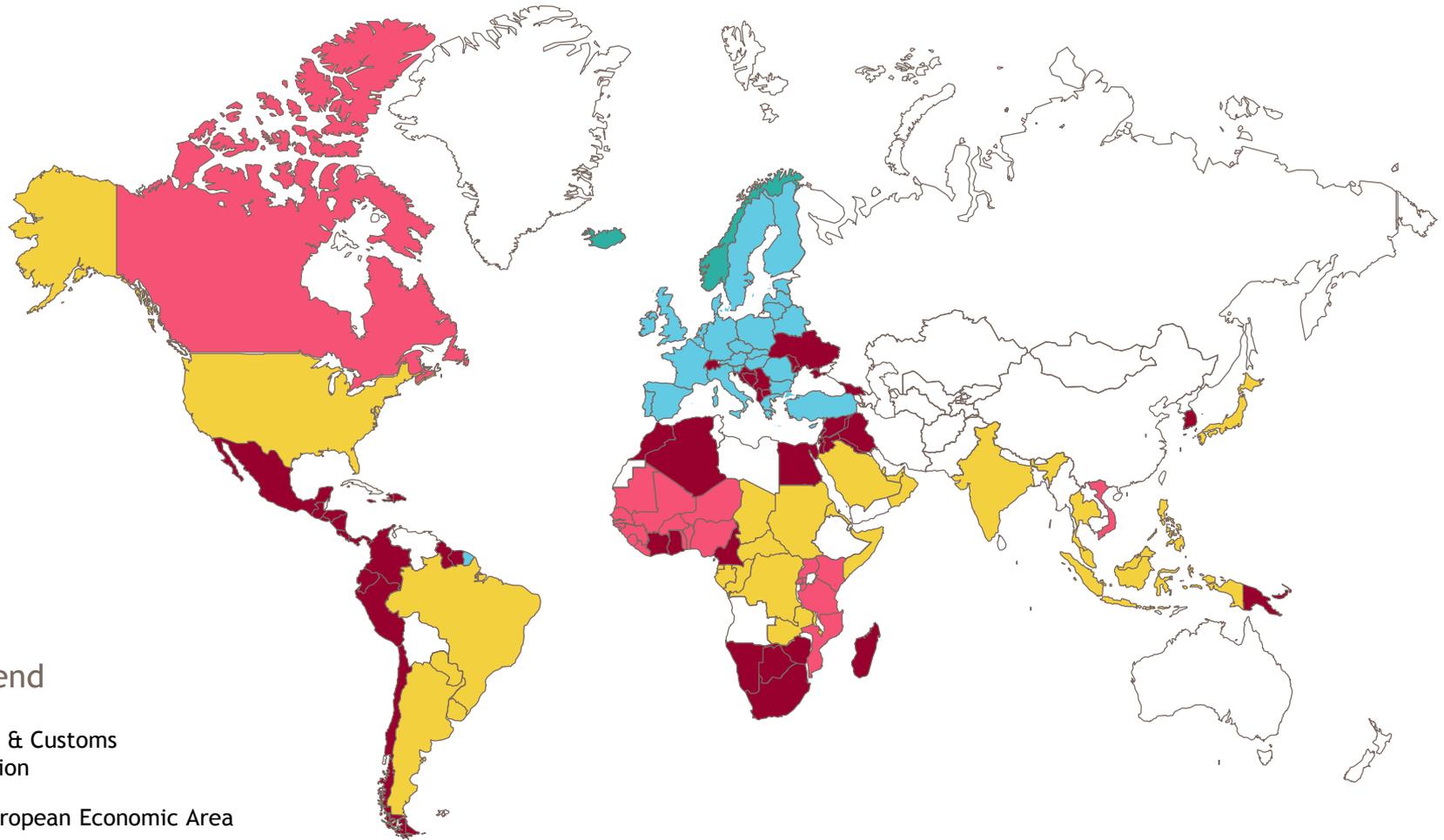


Diversifying to International Markets: Customs Workshop

EU Trade Agreements



Legend

 EU & Customs union

 European Economic Area

 Preferential trade agreement in place

 Preferential agreement awaiting adoption

 Preferential agreement being negotiated

Customs issue on Exporting to 3rd Countries



What Customs Issues do Exporters Face?

