



eLearning course

UCC

# Guarantee Management System (GUM)

Course takeaways

The **Guarantee Management System (GUM)** enables the **monitoring** and **management** of both **individual** and **comprehensive guarantees** valid throughout the customs territory of the Union, except for Union transit procedure which has its own Guarantee Management System in NCTS.

This eLearning module will guide you through the '**Union Customs Code Guarantee Management System (GUM)**', that manages guarantees and ensures effective and efficient management of the different types of guarantees from both the perspectives of the **EU customs administrations** and **economic operators**, traders or guarantors.

This is a quick and handy summary of the most relevant course information.

## 1 Guarantee

### 1.1 Basic concepts

A **guarantee** is a financial **cover** for **customs duties** and other charges that are **temporarily suspended**. Customs require a guarantee in order to **protect** the financial interests of the Union and the Member States, as it covers the customs duties that should be **collected** in the interest of trade and the EU citizens.

The guarantee must cover both customs debts which **have been incurred (existing)** and customs debts which **may be incurred (potential)**, unless otherwise specified.

A guarantee can be **released** when the customs debt or liability for other charges is **extinguished** or can **no longer arise** (be incurred).



#### 1.1.1 Scope

The customs authorities are only allowed to **require** one **guarantee** in connection with **specific goods** or a **specific declaration**.

The **guarantee** that is provided in connection with a specific declaration must **secure** the **payment of customs duties and other charges**, where applicable, corresponding to all goods covered by or released against that declaration, no matter if the declaration is correct or not.

Where the guarantee is valid in **only one Member State**, that guarantee shall be used for the recovery at least of the **customs debt**. If the amount of the guarantee includes the amount of **other charges**, that guarantee must also be used for their **recovery** within the limits of the amount covered by the guarantee for their account.

#### 1.1.2 Legal provisions

The Union Customs Code, UCC introduced new requirements for the management of guarantees:

- **Increased volumes** of cases where the **guarantee management** is required. A guarantee should be provided also in the context of **temporary storage** and all **special procedures** other than transit and free movement of goods.
- A guarantee can be **valid in more than one Member State**. A guarantee can be declared in a Member State other than the Member State in which the customs declaration or declaration of temporary storage is granted;

- All **communication** is performed by **electronic means**, with a view to improve traceability, reliability and integrity of data; **paper-based communication** is allowed **only** in defined exceptional cases.

### 1.1.3 When and by whom

The guarantee needs to be provided **at the moment of lodging the customs declaration** for releasing or placing the goods under a particular customs procedure.

The guarantee is required from the **debtor** (or the person who may become the debtor). Debtor can be any person **liable for customs debt**. The **customs office of guarantee (COG)** may also permit the guarantee to be provided by **a person other than the debtor**.

Where **several persons** are **liable** for payment of the amount of import or export duty corresponding to one customs debt, these are jointly and severally liable for the payment of that amount.

### 1.1.4 What it covers

The guarantee **must cover** customs **debts** that have been incurred (**existing** debts), customs debts that may be incurred (**potential** debts) and other charges, where applicable.

- **Existing customs debts**

In case the guarantee is provided to cover the **debt incurred** as a result of release for free circulation (including centralised clearance), the guarantee must be **valid only** in the Member State where the said declaration is lodged. This guarantee covers at least the customs duties. Other charges are covered depending on the decision of the Member State.

- **Potential customs debts**

Where the authorisation for the special procedure or temporary storage concerns **only one** Member State (the placement under the procedure, processing or storing of the goods and discharging of the procedure take place in one Member State) the guarantee can be valid only in that Member State.

When a guarantee is provided for a **special procedure** or **temporary storage** and the goods can be moved under cover of the provided authorisation **across the territory of several Member States**, it is possible that the goods are unlawfully removed from that procedure in any of the Member States involved. Therefore, a **debt** in relation of the said goods **can be incurred** in any Member State where the goods may be moved under cover of the special procedure or temporary storage. Consequently, the guarantee should be **EU-wide valid**.

