

Let's recap what we have learned in this overview module.

1 Learning objectives

By the end of this 105-minutes course, you have learned about:

- the Union Customs Code (UCC);
- the different legal acts of the UCC package: Delegated Act (DA), Implementing Act (IA), Transitional Delegated Act (TDA) and the Work Programme;
- the UCC framework and its main procedures and rules;
- the positive impact of UCC in the daily activities of Customs Officers and Economic Operators;
- the timescales of the Work Programme.

2 What is the UCC?

The Union Customs Code (UCC) is:

- making electronic transactions mandatory;
- streamlining customs processes EU-wide across all Member States' customs administration;
- enforcing electronic communication between customs authorities and with economic operators and the European Commission.

The UCC is complemented by its Delegated Act (DA) and Implementing Act (IA).

As of May 2016, the UCC has been applicable, however its full implementation is inseparably linked to the development of the supporting IT systems. The Transitional Delegated Act (TDA) describes how to cater for this transitional period that will run until 2025.

The Work Programme of the UCC sets out an extensive plan for the implementation of electronic systems, based on the MASP-C, in order to ensure the correct application of the UCC.

The Commission has developed Business Process Models (BPMs) in close collaboration with the Member States experts in order to show the process requirements deriving from the UCC, DA and IA. These BPMs can be accessed upon demand.

3 UCC – main procedures and benefits

3.1 Customs procedures and customs declarations

The customs procedures are: release for free circulation, special procedures and export.

When an Economic Operator wishes to place goods under one of these UCC procedures, he completes the customs declaration, which consequently triggers customs processes, such as duty calculation. Customs declarations are lodged electronically.

The **benefits** of the UCC in the Customs procedures and Customs declarations **for Customs Officers** are:

- Data harmonisation in the customs declaration
- Presentation notification
- Delegation of tasks to Traders

The **benefits** of the UCC in the Customs procedures and Customs declarations **for Economic Operators** are:

- Simplified Customs Declarations allows a trader to speed up the logistics
- Some of the particulars and/or supporting documents of the customs declaration may be omitted at the time of customs clearance
- The standard declaration allows presentation of the goods at the Economic Operator's premises, in their own electronic system
- Self-assessment allows Traders to determine the payable amount of import and export duty
- There is less data required to be lodged for the clearance of the goods with EIDR
- Centralised clearance and EIDR for trustworthy Economic Operators
- Customs declarations are inserted electronically
- Decrease of administrative burden
- Faster clearance
- Data harmonisation
- Presentation notification

3.2 Entry of goods and temporary storage

The Entry of goods refers to the entry of goods into the customs territory of the Union.

When goods arrive into the customs territory of the Union, the Economic Operators provide the necessary information in the electronic Entry Summary Declaration (ENS). It allows customs authorities to perform an electronic risk analysis for security and safety purposes and to carry out any necessary risk based controls.

All non-Union goods have to be in temporary storage from the moment they are presented to customs until the moment they are either placed under a customs procedure or re-exported.

While the goods are in temporary storage, the holder of the goods can still access them.

The **benefits** of the UCC in the Entry of goods and Temporary Storage **for Customs Officers** are:

- Improved Union external border risk management in the area of security and safety
- Enhanced data quality
- Improved collaboration with other customs authorities in carrying out risk analysis
- Better coordination controls in the supply chain
- Increased cooperation with other governmental agencies and institutions responsible for border controls
- Additional layer of aviation security in air cargo by introducing the provision of Pre-Loading Air Cargo Information (PLACI)
- Easier monitoring by the streamlining of the maximum duration for temporary storage to 90 days

The **benefits** of the UCC in the Entry of goods and Temporary Storage **for Economic Operators** are:

- Multiple filing makes it easier to provide the ENS data to customs
- Ability to choose between submitting the entire ENS in one set or in different data sets and by different actors
- The ENS is provided earlier in the air mode and the supply chain is not severely disrupting in case of risk mitigation measures by customs
- Simpler customs procedure by the extended/streamlined maximum duration
- Possible longer postponement for placing the goods under a customs procedure is allowed
- Postponing the payment of customs duties is allowed
- Easier logistics as a result of moving the goods under a temporary storage without lodging a transit declaration

3.3 Release for free circulation

Non-Union goods intended to be put on the Union market or intended for private use or consumption within the customs territory of the Union are placed under release for free circulation.

