

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

1 Learning objectives

By the end of this 60-minute course, you will have learned about:

- the concept of a guarantee and why it is necessary;
- what a compulsory guarantee is;
- what a comprehensive guarantee and an individual guarantee is;
- how a reference amount is established and the reduced guarantee amount is calculated;
- the different forms in which a guarantee may be provided;
- the processes and procedures related to a guarantee.

2 What is a guarantee?

- A guarantee is the **financial cover** for customs duties and other charges that are temporarily suspended.
- A guarantee is required for **charges** which **may be incurred** (e.g. transit procedures) 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.
- A guarantee is not required
 - in certain situations,
 - from states or bodies governed by public law, for activities in which they act as public authorities, or
 - may be waived where the amount of customs duty to be secured is less than € 1.000,-

3 Individual and comprehensive guarantee

3.1 Individual guarantee

- An individual guarantee is a guarantee that covers a single operation. It is the default case.

3.2 Comprehensive guarantee

- A comprehensive guarantee covers the customs debt and other charges of multiple operations and can be used in a longer time period.
- It is necessary to apply for an authorisation to use a comprehensive guarantee at the competent Customs Authority: The authorisation may grant the use of reduced amount (to 50%; to 30%) or guarantee waivers (to 0%).
 - The competent Customs Authority is the customs office where the economic operator is established who will thus play the role as customs office of guarantee.
 - The customs office of guarantee determines the overall reference amount and its breakdown per charges which may be incurred and have been incurred, per customs procedure and the granted level of reduction or waiver.
 - The higher the guarantee reduction level applied for, the more thorough the requirements to get the authorisation are. Only an AEOC can obtain a reduced guarantee amount for charges that have been incurred (up to 30%)
 - The customs office of guarantee then calculates the actual guarantee amount that has to be provided.
 - Once the guarantee is provided, the customs office of guarantee communicates the Guarantee Reference Number (GRN) and access code to the applicant.

4 Different ways to provide a guarantee

Guarantees can be provided in one of the following forms:

- Cash deposit or any other means of payment recognised by the Customs Authority as being equivalent to a cash deposit. It will be given in accordance with the provisions in force in the Member State in which the guarantee is required.
- An undertaking given by a guarantor.
- Another form of guarantee which provides equivalent assurance that the charges due will be paid. It depends on whether the Member State where the guarantee is lodged, accepts the form of guarantee.
- If a guarantee is insufficient, customs may require the debtor to provide either an additional guarantee or to replace the original guarantee with a new guarantee, according to the debtor's choice.

5 Guarantee Management

5.1 Individual guarantee

Verifying an individual guarantee

- When the economic operator lodges a declaration, he also has to provide the corresponding individual guarantee.
- The customs office of lodgement is thus the customs office of guarantee in this case.
- The custom office of guarantee examines the form in which the guarantee is provided.

- Once the guarantee is accepted, the guarantee is registered. In case of an individual guarantee in form of vouchers, the GRN and access code is communicated to the guarantor.

Monitoring an individual guarantee

- The Customs Authority has to monitor the guarantees as long as the guarantee is not released.

Releasing an individual guarantee

- The Customs Authority will release a guarantee immediately when the charges are extinguished or can no longer arise. If this relates to only a part of the charges, the Customs Authority will only release the corresponding part at the request of the person concerned.

5.2 Comprehensive guarantee

Verifying a comprehensive guarantee

- As seen earlier, to make use of a comprehensive guarantee, the economic operator must first have been authorised to do so.
- At the time of lodging a customs declaration, the economic operator will refer to his comprehensive guarantee by providing the related GRN.
- The Customs Authority will verify the existence and validity of the guarantee every time a person communicates a GRN.
- The Customs Authority will indicate the amount from the reference amount used of this declaration/request.

Monitoring a comprehensive guarantee

- The Customs Authority has to monitor the guarantees as long as the guarantee is not released.
- The Customs Authority monitors only the parts of the reference amount that are 'in use'.
- In function of the type of operation, the Customs Authority will monitor transaction-based (for release for free circulation procedures and Union transit procedures) or audit-based (in all other cases).

Releasing a comprehensive guarantee

- The Customs Authority will release the corresponding part of reference amount immediately when the charges are extinguished or can no longer arise.

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