COMMISSION OF THE EUROPEAN COMMUNITIES

COM(94) 325 final
Brussels, 20.07.1994

94/0177 (ACC)

Proposal for a

COUNCIL DECISION

accepting on behalf of the Community Annexes E.7 and F.4 to the International Convention on the Simplification and Harmonization of Customs Procedures

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. Council Decision 75/199/EEC made the Community a Contracting Party to the International Convention on the Simplification and Harmonization of Customs Procedures, known as the Kyoto Convention.

2. Subsequent Council decisions have accepted on behalf of the Community the following eighteen annexes to the Convention: A.1, A.2, B.1, B.2, B.3, C.1, D.1, D.2, E.1, E.3, E.4, E.5, E.6, E.8, F.1, F.2, F.3 and F.6.

3. In its present form the Kyoto Convention has thirty-one annexes; thirteen of them, therefore, have still not been accepted by the Community, which has nevertheless in the interim incorporated most of the relevant provisions into its customs legislation. Acceptance is therefore very much a formality.

4. Article 5 of the Convention allows the Community to make acceptance of the annexes subject to reservations stating the differences between the provisions of its own legislation and those of certain Standards and Recommended Practices in the annexes concerned.

5. Commission officials and representatives of the Member States have jointly carried out a full examination of both annexes, in the Committee for Customs Procedures with Economic Impact for Annex E.7 and the Customs Legislation Committee (International Organizations) for Annex F.4; they took into account developments in Community customs legislation, including the Community Customs Code and its implementing Regulation.

6. The Committees' conclusions are set out in the appendices to Annexes I and II to this proposal.

7. Adoption of the Decision by the Council will not affect the Community budget.

CONCLUSION

The Commission proposes that the Council:

- adopt Annexes E.7 and F.4 to the International Convention on the Simplification and Harmonization of Customs Procedures;

- designate the person empowered to notify the Secretary General of the Customs Cooperation Council of the acceptance on behalf of the Community of Annexes E.7 and F.4, subject to the stated reservations.

Proposal for a Council Decision
of.....

accepting on behalf of the Community Annexes E.7 and F.4 to the International Convention on the Simplification and Harmonization of Customs Procedures

(94/../EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty estrablishing the European Community, and in particular its articles 113 and 228, paragraph 2,

Having regard to the proposal from the Commission,

Whereas, under Decision 75/199/EEC of the Council1, the Community has concluded the international convention on the simplification and harmonization of customs procedures (Kyoto Convention);

Whereas the Annexes to the said Convention concerning the duty-free replacement of goods and customs formalities in respect of postal traffic can be accepted by the Commmunity;

Whereas it is appropriate, however, to accompany this acceptance with certain reservations in order to take account of the special requirements of the customs union and of Community customs legislation;

HAS DECIDED AS FOLLOWS:

Article 1

1. The following annexes to the International Convention on the Simplification and Harmonization of Customs Procedures are hereby accepted on behalf of the Community, subject to the reservations indicated:

   - Annex E.7 concerning the duty-free replacement of goods (Annex I to the present decision) with a general reservation and reservations with regard to Standards 3, 9 and 20 and Recommended Practises 11,13,16, 17 and 25.

   - Annex F.4 concerning the customs formalities in respect of postal traffic (Annex II to the present decision) with a general reservation and reservations with regard to Standards 19 and 26 and Recommended Practises 23, 24 and 25.

2. The texts of Annexes and the reserves expressed by the Community are contained at Annexes I and II.

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[1] OJ no L 100 du 21.4.1975, p.1

Article 2

The President of the Council shall designate the person entitled to notify the Secretary General of the Customs Cooperation Council of the acceptance, on behalf of the Community, of the Annexes referred to in Article 1, together with the reservations indicated in that Article.

Done at Brussels,

For the Council

The President

ANNEX I

ANNEX E.7
concerning the duty-free replacement of goods

Introduction

In most countries, national legislation contains provisions under which goods used to make products for export are not required to bear duties and taxes.