- Tariffs
- Import VAT
- Additional Import/Export Compliance requirements
 - Import /Export Declarations
 - Licenses
 - Meeting Regulatory Standards
- Risk of Border Delays
- Supply Chain Costs

What Customs Issues do Exporters Face?

➤ Customs Export Procedure

1. Export Declarations
2. Economic Operator Registration and Identification (EORI)
3. Authorized Economic Operator (AEO)
4. Transit System
5. Supporting Documents
6. Simplified Declarations

➤ Import Taxes & Registration requirements

➤ Inco Terms

➤ Sector Specific Issues

1. Food regulations
2. Import Licenses
3. Excise

1. Export declaration

- What ?

Export declaration = legal act, whereby a person indicates in the prescribed manner and form, a wish to place goods under the export procedure.

- Needed for all exports to non-EU or Third Countries

- How?

Customs declarations for export must be lodged **electronically**, via Revenue's Automated Entry Processing (AEP) system

- When?

An export declaration must be lodged, via AEP, in advance of an export movement. The exact time of lodgment depends on the nature of the cargo and how the export is being effected

- Who?

The person responsible for lodging the export declaration is the exporter. You may appoint a representative to act on your behalf.

2. Completing an Export Declaration (1)

Consignee and consignor details

INCOTERMS - Box 20

Repeated inaccuracies can lead to customs audit !

EUROPEAN COMMUNITY					OFFICE OF CUSTOMS EXPORT		
1 Copy to be country of origin/shipment port	1 Foreign consignor				1 DECLARATION		
	2 Consignee				3 Form	4 Loading date	
	3 Consignee				5 Form	6 Total packages	7 Reference number
	4 Declaration Regime active				8 Person eligible for financial treatment: No		
	5 Consignee and nationality of means of transport at departure				9 Country of origin	10 Country of origin	11 Country of destination
	6 Consignee and nationality of means of transport crossing the border				12 Country of origin	13 Country of destination	14 Country of destination
	7 Mode of transport				15 Financial and banking data	16 Exchange rate	17 Date used
	8 Mode of transport at the border				18 Date of receipt	19 Location of goods	
	9 Packages and description of goods				20 Incoterms	21 Commodity Code	22 Country of origin code
	10 Additional information				23 Country of origin code	24 Gross weight	25 Net weight
11 Declaration of value				26 Country of origin code	27 Gross weight	28 Net weight	
12 Declaration of value				29 Country of origin code	30 Gross weight	31 Net weight	
13 Declaration of value				32 Country of origin code	33 Gross weight	34 Net weight	
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Commodity Code - Box 33

Country of origin code - Box 34

Customs Procedure Code - Box 37

2. Completing an Export Declaration (tariff code)

→ Classifying goods:

Commodity codes = 10 digit number which equates to a description of the item

→ TARIC (database managed by the European Commission)

→ classification of goods, commodity code numbers, rates of duties

→ **Binding Tariff Information (BTI)**

- → provides traders with tariff classification decisions that are legally binding throughout the EU

2. Completing an Export Declaration (origin status)

→ Origin of goods

- Firstly dependent on whether applying COI for preferential trade purposes or non preferential trade purposes
- Non Preferential: Country of Last Substantial Transformation
- Preferential: Rules dependent on Trade Agreements and include
 - 60/70% added value
 - CTH rule
 - Specific Processing Rule
- Cannot include simple assembly

2. Completing an Export Declaration (Value)

→ Value:

Free On Board (FOB) method = calculating the cost of the goods to the purchaser abroad, adjusted as necessary:

- Including export charges (if any payable by exporter)
- Costs, profits and expenses etc. accruing up to the point of delivery of the goods (packing costs, inland freight charges, loading and handling charges...)