The **benefits** of the UCC in the Release for free circulation **for Customs Officers** are:

- The electronic customs declaration facilitates the handling of declarations;
- Faster process of validating the declaration

The **benefits** of the UCC in the Release for free circulation **for Economic Operators** are:

- The electronic customs declaration reduces the administrative burden and the process of lodging a customs declaration is accelerated
- The simplifications related to self-assessment, centralised clearance and Entry In the Declarant's Records (EIDR) reduce the administrative burden

3.4 Binding tariff information

The concept of BTI is set up to ensure the uniform application of the customs legislation and in particular tariff classification.

A BTI decision is a decision issued by the authorities of the Member States upon request of an Economic Operator, which grants legal certainty regarding the tariff classification of his goods. The tariff classification is the basis for determining customs duties, export refunds and the application of any other customs charges such as anti-dumping duties.

The BTI decision is binding upon all Member States as well as upon the holder.

BTI decisions can be applied to customs procedures. As it is binding upon the holder, the BTI is declared in the customs declaration.

The **benefits** of the UCC in the BTI **for Customs Officers** are:

- Closer monitoring is at the central level is achieved through more surveillance data
- Better control is ensured for valid and non-valid BTIs
- The BTI decision is binding upon the holder
- The EBTI system facilitates consultations between customs authorities related to granting and subsequent management of BTI authorisations
- All BTI decisions issued by the national customs authorities are introduced in the European Binding Tariff Information database (EBTI system)

The **benefits** of the UCC in the BTI **for Economic Operators** are:

- Streamlined and homogenised procedures treating BTI as a customs decision.
- Legal certainty with regard to Tariff classification
- A level playing field between Economic Operators is ensured
- More regular revision since the BTI duration is shorter
- The EU Customs Trader Portal for BTI allows the electronic processing and storage of BTI applications and authorisations
- The EU Customs Trader Portal for BTI provides the possibility to apply for and manage BTI decisions via a single EU harmonised interface

3.5 Origin of goods

Origin is the economic nationality of goods. There are two kinds of origin: Non-preferential and preferential. The customs treatment of goods at import is determined by the origin they have.

Non-preferential origin is used for determining the origin of products subject to all kinds of measures or tariff quotas.

Preferential origin confers certain tariff benefits on goods traded between countries that have agreed such an arrangement (reciprocal) or where one side (unilateral) has granted it autonomously. The benefits usually comprise entry at a reduced rate or free of duty.

Whereas all goods always have a non-preferential origin, they may also have a preferential origin if a preferential arrangement exists. The origin can be conferred on wholly obtained products or processed products.

In order to verify the originating status by the Customs Authority, administrative cooperation procedures are established between the trading partner countries.

The **benefits** of the UCC in the Origin of Goods **for Customs Officers** are:

- The legislation is streamlined as provisions outside of the code are integrated into the UCC
- A BOI decision is binding upon the holder
- The UCC lays down for more products the non-preferential list rules for the determination of origin and simplifies the administrative requirements.
- The wider application of binding non-preferential origin rules in the DA facilitates the origin of determination
- The possibility to adopt specific origin determinations for goods on a case by case basis ensures uniform application of the EU legislation throughout Member States
- The wider use of self-certification of preferential origin by exporters reduces the workload for customs

The **benefits** of the UCC in the Origin of Goods **for Economic Operators** are:

- Streamlined and homogenised procedures treating BOI as a customs decision.
- The wider application of binding non-preferential origin rules in the DA provides legal certainty
- The absence of rules on the format of the proof of non-preferential origin (except for certain products) provides more flexibility
- Equal treatment of Economic Operators is ensured
- A level playing field amongst Economic Operators is ensured, since the BOI is binding upon the holder

3.6 Customs valuation

Customs valuation is the process to determine the customs value of goods. The customs value is the basis for calculating the custom duty ('ad valorem' duty) and the VAT on imported goods and for elaborating the trade statistics.

The EU legislation on valuation is based upon the provisions of the World Trade Organisation (WTO) Valuation Agreement, binding for all WTO members.

When a consignment of goods is imported from outside the EU, the Economic Operator provides to the customs authorities with the details of its value directly in the import declaration. The value declaration is based on Common Customs Tariff (CCT) and it's provided only if the value of goods exceeds €20,000.

The **benefits** of the UCC in the Customs Valuation **for Customs Officers** are:

- Customs clearance is more efficient by the abolition of the paper-based value declaration (DV1) and the inclusion of the main valuation data in the electronic customs declaration
- The legislation is clarified and harmonised, leading to less administrative burden
- There are fewer disputes and less risk of different decisions being given for similar cases

The **benefits** of the UCC in the Customs Valuation **for Economic Operators** are:

- The elements from the value declaration (DV1) are inserted directly in the customs declaration
- Trade is facilitated and administrative costs are reduced by the extension of the 'authorisation for simplification of determination of the customs value', allowing the determination on the basis of the specific criteria
- Wider possibility of being authorised for simplifications with regard to elements of the total value at the time when the customs declarations are lodged
- The clarification and certainty result a level playing field
- The threshold for detailed customs declaration data is increased to €20,000

3.7 Customs status of goods

The 'customs status' refers to the status of goods as 'Union goods' or 'non-Union goods'.

