

Binding Tariff Information

Course takeaways

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:

- what a Binding Tariff Information (BTI) decision is and why it exists;
- what the Combined Nomenclature (CN) is;
- the BTI pre-application phase;
- the BTI application acceptance process;
- the BTI decision-taking process;
- the BTI decision management process;
- the use of BTI decisions during the customs clearance process.

2 BTI and Combined Nomenclature

2.1 Common Customs Tariff (CCT)

- The uniform application of European Union customs legislation, which also includes the CCT, is essential to the smooth running of the customs union and the European Union since it constitutes the external dimension of the common market.
- The CCT is the external tariff applied to products imported into the customs territory of the Union.

2.2 Combined Nomenclature (CN) and Harmonized System (HS)

- **The CCT is based on the Combined Nomenclature (CN), which itself is based on the Harmonized System (HS).**
- The **HS is a systematic list of commodities**, which is applied by most trading nations and forms the basis for international trade negotiations. It also serves the purpose of statistical data collection.
 - It is composed of a six-digit code managed by the World Customs Organisation (WCO).
- The **CN is a method for designating goods** and collecting intra-Union trade statistics. When declared to customs in the customs territory of the Union, goods must be classified in accordance with the CN.
 - The CN also includes preliminary provisions, additional section or chapter notes and footnotes relating to CN subheadings.

- Each CN subheading has an eight-digit code number, the CN code, followed by a description and a duty rate.
- The CN is managed by the European Commission.

2.3 TARIC

- **TARIC**, the integrated Tariff of the European Union, is a **multilingual database that integrates all measures relating to CCT**, such as trade measures and agricultural legislation.
- TARIC secures the uniform application by all Member States and gives economic operators a clear view of all measures to be undertaken when importing into or exporting goods from the customs territory of the Union.
- BTI decisions may be issued using TARIC codes, where such measures apply.
- TARIC builds further on the CN and has at least 10 digits and up to 24 digits.
- The TARIC database is managed by the European Commission which publishes a daily updated version of the official TARIC website.

2.4 Binding Tariff Information (BTI)

- 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.**
- The BTI decision is **valid throughout the customs territory of the Union**, regardless of the Member State that issued it.
- The BTI decision is **valid for 3 years** (except if issued before May 2016 when it is valid for 6 years).
- BTI decisions can be **applied to customs procedures.** As it is binding upon the holder, the BTI must be declared in the customs declaration.
- All BTI decisions issued by the national customs authorities are introduced in the **European Binding Tariff Information database (EBTI system)** managed by the European Commission. The EBTI system is only available to the administrations in the Member States that issue BTI and to a small number of authorised officials in the European Commission.
- There is also a public version of the EBTI system available where all valid BTI decisions without confidential details can be consulted.
- The applicant can access all his/her BTI decisions through the **EU Customs Trader Portal.**

3 BTI decision – pre-application phase

- Before applying for a BTI decision, the economic operator can request information on customs legislation, including information on the classification of goods, either verbally or in writing, from the customs administration. **The advice received is non-binding.**

- Where appropriate, all relevant information on the goods, such as laboratory reports should be collected before starting the application.

4 BTI decision – application acceptance processes

The applicant submits the completed application through the EU Customs Trader Portal:

- the information pertaining to the application will be made available through the EBTI system and an application registration number is assigned.
- Receipt of the application is acknowledged.
- Following receipt of the application the Customs Authority has 30 days to accept the BTI application.
- Customs Authority verifies if:
 - the application has an EORI number,
 - the application contains all required information.
 - the application is lodged in the Member State where the applicant is established or where the BTI decision is to be used.
 - the application concerns only 'one type of goods'.
 - Where appropriate, the Customs Authority will request necessary additional information from the applicant who must provide it within a maximum period of 30 days.

If all the conditions are met, the applicant is notified of the acceptance of the application.

If any of the conditions are not met, the applicant is notified that the customs authority is unable to issue a BTI decision.

5 BTI decision – taking process

- Once the application has been accepted, the Customs Authority has a further **120 days** to issue a BTI decision and the applicant must be notified when that period starts.
- When the application contains all required information, that information will be analysed in order to **decide upon the tariff classification**. This must be done within these 120 days.
- In exceptional cases, that period can be further extended.
- Once the BTI decision has been issued, the BTI decision will be **published in the EBTI database**. The applicant will be notified and becomes the holder of the BTI decision.
- If customs authorities have failed to resolve their differences of opinion with regard to the correct classification within a maximum period of 90 days, they then submit the matter to the European Commission.
- If the European Commission has identified incorrect or non-uniform decisions, the Commission will, without delay, notify the customs authorities of the suspension of the

taking of BTI decision for goods whose correct and uniform tariff classification is not ensured.

- The **holder has the right to appeal** against the BTI decision. But unlike other decisions, he does not have the right to express his point of view before the BTI decision has been taken.

6 BTI decision – management process

- After a BTI decision is taken, it can be annulled, cease to be valid or be revoked before then end of its 3-year validity period. A BTI decision cannot be amended.

- **Annul** a BTI decision:

- A BTI decision will be annulled if the BTI decision was taken on the basis of inaccurate or incomplete information from the applicant.
- The holder of the decision has the right to be heard before the BTI decision is annulled.
- The annulment takes effect from the date on which the initial decision took effect. -

Cease to be valid:

- A BTI decision will cease to be valid if it no longer conforms to the law as a result of
 - the adoption of an amendment to the CN or any other relevant nomenclature;
 - the adoption of measures to determine the tariff classification of goods.
- The BTI decision will cease to be valid at the moment it no longer conforms to the legislation.

- **Revoke** a BTI decision:

- A BTI decision will be revoked if they are no longer compatible with the CN or any other relevant nomenclature.
- The holder of the decision has the right to be heard before the BTI decision is revoked.
- The Customs Authority taking the BTI decision should notify the involved Member States via the EBTI system within 7 days from the date on which the BTI decision has been revoked.
- The European Commission may adopt decisions requesting Members States to revoke BTI decisions to ensure correct and uniform tariff classification of goods.
- The revocation enters into effect according to the circumstances as defined by the legislation.
- The holder of the decision may be entitled to request a period of extended use. The purpose of the concession is to avoid economic operators being adversely affected by circumstances over which they have no control.

Remember, this is a quick and handy summary of the most relevant course information. Only the European Union legislation published in the Official Journal of the European Union is deemed authentic. The Commission accepts no responsibility or liability whatsoever with regard to the training.