Must include an Invoice



2. Completing an Export Declaration (C Status?)

→ Customs Procedure Code:

Describes the procedure and/or the economic regime under which the goods are to be exported.

2. Completing an Export Declaration (Inco Terms)

→ Incoterms:

International commerce terms that clearly define seller's and buyer's obligations as part of a contract.

2. Completing an Export Declaration (Release Date)

→ **Date of Acceptance:**

The effective date for the export procedure is the date of acceptance by Revenue of the declaration lodged and the goods must not be removed from the place of presentation until positively released by Revenue.

3. Acceptance

When your Customs declaration has been accepted by the AEP system you will be notified of the routing of your goods.

Green Routing

- goods cleared by Revenue on the basis of the export declaration received;

Orange Routing

- goods have been selected for a documentary check and you must furnish Revenue with all relevant documents, before your goods can be cleared. If everything is in order Revenue will finalize the export declaration on the AEP system;

Red Routing

- goods have been selected for a documentary check and a physical examination. Revenue will check to ensure that the goods declared on the export declaration correspond to the actual goods. If everything is in order Revenue will finalise the export declaration on the AEP system.

4. Automated Entry Processing (AEP)

What ?

- AEP is the facility, which allows for the completion of customs related procedures in an electronic format.
- The system is responsible for the validation, processing, duty accounting and clearance of declarations to Revenue for customs purposes.

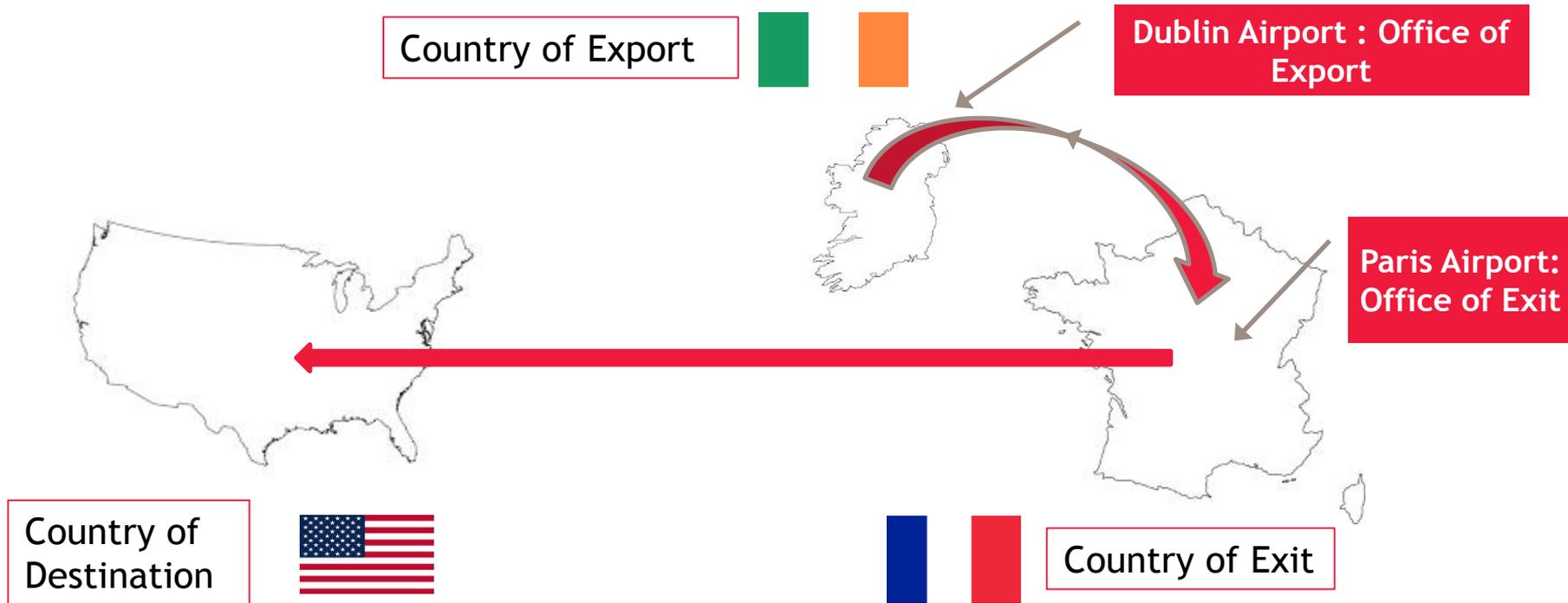
How?