The drawback procedure and temporary admission for inward processing allow a refund of, or conditional relief from, import duties and taxes to be granted in respect of foreign goods used to obtain exported products.

In the case of the duty-free replacement of goods procedure, the subject of the present Annex, the technique employed is to grant exemption from import duties and taxes for goods equivalent to those which were in free circulation and were processed into products exported from the Customs territory.

However, application of this procedure may be made subject to the condition that the importation of goods equivalent to those incorporated in the products previously exported is regarded by the competent authorities as beneficial to the national economy.

Products manufactured from goods admitted free of import duties and taxes under this procedure may be put on the home market. Should they be exported, the duty-free replacement of goods procedure could again become applicable.

Definitions

For the purposes of this Annex:

(a) the term "duty-free replacement of goods procedure" means the Customs procedure which permits the importation, free of import duties and taxes, of goods equivalent (i.e., identical in description, quality and technical characteristics) to those which were in free circulation and which were processed into products previously exported outright;

(b) the term "import duties and taxes" means the Customs duties and all other duties, taxes, fees or other charges which are collected on or in connexion with the importation of goods, but not including fees and charges which are limited in amount to the approximate cost of services rendered;

(c) the term "person" means both natural and legal persons, unless the context otherwise requires.

Principle

1. *Standard*

The duty-free replacement of goods procedure shall be governed by the provisions of this Annex.

Field of application

2. *Standard*

National legislation shall specify the circumstances in which the duty-free replacement of goods procedure may be granted and shall lay down the requirements which must be met.

Notes

1. The circumstances in which the duty-free replacement of goods procedure is allowed may be set out in general terms and/or in detail.
2. The granting of this procedure may be made subject to the condition that the importation of goods equivalent to those incorporated in the products previously exported is regarded by the competent authorities as beneficial to the national economy.

3. The benefit of the procedure may be reserved to persons established in the Customs territory.

3. *Standard*

At importation, goods equivalent to those which were in free circulation and which were incorporated in the products previously exported shall be afforded total exemption from import duties and taxes, subject to payment of any duties and taxes repaid or remitted on the exportation of the products.

Notes

1. The exemption from import duties and taxes may be granted in respect of raw materials and semi-manufactured products as well as to parts equivalent to those incorporated, without further manufacture, in the products exported.

2. Goods such as catalysts and accelerators or retarders of chemical reactions which, on being used to obtain products for exportation with entitlement to duty-free replacement of goods, disappear entirely or partially during such use without actually being contained in the products for export, may be treated as goods used to obtain the said products and granted the same exemption from import duties and taxes. However, this exemption does not normally extend to mere aids to manufacture such as lubricants.

4. *Recommended Practice*

The benefit of the duty-free replacement of goods procedure should not be withheld solely on the grounds that the products are exported to a specific country.

5. *Standard*

National legislation shall specify the categories of persons who may receive an authorization for the duty-free replacement of goods.

Note

The holder of an authorization for the duty-free replacement of goods may be the exporter, the manufacturer or the owner of the exported products.

6. *Standard*

The benefit of the duty-free replacement of goods procedure shall be granted where it is possible to ascertain the use of the goods in arriving at the exported products.

Note

In order to ascertain the use of the goods in arriving at the exported products the Customs authorities may carry out controls during the manufacturing process or may have recourse to the record kept by the manufacturer of the products to be exported.

Exportation of products with entitlement to duty-free replacement of goods

(a) Formalities prior to the exportation of the products

7. *Standard*

National legislation shall specify the circumstances in which prior authority is required for application of the duty-free replacement of goods procedure and the authorities empowered to grant such authority.

8. *Recommended Practice*

Persons who carry on large-scale and continuous operations involving the duty-free replacement of goods should be granted a general authority covering such operations.

9. *Standard*

The description, quality, technical characteristics and quantity of the various goods which were in free circulation and are contained in the products to be exported with entitlement to duty-free replacement of goods shall be determined by the competent authorities on th basis of the actual conditions under which those products were obtained.