A guarantee is required for charges which have been incurred (existing) when releasing or placing goods under:

- Release for free circulation (with or without deferred payment)
- Simplified customs declaration
- Self-assessment
- Temporary admission procedure
- End-use procedure

A guarantee is required for charges which may be incurred (potential) when placing goods under:

- Temporary storage
- Transit (guarantee through NCTS)
- Customs warehousing
- Temporary admission procedure with total relief from import duties
- Inward processing procedure
- End-use procedure

A guarantee may also be required for the operation of **free zones** facilities, if provided for in the national legislation of the Member State concerned.

### 1.1.5 Individual and Comprehensive guarantee

There are **two types** of guarantees: **individual** and **comprehensive**.

- **Individual guarantee**

An **individual guarantee** covers **one single** operation/ declaration/ procedure and ensures the **payment of an existing or potential customs debt** and other charges, if applicable.

An **individual guarantee** for an **existing** customs debt covers the amount of import or export **duty** corresponding to the **customs debt** which has incurred, at a level **equal** to the **precise amount** of import or export duty corresponding to the **customs debt** and of other **charges**.

An **individual guarantee** for a **potential** customs debt covers the amount of import or export **duty** corresponding to the **customs debt** which may be incurred, **calculated** based on the **highest rates** of duty applicable to goods of the same type. The calculation of **other charges** is based on the **highest rates** applicable to goods of the **same type** in the Member State where the goods concerned are placed under the customs procedure or are in temporary storage.

The **period of validity** of an **individual guarantee** is defined in accordance with the **duration** of the operation, from the moment when the goods are **released** to the customs procedure or temporary storage, until the moment when the **customs debt** is **extinguished**, or it can no longer arise, and the customs authority **releases** it.

- **Comprehensive guarantee**

A **comprehensive guarantee** covers the **amount of existing and potential customs debt** and other charges, where applicable, corresponding to **more than one** customs operation /declaration/ procedure of the economic operator.

The use of the comprehensive guarantee is a **simplification** of the standard rules and is therefore subject to an **authorisation**. The customs authorities can **authorise** the provision of a comprehensive guarantee to cover the amount of import or export **duty** corresponding to the customs debt in respect of **more than one** operation, declaration or customs procedure.

An economic operator may be **authorised** to use a comprehensive guarantee with a **reduced amount** or to have a **guarantee waiver**, provided that certain **criteria** are fulfilled.

The **reference amount** of a comprehensive guarantee is composed of **different parts** based on the necessary **practical arrangements** needed for appropriate management of the guarantees.

### 1.1.6 Geographical validity

When a **debt** is incurred in a certain Member State, that debt must be recovered by the customs authorities of that Member State. As a rule, when a guarantee is provided for a customs debt, it must be valid in **all the Member States** where the debt will/may be **incurred/or occurs**.

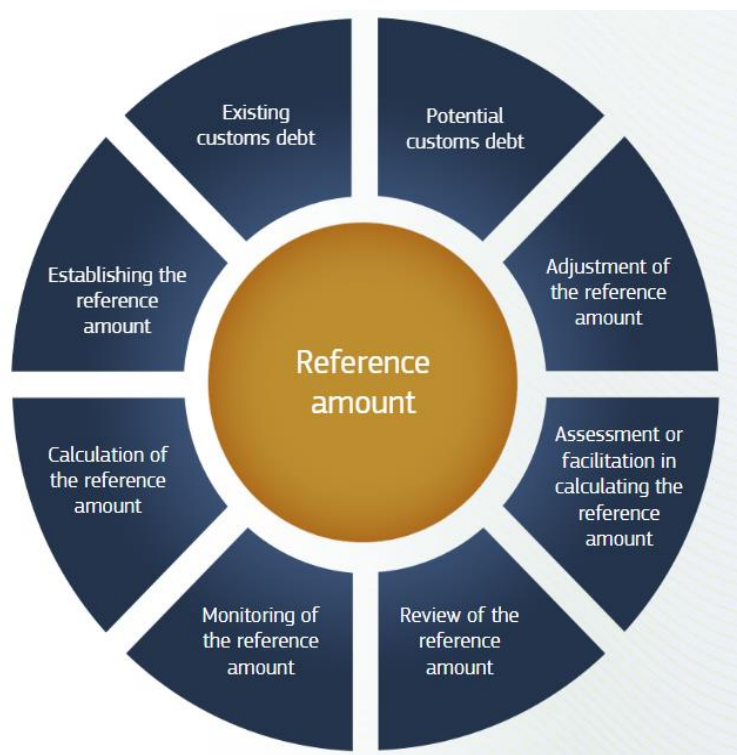
If the guarantee is valid **only in one** Member State, it can only be called upon by the customs authorities of that Member State for **debts** incurred in that Member State. This guarantee covers at least the amount of **customs duties**.