Union goods are either: (a) goods wholly obtained in the customs territory of the Union; (b) goods brought into the customs territory of the Union and released for free circulation; and (c) goods obtained or produced in the customs territory of the Union, using only goods from the above mentioned goods.

Non-Union goods are all goods other than Union goods: (a) are not wholly obtained in the customs territory of the Union; (b) have entered the customs territory of the Union from another country or territory and have not been released for free circulation; and (c) have lost their customs status of Union goods.

The **benefits** of the UCC in the Customs Status of Goods **for Customs Officers** are:

- The electronic PoUS facilitates and improves management and control
- The administrative burden is reduced

The **benefits** of the UCC in the Customs Status of Goods **for Economic Operators** are:

- The electronic PoUS decreases the administrative burden

- Becoming an authorised issuer saves time and effort

3.8 Customs debt

Customs debt refers to the obligation on a person to pay the amount of import or export duty that applies to specific goods under the customs legislation in force.

Customs debt can be incurred either through compliance, through release for free circulation or temporary admission, or through non-compliance.

The **benefits** of the UCC in the Customs Debt **for Customs Officers** are:

- The rules on the incurrence of an irregular customs debt are simplified
- There is a basic rule according to which the amount of import or export duty is determined
- Any person who provides the information required to draw up the customs declaration and who knew, or who ought reasonably to have known, that such information is false is also considered a debtor and thus liable for the customs debt
- The incurrence of customs debt incurred through non-compliance has been consolidated and the rules are aligned

The **benefits** of the UCC in the Customs Debt **for Economic Operators** are:

- Errors that lead to the incurrence of an irregular customs debt can be corrected in more cases
- Customs debt can be extinct in more cases

3.9 Guarantee

A guarantee is the financial cover for customs duties and other charges that are temporarily suspended. It is required for charges which may be incurred or have been incurred (e.g. release for free circulation)

The guarantee needs to be provided at the moment of lodging the customs declaration for that particular customs procedure.

The **benefits** of the UCC in Guarantee **for Customs Officers** are:

- Guarantees are monitored using the central guarantee management system
- Accuracy, uniform and improved monitoring of guarantees are ensured since it's done electronically

The **benefits** of the UCC in Guarantee **for Economic Operators** are:

- The extension of the application of a compulsory guarantee enforces equal treatment of economic operators
- AEOC can apply for an authorisation for comprehensive guarantee with a reduced amount
- The accreditation for a guarantor can be done by a Customs Authority, simplifying the process
- The accreditation for a guarantor for credit institutions, financial institutions and insurance companies doesn't need approval by the customs authorities

3.10 Special procedures other than transit

The Union Customs Code (UCC) foresees some special procedures with the aim to promote international competitiveness and improve export opportunities.

The UCC distinguishes between 4 main categories of special procedures as follows:

- Transit : internal and external transit;
- Storage: customs warehousing and free zone;
- Specific use: temporary admission and end-use;
- Processing: inward and outward processing.

The **benefits** of the UCC in Special Procedures, other than Transit, **for Customs Officers** are:

- The simplification and alignment of special procedures to customs decisions make it easier to manage all the different types of special procedures
- Easier to manage and monitor the special procedures authorisations after their alignment with the other customs decisions
- All goods placed under special procedures are covered by a guarantee to ensure equal treatment across all Member States
- The IT tools support in applying the authorisations and processing procedures correctly
- Easier and accurate electronic calculations of the amount of import duties
- Ensuring a harmonised approach across the Member States by the examination of the economic conditions at Union level
- The number of types of customs warehouses is reduced
- There is only one type of free zone
- End-use is recognised as a special procedure and the horizontal provisions governing special procedures are applicable to end-use

The **benefits** of the UCC in Special Procedures, other than Transit, **for Economic Operators** are:

- Usual forms of handling do not require an authorisation anywhere
- The standard exchange of information (INF) for the processing procedures is electronic
- The computerisation and automation of the special procedures reduce the paper workload and speed up the logistics
- There are increased opportunities to carry out business activities by enlarging the scope of equivalent goods
- Legal certainty and transparency are increased
- Equal treatment brought by handling economic conditions examination at Union level

3.11 Customs transit

Customs transit is one of the four categories of special procedures. It is a customs procedure used to facilitate the movement of goods between two points of a customs territory, via another customs territory, or between two or more different customs territories.