10. *Recommended Practice*

In determining the quantities of the various goods contained in the products to be exported with entitlement to duty-free replacement of goods, the competent authorities should make allowance for losses and irrecoverable waste deriving from the manufacturing process.

11. *Recommended Practice*

Where products to be exported with entitlement to duty-free replacement of goods have reasonably constant characteristics and are obtained under clearly defined technical conditions, the competent authorities should establish standard quantity scales for the various goods contained in the products to be exported.

(b) Declaration for exportation entitlement to duty-free replacement of goods

12. *Standard*

National legislation shall specify the conditions under which products to be exported with entitlement to duty-free replacement of goods shall be produced at the competent Customs office and a Goods declaration (outwards) shall be lodged.

Note

National legislation may provide that the Goods declaration to the exportation of the products must contain the particulars necessary to enable the Customs to determine the quantities of the various goods for which exemption from import duties and taxes will be claimed.

13. *Recommended Practice*

Where the competent authorities have not been able to give a ruling on an application for duty-free replacement of goods, the declarant should be authorized to export the products concerned without delay provided that the conditions prescribed are met and without prejudice to the final decision.

14. *Recommended Practice*

The national forms used for the exportation of products with entitlement to duty-free replacement of goods should be harmonized with the Goods declaration (outwards).

(c) Examination of products exported with entitlement to duty-free replacement of goods

15. *Recommended Practice*

At the request of the declarant, and for reasons which they deem valid, the Customs authorities should, so far as possible, allow products for exportation with entitlement to duty-free replacement of goods to be examined on private premises, the expenses entailed by such examination being borne by the declarant.

(d) Authorized destinations of products exported with entitlement to duty-free replacement of goods

16. *Recommended Practice*

Provisions should be made to permit products for exportation with entitlement to duty-free replacement of goods to be placed in free ports or free zones.

17. *Recommended Practice*

Provisions should be made to permit products for exportation with entitlement to duty-free replacement of goods to be placed in a Customs warehouse with a view to subsequent exportation.

(e) Certification of exportation with entitlement to duty-free replacement of goods

18. *Standard*

Where products have been exported with entitlement to duty-free replacement of goods, the Customs authorities shall issue to the declarant a document establishing his entitlement to import, without payment of import duties and taxes, goods equivalent to those which were in free circulation and which were contained in the products in question.

Note

The document issued to the declarant may consist of a copy, duly certified by the Customs, of the declaration for exportation with entitlement to duty-free replacement of goods, or may be made out on an appropriate form.

Importation of goods

19. *Standard*

National legislation shall specify the conditions under which goods which may be admitted free of import duties and taxes under the duty-free replacement of goods procedure shall be produced at the competent Customs office and a Goods declaration shall be lodged.

Note

National legislation may provide that the Goods declaration must contain the particulars necessary for authorizing exemption from import duties and taxes and that the entitling document(s) issued by the Customs authorities must be produced in support of that declaration.

20. *Standard*

The competent authorities shall fix with due regard to the commercial circumstances the time-limit for the importation of goods which may be admitted free of import duties and taxes.

21. *Standard*

Provision shall be made to permit goods which may be admitted free of import duties and taxes to be imported through a Customs office other than that through which the products were exported.

22. *Standard*

Provision shall be made to permit goods which may be admitted free of import duties and taxes to be imported in one or more consignments.

23. *Standard*

Provision shall be made to permit goods covered by several documents establishing entitlement to importation under the duty-free replacement of goods procedure to be imported in one consignment.

24. *Standard*

Provision shall be made to permit goods which may be admitted free of import duties and taxes to be imported from a country other than that to which the products were exported.

25. *Recommended Practice*

Provision should be made to permit goods which may be admitted free of import duties and taxes to be imported by a person other than the exporter of the products, subject to compliance with the conditions laid down by the Customs authorities.