If the guarantee is valid in **more than one** Member State, it be called upon by two or more Member States, depending on the Member State where the **debt** in question is incurred. This guarantee must cover the **amount of customs duties and other charges** due in connection with the import/export of goods (VAT and/or excise duties).

### 1.1.7 The guarantee reference amount

To **protect** the **financial interests** of the Union and Member States, the competent customs authority establishes a **reference amount** sufficient to cover at **any time** the corresponding amount of **customs debt** that has been incurred and that may be incurred and other charges, where applicable, for which the **comprehensive guarantee** will be provided.

The **customs office of guarantee** establishes the **reference amount** based on the **information** on goods placed under the relevant customs procedures or in temporary storage in the preceding **12 months**. Also, on an estimate of the **volume of intended operations** as shown, inter alia, by the **commercial documentation** and **accounts** of the person required to provide the guarantee.



In cases where the **reference amount cannot** be established with certainty due to the **lack of** necessary **information** available to the customs authority, the amount is fixed at **€10 000** for each declaration.

Primarily, the **reference amount** must be **split between the Member States** in which operations are carried out, if applicable. The reference amount might need to be **split further** to ensure proper **monitoring**, according to the **level of reduction** of the corresponding guarantee, and the customs procedure covered by the guarantee.

### 1.1.8 Exemptions and waivers

A guarantee is **not required** by the customs authorities in the following cases:

- in connection with activities in which **states**, regional and local **government authorities** or other bodies governed by **public law** are engaged as public authorities;
- goods carried on the **Rhine**, the **Rhine waterways**, the **Danube** or the **Danube waterways**;
- goods carried by a **fixed transport installation**;
- in specific cases where goods are placed under the **temporary admission** procedure;
- for goods placed under the **Union transit** procedure using the electronic transport document as a customs declaration and **carried by sea or air** between **Union ports** or between **Union airports**.

The competent customs authority may **grant a waiver** of the obligation to provide a guarantee where the amount of customs duty to be secured **does not exceed** the statistical value threshold for declarations, i.e. **€1 000**.

## 2 Forms of guarantee

A guarantee may be provided in different forms.

## 2.1 Cash Deposit

A guarantee can be provided in the form of a **cash deposit** or by any **other means of payment** recognised by the customs authorities as being equivalent to a cash deposit, in accordance with the provisions in force in the Member State where it is required. It can be made in **euro** or in the **currency** of the specific Member State. In this case, no interest thereafter will be payable to the customs authority.

## 2.2 Undertaking by a guarantor

A guarantee can be provided by an **undertaking** given by a **guarantor**.

The **guarantor** can be a **third person** established in the customs territory of the Union and **approved** by the customs authorities requiring the guarantee, **unless** the guarantor is a credit institution, financial institution or insurance company accredited in the Union in accordance with Union provisions in force.

The **guarantor** should undertake **in writing** to **pay the secured amount** of import or export duty corresponding to a **customs debt** and other **charges**.

**Customs authorities** may **refuse** to approve the guarantor, or the **type of guarantee** proposed where either does not appear **certain** to **ensure payment** of the amount of import or export duty corresponding to the customs debt and of other charges within the prescribed period.

