of the Council, CHAPTER 5.