26. *Recommended Practice*

At the request of the declarant, and for reasons deemed to be valid, the Customs authorities should, as far as possible, allow goods which may be admitted free of import duties and taxes to be examined on private premises, the expenses entailed by such examination being borne by the declarant.

27. *Standard*

National legislation shall specify the Customs treatment applicable when products which have been exported with entitlement to duty-free replacement of goods are re-imported.

Information concerning the duty-free replacement of goods procedure

28. *Standard*

The Customs authorities shall ensure that all relevant information regarding the duty-free replacement of goods procedure is readily available to any person interested.

Appendix I to annex I

Observations and reservations to be entered by the Community in respect of Annex E.7 to the International Convention on the Simplification and Harmonization of Customs Procedures

1. General reservation (general observation)

Community legislation on inward processing covers most of the provisions of this Annex. However, in any areas not covered by Community legislation, Member States may, if necessary, enter their own reservations.

2. Standard 3

When import goods are entered under the inward processing arrangements in a Member State of the European Community other than the one where the arrangement was authorized and the inward processing operations effected, this Standard may not be applied unless certain conditions laid down in the Community legislation governing inward processing arrangements are met.

Community legislation on value added tax does not provide for a non-application in this case. However, the registered tax-payers concerned generally dispose of a right to complete deduction of the VAT due for the imported equivalent goods.

3. Standard 9

This arrangement is generally granted in the Community on the condition that the goods to be imported and the goods used in the processing of the exported product must fall within the same code of the Community combined nomenclature, be of the same commercial quality and have the same technical characteristics.

4. Recommended Practice 11

At present Community legislation on inward processing includes standard rates of yield for certain products only.

5. Recommended Practice 13

Community legislation provides for issuing processing authorizations with retrospective effect in exceptional, duly documented cases only, and then only if the application was made prior to the export declaration in respect of the compensating products being accepted.

6. Recommended Practices 16 and 17

Under Community legislation there is no entitlement to duty-free replacement of goods for compensating products placed in free zones or warehouses until the products are actually exported.

7. Standard 20

Generally speaking, Community legislation allows six months from the expected date of exportation of compensating products (extendable by a further six months upon application by the holder of the authorization) to complete the importation of import goods. However, for certain categories of goods, the time-limits are shorter and cannot be extended.

8. Recommended Practice 25

Community legislation on inward processing stipulates, for certain cases, that evidence has to be presented proving that the advantages of the processing operations are restricted to the holder of the authorization.

ANNEX II

ANNEX F.4

Concerning Customs formalities in respect of postal traffic

Introduction

The post has always been one of the most widely used methods of sending not only greetings and information but also gifts and other goods from one person to another.

The Customs are necessarily involved in international postal traffic since, just as in the case of goods imported and exported by other means, they have to ensure that the appropriate duties and taxes are collected, enforce import and export prohibitions and restrictions, and in general ensure compliance with the laws and regulations which they are responsible for enforcing.

Because of the special nature of postal traffic, however, the Customs formalities in respect of items carried by post are somewhat different from those applied to goods carried by other means. While individual postal items are restricted in size, their numbers are enormous and, to avoid creating unacceptable delays, special administrative arrangements are necessary to deal with them. These are made possible because in virtually all countries the postal services are furnished by public administrations or authorities, and the two public bodies involved in postal traffic, the post and the Customs, co-operate very closely with one another.

In addition to this close co-operation between Customs and postal authorities at the national level, there is close collaboration at the international level between the Universal Postal Union (the international organization whose rules and regulations govern postal traffic) and the Council. These two international organizations have, for example, established a Contact Committee at which Customs and postal experts meet to discuss and find internationally acceptable solutions to problems which cannot be resolved nationally or bilaterally.

Definitions

For the purposes of this Annex:

(a) the term "postal items" means letter-post and postal parcels;

(b) the term "letter-post items" means letters, postcards, printed papers, literature for the blind and small packets described as letter-post items in the Acts of the Universal Postal Union currently in force;

Note

According to the Acts of the Universal Postal Union certain letter-post items are required to be accompanied by a Customs declaration form C 1 and/or form C 2/CP 3 as appropriate;

(c) the term "postal parcels" means items called postal parcels within the meaning of the Acts of the Universal Postal Union currently in force.