The guarantor can provide **one or more undertakings** as part of the same comprehensive guarantee CGU authorisation. Each of the undertakings, which are provided as part of the same CGU authorisation, must correspond to the **needs of geographical validity** and to the **reference amount established** for the customs procedure or procedures for which it was provided. An individual guarantee in the form of an undertaking may be provided by the guarantor within the context of the Union transit procedure, by issuing **vouchers**.

## 2.3 Another form

A guarantee can be provided by a **form other** than a cash deposit or an undertaking by a guarantor, provided that it is accepted by the Member State's **national law**. This other form of guarantee should provide **equivalent assurance** that the amount of import or export duty corresponding to the **customs debt** and other **charges** will be **paid**.

The **forms** of guarantee **other than** a cash deposit or an undertaking given by a guarantor could be the following:

- **Mortgage:** the creation of a mortgage, a charge on land, or other right deemed equivalent to a right pertaining to immovable property.
- **Cession:** the cession of a claim, the pledging, with or without surrendering possession, of goods, securities or claims or a savings bank book or entry in the national debt register.
- **Bill of exchange:** the assumption of joint contractual liability for the full amount of the debt by a third party approved for that purpose by the customs authorities or the lodging of a bill of exchange the payment of which is guaranteed by such third party.
- **Foreign cash deposit:** a cash deposit or means of payment deemed equivalent thereto other than in euro or the currency of the Member State in which the guarantee is required.
- **Customs authority guarantee scheme:** any participation subject to payment of a contribution in a general guarantee scheme administered by the customs authorities.

These forms of guarantee **are not accepted** for the placing of goods under the Union transit procedure.

## 2.4 Insufficient guarantee

Where the customs authorities establish that the guarantee provided **does not ensure** or is no **longer certain** or **sufficient** to ensure the **payment** of the amount of import or export duty corresponding to the **customs debt** and other **charges** within the prescribed period, they shall require the debtor either:

- to provide an **additional guarantee**, or
- to **replace** the original guarantee with a new guarantee, according to the debtor's choice.

## 3 Comprehensive Guarantee

### 3.1 The Comprehensive Guarantee Authorisation (CGU)

Upon **application** by the economic operator the customs authorities may **authorise** the provision of a **comprehensive guarantee** with possible **reduction** or waiver to cover the amount of import and export duty, corresponding to the customs debt in respect of **two or more** operations, declarations or customs procedures.

There are **two criteria** that need to be **fulfilled** for the **designation** of the competent customs authority. It shall be the one of the **places** where:

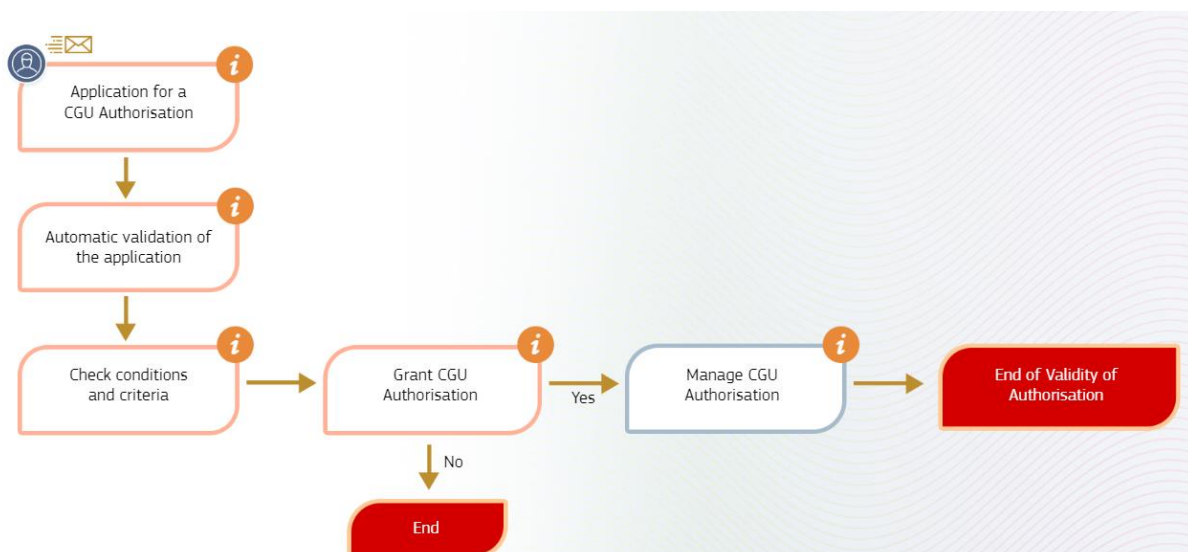
- the applicant's **main accounts** for customs purposes are **held** or **accessible**, and
- at least **part of the activities** to be covered by the decision are to be **carried out**.