The most commonly used and similar transit movements are the Union and the Common transit procedures, which are applied in the following ways:

- In the NCTS system – mainly for road transport;
- On paper for rail, sea and air transport for authorised Economic Operators;
- Using electronic manifests for air and sea transport for authorised Economic Operators.

The **benefits** of the UCC in Transit **for Customs Officers** are:

- The use of the electronic transport document facilitates the validation by customs
- Easier validation and controls for the transit of sensitive goods

The **benefits** of the UCC in Transit **for Economic Operators** are:

- The introduced electronic records and streamlined procedures decrease the administrative burden
- The electronic transport document as a customs transit declaration rationalizes the procedures for transit
- Easier logistics moving the goods under temporary storage without lodging a transit declaration
- Rules for sensitive goods are harmonised and better understood
- The NCTS system applies normal rules for sensitive goods: mineral oil, cigarettes and alcohol, simplifying the procedure

3.12 Export

Economic Operators can take goods outside the customs territory of the Union via four procedures:

- Export,
- Re-export,
- Re-export from free zones and temporary storage, and
- Export followed by transit.

UCC facilitates also the following special cases relating to export and exit formalities: excisable goods, split consignment, enquiry procedure, and diversion.

The **benefits** of the UCC in Export **for Customs Officers** are:

- The high system availability facilitates the handling of declarations and speeds up the process
- Split consignments are handled electronically inside the AES
- The UCC clearly defines the 'export followed by an internal transit scenario'

The **benefits** of the UCC in Export **for Economic Operators** are:

- The electronic system reduces the administrative burden, brings faster logistics and accelerates the process of lodging a customs declaration
- The centralised clearance and EIDR are simplified
- The increased use of fully automated electronic systems reduces the number of open movements

3.13 Customs decisions

The UCC defines a 'decision' as any act by the customs authorities pertaining to:

- customs legislation giving a ruling on a particular case; and
- having legal effect on the person or persons concerned.

The **benefits** of the UCC in Custom Decisions **for Customs Officers** are:

- UCC is generally applicable to all customs decisions and fills all gaps in the 'lifecycle' of a decision (except special cases)
- The harmonisation of rules and processes in tandem with the computerisation makes the management and monitoring of customs decisions much more efficient
- CDS standardises the processes related to the application for a customs decision, the decision taking and the decision management by electronic managing of applications and authorisations
- The examination of the economic conditions is carried out at Union level, reducing the workload of the national customs authorities and resulting transparency and consistency

- CDS facilitates consultations between customs authorities related to granting and subsequent management of Customs Decisions

The **benefits** of the UCC in Custom Decisions **for Economic Operators** are:

- The rules concerning customs decisions are harmonised
- Customs decisions taken upon application follow the 2-step procedure: accept an application and taking a decision
- CDS gives the ability to access all authorisations' data electronically and authenticate via one single interface throughout the Union (UUM&DS)
- Ability to exercise the right to be heard, for which there are set time-limits for customs
- Ability to exercise the right to appeal
- The examination of the economic conditions is carried out at Union level, leading to a higher degree of consistency

3.14 Authorised Economic Operator

An Authorised Economic Operator is an economic operator that has proven to be reliable, a lower risk operator. Therefore they are granted certain benefits by the customs authorities over other economic operators. As a result, AEOs have less administrative burden and can accelerate their logistics.

AEO authorisations are granted according to uniform criteria and are recognised in all Member States.

The **benefits** of the UCC in the AEO concept **for Customs Officers** are:

- The AEO procedures are aligned with the other customs decisions
- The AEO processes are integrated and streamlined
- Easy monitoring and management
- The harmonisation of AEO rules and processes, in tandem with the computerisation, makes the management and monitoring much efficient for customs officers
- Security and safety standards are fulfilled by the explicit requirement for a person responsible for security policy within the company

The **benefits** of the UCC in the AEO concept **for Economic Operators** are:

- The procedure to apply for an AEO authorisation is aligned to the other authorisations under customs decisions following the 2-step approach for granting a AEO authorisation (accepting application followed by taking decision)
- The AEO application and authorisation processes are fully electronic
- Higher standards to grant AEO status are applied, ensuring a level playing field for economic operators
- Once an AEOC authorisation is granted, it is easier to have access to the customs simplifications, which significantly reduces the administrative burden
- The use of the EU Customs Trader Portal for AEO provides the possibility to apply for and manage AEO applications and decisions via a single EU harmonised interface

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