Note

According to the Acts of the Universal Postal Union postal parcels are required to be accompanied by a Customs declaration form C 2/CP 3;

(d) the term "the Universal Postal Union" means the inter-governmental organization founded in 1874 by the Treaty of Berne as the General Postal Union which, in 1878, was renamed the Universal Postal Union (UPU) and which since 1948 has been a specialized agency of the United Nations (with headquarters in Berne);

(e) the term "import duties and taxes" means Customs duties and all other duties, taxes, fees or other charges which are collected on or in connexion with the importation of goods but not including fees and charges which are limited in amount to the approximate cost of services rendered;

(f) the term "export duties and taxes" means Customs duties and all other duties, taxes, fees or other charges which are collected on or in connexion with the exportation of goods but not including fees and charges which are limited in amount to the approximate cost of services rendered;

(g) the term "Goods declaration" means a statement made in the form prescribed by the Customs by which the persons interested indicate the Customs procedure to be applied to the goods and furnish the particulars which the Customs require to be declared for the application of that procedure;

(h) the term "clearance" means the accomplishment of the Customs formalities necessary to allow goods to be exported, to enter for home use or to be placed under another Customs procedure;

(ij) the term "clearance for home use" means the Customs procedure which provides that imported goods may remain permanently in the Customs territory. This procedure implies the payment of any import duties and taxes chargeable and the accomplishment of all the necessary Customs formalities;

(k) the term "examination of postal items" means the physical inspection of goods in postal items by the Customs to ascertain their nature, origin, condition, quantity and value;

(l) the term "goods in free circulation" means goods which may be disposed of without Customs restriction;

(m) the term "Customs control" means the measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing;

(n) the term "release" means the action by the Customs to permit goods undergoing clearance to be placed at the disposal of the persons concerned;

(o) the term "person" means both natural and legal persons, unless the context otherwise requires.

Principles

1. *Standard*

The Customs formalities in respect of postal items shall be governed by the provisions of this Annex.

2. *Standard*

National legislation shall specify the conditions to be fulfilled and the formalities to be accomplished for Customs purposes in respect of postal items.

3. *Standard*

The clearance of postal items shall be carried out as rapidly as possible and Customs control shall be restricted to the minimum necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Relations between the Customs and postal authorities

4. *Standard*

National legislation shall specify the respective responsibilities and obligations of the Customs and of the postal authorities in connexion with the Customs treatment of postal items.

Notes

1. The postal authorities have certain obligations and responsibilities which derive directly from the Acts of the Universal Postal Union. Other responsibilities and obligations of the postal authorities and those of the Customs may be decided upon by mutual agreement between the two authorities.

2. The postal authorities are usually responsible for the conveyance, storage and production to the Customs authorities of postal items and, at the request of the Customs authorities, may open them for the purposes of Customs control. However, in some countries the actual conveyance, storage and production to the Customs authorities of postal parcels is undertaken, by agreement, not by the postal authorities themselves but by railway authorities and other approved enterprises. Such practical arrangements would mean that in these countries certain of these obligations may become the responsibility of the approved enterprise.

3. Whilst not accepting responsibility for the accuracy of Customs declarations (e.g. form C 2/CP 3), postal authorities in the country of departure in principle check that Customs declarations on postal items are, where appropriate, present, and as far as possible take steps to ensure that they are correctly and fully completed. When a Customs declaration is obviously incomplete, postal authorities generally draw the attention of senders to the relevant Customs regulations and may refuse to accept the postal item in question.

When a consignment consists of a number of items, particularly in the case of commercial consignments, the postal authorities usually advise the sender of the need to attach separate documents (such as certificates of origin) to each item.

5. *Standard*

The Customs authorities, with any necessary agreement of the postal authorities, shall designate the Customs offices or other places at which postal items may be cleared.