These **two criteria** should be **cumulatively met** to conclude that a customs authority is the competent one. Practically, that means that if the place where the applicant's accounts are held is **different** from the place(s) where the accounts are accessible, the decisive criterion would be the **place** where the **activities** to be covered by the decision are to be **carried out**.

The applications and decisions for **CGU authorisations** are managed through the **CDS**, the specific IT tool for the management of the decisions.

The customs decisions business consists of two main phases: **(a) grant authorisation** and **(b) manage authorisation**.

The diagram represents the process of **granting** and **managing** a customs authorisation.



### 3.2 Reduced amount and waivers

Any economic operator may **apply** for a **reduction** or **waiver** of the comprehensive guarantee covering **existing** or **potential customs debts** and other charges where applicable, provided that they fulfil certain conditions.

The **conditions and criteria** to be validated to an authorisation for the provision of a comprehensive guarantee **depend on the type of customs debts** referred to in the application as well as the **level of reduction** which is requested for each of these types.

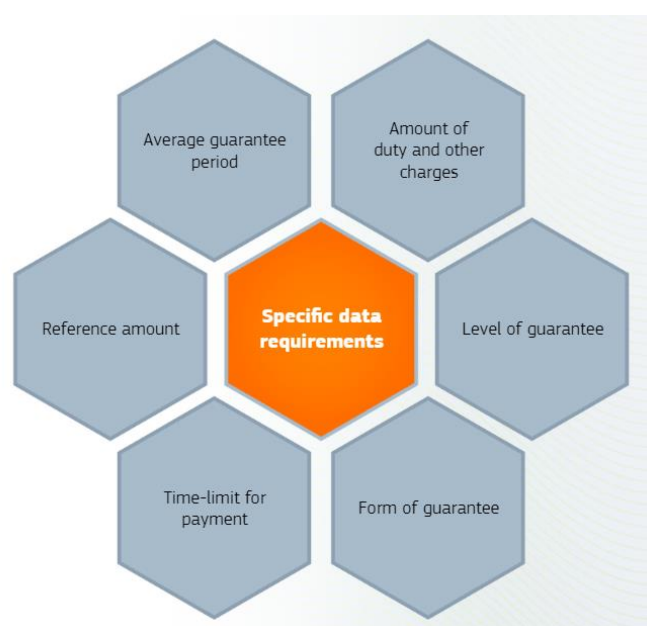
During the **CGU decision-taking process**, there are different auxiliary activities that can be performed before granting the authorisation and supporting the verification of conditions and criteria. The customs authorities might **consult** other involved Member States, might request for **additional information** by the applicant, might deal with **adjustments** carried out by the applicant and might **extent the time limit** to take a decision.

The table indicates the possible mappings.

Type of customs debts	Level of guarantee AEOC holder	Level of guarantee - non-AEOC holder
Existing customs debts	100% of the relevant part of the reference amount (no reduction) - AEO holder	100% of the relevant part of the reference amount (no reduction) - non-AEO holder
	30% of the relevant part of the reference amount - AEO holder	30% of the relevant part of the reference amount - non-AEO holder
Potential customs debts	100% of the relevant part of the reference amount (no reduction) for any debt type - AEO holder	100% of the relevant part of the reference amount (no reduction) for any debt type - non-AEO holder
	50% of the relevant part of the reference amount - AEO holder	50% of the relevant part of the reference amount - non-AEO holder
	30% of the relevant part of the reference amount - AEO holder	30% of the relevant part of the reference amount - non-AEO holder
	0% of the relevant part of the reference amount (waiver) - AEO holder	0% of the relevant part of the reference amount (waiver) - non-AEO holder

### 3.3 Specific data requirements

There are specific data requirements for the application and CGU authorisation, including a possible reduction or waiver.