- Be pre-approved as Direct Trader Input (DTI).
- DTI users communicate with the AEP System via Revenue's On-Line Service (ROS) and require a digital certificate obtainable from ROS

5. Export Control System (ECS)

What ?

- ECS is an IT system for the control of Indirect exports
= goods that are exported from one Member State (Office of Export) but that exit the EU via another Member State (Office of Exit).



5. Export Control System (ECS)

How?

1. Export declarations are lodged to AEP
2. Movement is automatically processed through ECS
3. AEP generates a Master Reference Number (MRN - 18 digits number) - notified electronically to declarant
4. The declarant prints the Export Accompanying Document (EAD) and it should accompany the goods on their movement to the other Member State.

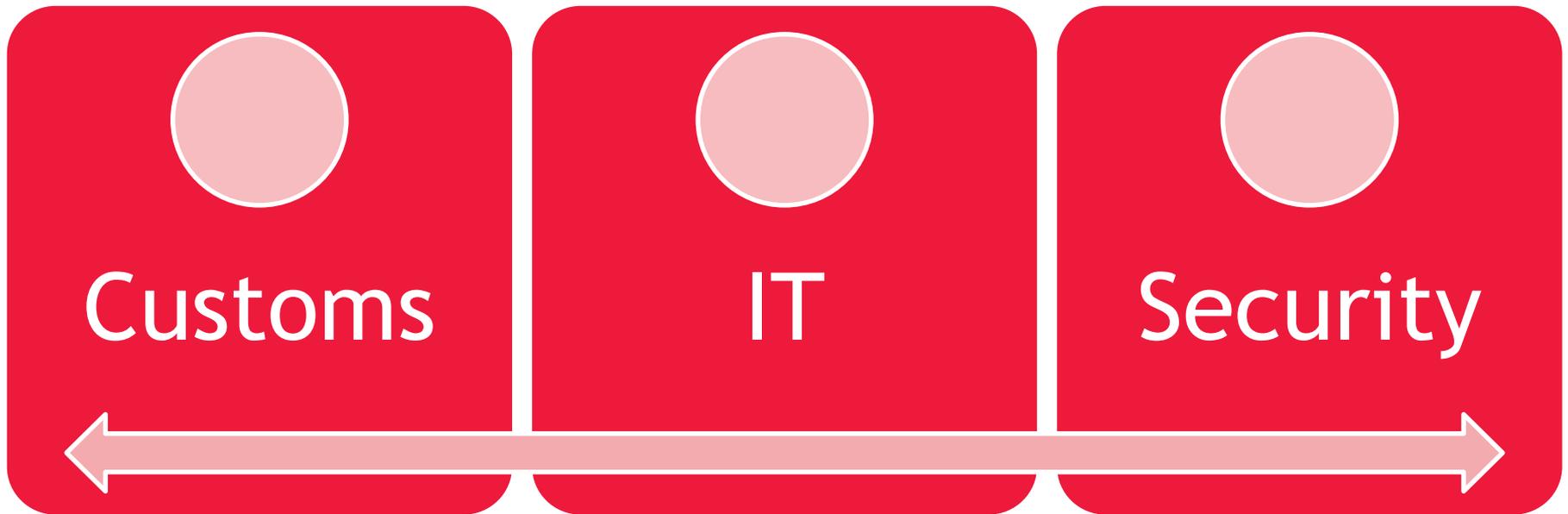
6. Authorised Economic Operator(AEO)

Open to all economic operators established within the customs territory of the EU
→ *i.e. manufacturers, exporters, freight forwarders, warehouse-keepers, clearance agents, carriers and importers*

Benefits?