Notes

1. Joint Customs/post offices may be set up, or Customs officers may be stationed permanently or for certain hours of the day at post offices; in these latter circumstances the postal authorities may provide the Customs with office accommodation.

2. Customs offices may be set up at exchange post offices, which are post offices responsible for exchanging postal consignments with the appropriate foreign postal authorities.

Exportation of postal items

(a) Customs status of goods

6. *Standard*

The exportation of goods in postal items shall be allowed regardless of whether they are in free circulation or are under a Customs procedure such as Customs warehousing or temporary admission, provided that, when they are under a Customs procedure, all the formalities prescribed for that procedure are complied with.

Note

The exportation by post of certain goods, including narcotics, explosives, inflammable and other dangerous substances, is closely regulated and in many instances is prohibited by the Acts of the Universal Postal Union.

(b) Production to the Customs

7. *Standard*

The Customs authorities shall designate the postal items which shall be produced to them at exportation for the purposes of Customs control.

Note

Under the documentary clearance system used in some countries for postal parcels, only the documents and not the items themselves are submitted to the Customs in the first instance; the Customs then indicate to the postal authorities which items must be produced to them for Customs control.

8. *Recommended Practice*

The Customs should not as a general rule require postal items to be produced to them at exportation for the purposes of Customs control unless they contain goods the exportation of which must be certified, goods which are subject to export prohibitions or restrictions or export duties and taxes, or goods having a value exceeding an amount specified in national legislation, or they are selected for Customs control on a selective or random basis.

Notes

1. There are various cases in which the exportation of goods may have to be certified, such as when goods are being exported temporarily or are being exported on drawback or after temporary admission.

2. Goods being exported by post may be cleared either before or after posting. In countries where the usual procedure is clearance before posting, the Customs may mark consignments with special stamps or labels, may seal them or may authorize exportation on an accompanying document such as the despatch note (CP 2). In countries where they are normally cleared after posting, clearance may be carried out at an exchange post office or at another post office provided with Customs services, where necessary the goods being transferred to such a post office for control purposes.

3. Goods which are subject to export duties and taxes are usually cleared by the Customs before posting, the export duties and taxes being paid before the goods are passed to the postal authorities for exportation. In some countries, however, the postal authorities may collect the export duties and taxes, the accounts being settled and payment made as at importation.

(c) Documents

9. *Recommended Practice*

A Goods declaration should not be required in respect of the exportation of postal items unless the item contains goods the exportation of which must be certified, goods which are subject to export prohibitions or restrictions or subject to export duties and taxes, or goods having a value exceeding an amount specified in national legislation.

(d) *Examination of postal items*

10. *Standard*

The Customs authorities shall not as a matter of course examine all postal items at exportation but shall confine themselves to the carrying out of examinations on a selective or random basis.

11. *Recommended Practice*

Where the Customs authorities exercise their right to examine postal items at exportation, they should limit the extent of the examination to that deemed necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Postal items in transit

12. *Standard*

Postal items shall not be subject to Customs formalities whilst they are being conveyed in international traffic.

Importation of postal items

(a) Goods which may be admitted

13. *Standard*

The importation of goods in postal items shall be allowed irrespective of whether they are intended to be cleared for home use or for another Customs procedure.

(b) Production to the Customs authorities

14. *Standard*

The Customs authorities shall designate the imported postal items which they require to be produced for the purposes of Customs control.

Note

Under the documentary clearance system used in some countries for postal parcels, only the documents and not the items themselves are submitted to the Customs in the first instance; the Customs then indicate to the postal authorities which items must be produced to them for Customs control.

15. *Recommended Practice*

The Customs authorities should not, as a general rule, require the following categories of imported letter-post items to be produced

(i) postcards, and letters containing personal messages only;

(ii) literature for the blind;

(iii) printed papers not subject to import duties and taxes.

16. *Standard*

When imported postal items are produced to the Customs, the latter shall require only such documents as are necessary for clearance.