## 4 The Guarantee Management System (GUM)

UCC stipulates that a guarantee **accepted** or **authorised** by the customs authorities may be **valid** throughout the **customs territory of the Union**. It also provides for the option of declaring guarantees, registered in a Member State **different** from the Member State in which the customs declaration is lodged and accepted, in import and export customs declarations.

The **Guarantee Management System (GUM)** makes the data of guarantees **electronically** available throughout the **customs territory of the Union**.

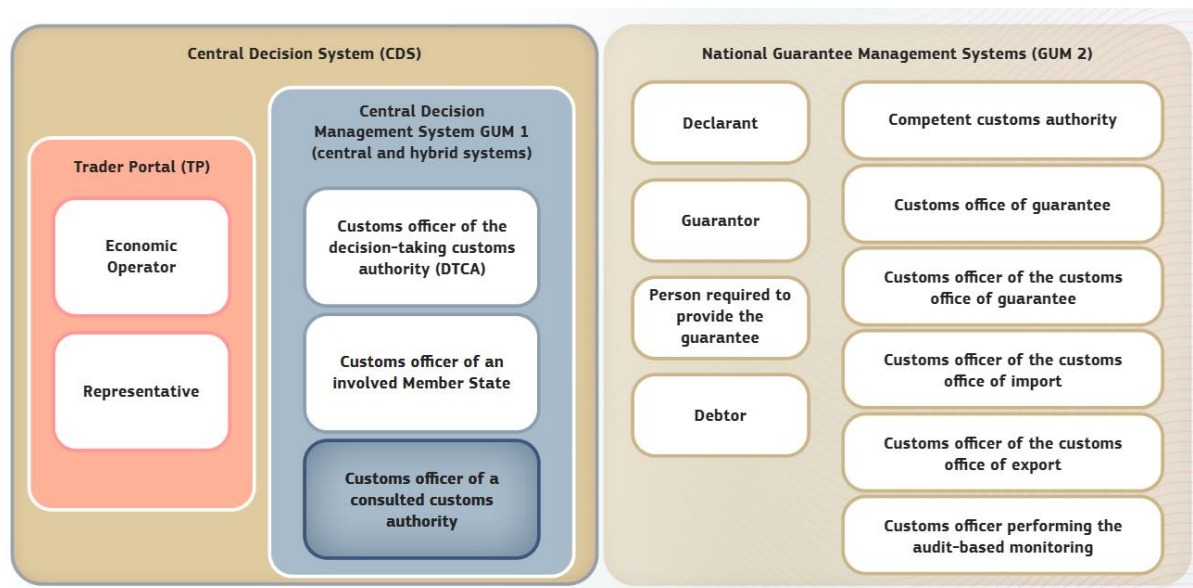
GUM allows the **registration, verification** of existence and **validity** as well as the **release** of individual and comprehensive guarantees **valid** throughout the customs territory of the Union (except for transit).

Further to this, **GUM** allows the **monitoring** of the **reference amount** of the guarantees with **EU-wide validity** for the **existing customs debts** in respect of goods placed under release for free circulation.

Finally, **GUM** provides the **basic support** in the monitoring of guarantees that are to be provided for **potential customs debts**. These guarantees are monitored by means of **regular** and **appropriate audits**.

### 4.1 Stakeholders

These are the different stakeholders who represent the final users of the Trader Portal, the Central Decision Management System (GUM1) and National Guarantee Management Systems (GUM 2).



### 4.2 Components

GUM consists of **two components**.

#### 4.1.1 Central EU Component - GUM 1

The **trans-European GUM system** covers the **management** of the **comprehensive guarantees** that may be used in **more than one** Member State and the **monitoring** of the **reference amount** for each customs declaration, supplementary declaration or an appropriate information of the particulars needed for the entry in the accounts for the **existing customs debts** or for customs debts which may **potentially incur** for all customs procedures as provided for in UCC (except for transit which is handled within NCTS).