Notes

1. The documents involved may vary from case to case according to the nature of the item and its contents, value, etc. They will normally include Customs declaration form C 1 or C 2/ CP 3, as appropriate, despatch note CP 2 in the case of postal parcels and any necessary certificates of origin, invoices, and so forth.

2. Various methods may be used for transmitting Customs declaration form C 2/CP 3. The form may be attached to the despatch note, glued to the item or tied to it or may be enclosed in the item the country of destination so requires. The form may also be despatched separately from the item under certain agreed arrangements.

17. *Standard*

Where a Customs declaration form C 2/CP 3 is provided in respect of imported postal items, the Customs authorities shall require not more than one copy.

(c) Clearance against Customs declaration forms C 1 and C 2/ CP 3 or against a Goods declaration

18. Recommended Practice

When all the information required by the Customs authorities is available from the relevant Customs declaration form C 1 or C 2/CP 3 and supporting documents, postal items should be cleared against those documents and no separate Goods declaration should be required except in the case of commercial consignments having a value exceeding an amount specified in national legislation and in the case of goods intended to be cleared under a Customs procedure other than home use.

19. *Standard*

When goods contained in postal items are to be cleared under a Customs procedure other than home use, a Goods declaration shall be lodged on the form and in the number of copies prescribed for the Customs procedure in question and the other formalities required for that procedure shall be complied with.

Note

The Goods declaration may be a national document or it may be an international document such as an ATA carnet.

20. *Standard*

When a Goods declaration is required in respect of postal items to be cleared for home use, the form for the Goods declaration to be used shall conform to the official model laid down by the competent authorities and the other formalities required for that procedure shall be complied with.

Notes

1. The Goods declaration form for home use may be the same as that prescribed for importations by other means or it may be a form specially designed for importations by post.

2. The Goods declaration may be completed by the postal authorized, by the addressee or by an authorized agent.

(d) Examination of postal items

21. *Standard*

The Customs authorities shall not as a matter of course examine all imported postal items but shall confine themselves to the carrying out of examinations on a selective or random basis.

22. *Recommended Practice*

Where the Customs authorities exercise their right to examine imported postal; items they should limit the extent of their examination to that deemed necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

(e) Assessment and collection of import duties and taxes.

23. *Recommended Practice*

A system of flat-rate assessment should be applied to goods imported for home use in postal items, provided that the importation is of a non-commercial nature and that the aggregate value of the goods does not exceed a figure which should not be less than US$100. The flat-rate system:

- should lay down rates that cover all types of import duties and taxes;

- should not deprive the goods of the benefit of any duty-free admission facilities to which they are otherwise entitled;

- should provide that goods may, if the addressee is present at clearance and so requests, be charged at their own appropriate rates of import duties and taxes, in which case, however, the Customs authorities may require that all the dutiable and taxable goods shall be so charged; and

- should not rule out the possibility for Customs authorities to determine special rates for high-duty goods or even to exclude some goods from the benefit of the flat-rate system.

Note

An importation is usually considered to be of a non-commercial nature when it is occasional and consists only of goods for personal use or consumption by the addressee or his family and where there is no suggestion, by their nature or quantity, that they are imported for commercial purposes.

24. *Recommended Practice*

Admission free of import duties and taxes should be granted in respect of consignments containing only personal gifts(l (excluding alcohol, alcoholic beverages or tabacco goods) the aggregate value of which, determined on the basis of the retail prices in the country of despatch, does not exceed 30 SDRs. Where several consignments are despatched at the same time by the same sender to the same addressee, the aggregate value should be taken to be the total value of all those consignments. The formalities for obtaining admission free of import duties and taxes should be as simple as possible. It should be possible to admit such gifts free of economic import prohibitions and restrictions.

Notes

1. A gift is usually considered to be personal if it:

   (a) is sent to a private person by or on behalf of another private person resident abroad;

   (b) is occasional; and

   (c) consists only of goods for personal use by the addressee or his family, and the nature and quantity of the goods imported are such that the consignment is obviously not of commercial nature.

2. To facilitate the speedy clearance of gift consignments at importation, the sender generally indicates on the Customs declaration form C 1 or C 2/CP 3 that the consignment is a gift, and states its contents and value.

25. *Recommended Practice*

When imported postal items are released by the Customs authorities to the postal authorities or an authorized enterprise for delivery to the addressee prior to the payment of any import duties and taxes chargeable, the Customs authorities should make the simplest possible arrangements for the collection of such duties and taxes.

Notes

1. The postal authorities normally collect the import duties and taxes from the addressee at the time of delivery and make periodic payment to the Customs, for example at the end of each quarter. However, the postal authorities may pay the import duties and taxes to the Customs on behalf of the addressee when an item is released to them for delivery.

2. Under certain optional provisions in the Acts of the Universal Postal Union the sender of a postal item may, in some cases, undertake to pay all charges including import duties and taxes, to which the item is subject on delivery.

Repayment or remission of import duties and taxes

26. *Standard*

Where postal items are not delivered to or are refused by the addressee, repayment or remission of import duties and taxes shall be granted upon request in respect of goods contained therein provided that the goods are:

(a) re-exported; or

(b) destroyed or abandoned without expense to the Revenue, as the Customs authorities may decide.

Information concerning Customs formalities in respect of postal traffic

27. *Standard*

The Customs authorities shall ensure that all relevant information regarding the Customs formalities in their country in respect of postal traffic is readily available to any person interested.

Note

Such information may be made available through the normal media used by the Customs and also by means of the information services of the postal authorities.

Appendix I to Annex II

Reservations and notifications to be entered by the Community in respect of Annex F.4 to the International Convention on the Simplification and Harmonization of Customs Procedures

1. General reservation (general observation)

Community legislation does not cover all of the provisions of this Annex. In areas not covered by Community legislation, Member States may, if necessary, enter their own reservations.

2. Standard 19

Community legislation on the ATA carnet does not cover postal traffic.

3. Recommended Practice 23

Community legislation does not provide for flat-rate assessment in respect of value-added tax or excise duty.

4. Recommended Practice 24

Community legislation provides that goods to an aggregate value not exceeding ECU 45 sent in small non-commercial consignments free of charge from one private individual to another within the customs territory of the Community may be admitted free of import duties and taxes.

In addition to restrictions on alcohol, alcoholic beverages and tobacco goods, Community legislation sets the following limits on the amounts of certain products which can be admitted free of import duties and taxes:

Tax-free allowances:

(a)	coffee	500 grammes
	or	
	extracts and essences of coffee	200 grammes
(b)	tea	100 grammes
	or	
	extracts and essences of tea	40 grammes

Duty- and tax-free allowances:

(c)	perfumes	50 grammes
	or	
	toilet waters	0.25 litre

5. Recommended practice 25

Community legislation provides for duty-free admission of consignments of goods sent direct from a third country to an addressee in the Community up to an aggregate intrinsic value of ECU 22 per consignment.

Imports of goods to an aggregate value not exceeding ECU 10 are admitted free of value-added tax. Member States may extend VAT relief to imports of goods with a value greater than ECU 10 but not exceeding ECU 22.

Member States may, however, exclude imports of mail order goods from VAT relief. Some Member States have introduced a system for imports of periodicals sold by subscription which allows third-country publishers to pay on behalf of their subscribers in the importing Member State the VAT due on the imported periodicals.

6. Standard 26

Community legislation provides for goods to be abandoned to the Revenue where this is allowed under national law.

Under the temporary admission rules, however, in duly substantiated exceptional cases goods may always be abandoned to the Revenue, with the customs authorities' consent.

Procedures for the repayment or remission of excise duties are the responsibility of the EC Member States.

ISSN 0254-1475

COM(94) 325 final

DOCUMENTS

EN **11 02**

Catalogue number : CB-CO-94-337-EN-C

ISBN 92-77-71796-3

Office for Official Publications of the European Communities
L-2985 Luxembourg