In the scope of the GUM, the **Customs Decisions System (CDS)** is aimed to **handle** the **management** and the **storage** of the multi-Member State **CGU** authorisations and applications.

#### 4.1.2 National Guarantee Management Components GUM 2

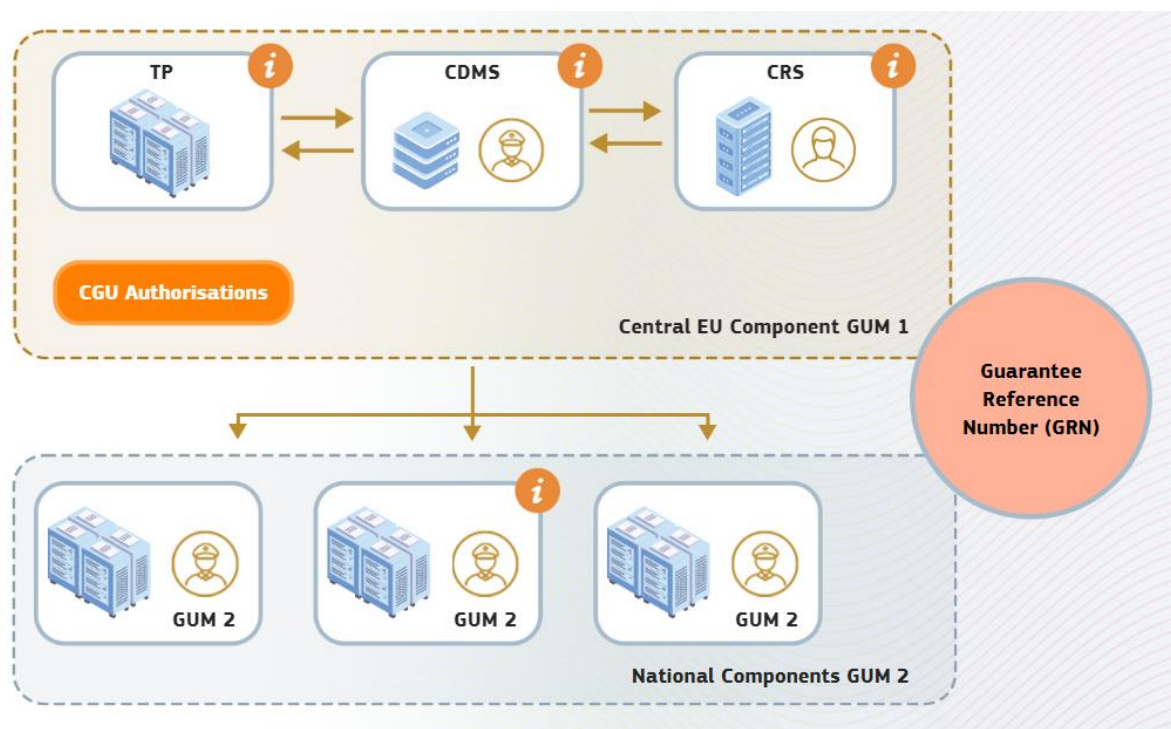
The Member States deploy **their own** electronic systems at **national level** to **manage** the guarantees **valid in one** Member State in accordance with the UCC provisions. This entails the **electronic exchange of data** related to national guarantees between economic operators and customs authorities.

The **national** guarantee management systems are aimed to handle the **registration** and the **operational phase** of the guarantee: **managing** the guarantee usage, **releasing** the guarantee reference amount (payment), etc.

#### 4.3 Architecture and communication (for customs officers)

All the guarantee management activities are performed via two components: the central EU component (GUM 1) and the national components (GUM 2). The central component GUM 1 shares the authorisation details to the involved Member States.

The CDS is composed of three systems: the Customs Decisions Management System (CDMS), the Trader Portal (TP) and the Customer Reference Services system (CRS).



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