- AEOs may lodge export declarations comprising the reduced data requirements with regard to safety and security;
- AEOs will be recognized worldwide as safe, secure and compliant business partners in international trade;
- AEOs will be given a lower risk score in risk analysis systems when profiling;
- If physical controls are to be conducted, AEOs will be given priority treatment;
- Mutual recognition of AEO programmes under Joint Customs Co-operation Agreements could result in faster movement of goods through third country borders;
- Admin cost to lodge declaration reduced

AEO - Self Assessment Questionnaire



Customs

Classification and Part Master List

Origin

Valuation

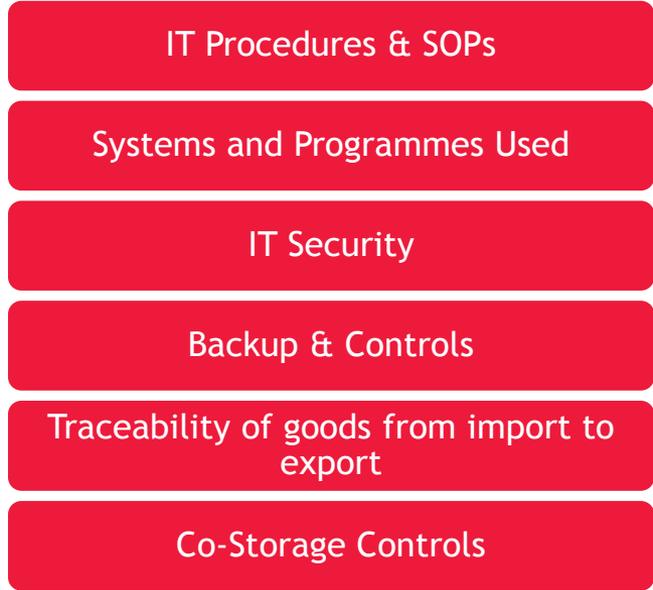
Agent SOP

Internal Audit of Declarations

Disclosure

Compliance

Professional Competency



Security

Threat and Risk Assessment must be completed

Building Security

Storage

Production

Loading and Unloading Procedures

CCTV and Access

Secure Supply Chain from Purchase to Sale

Know Your Customer

Employee Awareness

Use of security companies

3rd Party Contractors

7. Economic Operator Registration and Identification (EORI)



Unique Reference Number

- Common reference number for trader's interaction with Customs Authorities of any member state
- AEO applicants need to have an EORI number

8. Transit System (NCTS)

Allows the movement of non-EU goods through the Community under Customs control.

External Community Transit Procedure (T1) = applies to the movement of goods that are not in free circulation:

Non-Union Goods or Union goods which:

- *transit the territory of a Common Transit country in the course of export);*
and
 - *have undergone customs export formalities with a view to the granting of export refunds on export to third countries under the CAP; or*
 - *are eligible for the repayment or remission of import duties on condition that they are exported from the Customs territory of the Union)*

The **NCTS** (*New Computerized Transit System*) allows you to submit and finalize your transit declarations by electronic means.

8. Transit System (2)

TIR system (Transport International Routier)

- Contracting parties = countries in Europe, Middle East, North Africa and North America.
- The TIR procedure allows goods in **road vehicles or containers sealed by Customs**** to cross one or more countries en route to their non-EU destination with the minimum of Customs interference.
- TIR carnets

****Customs seal** (*Article 301 UCC*) = indicative seal that a customs officer may apply to identify goods under customs control. It may be applied in addition to a trader's commercial seal.

- **Under certain conditions, you may be authorized to use your own seals in place of official customs seals.**
- Technical specification must be followed (*form and dimensions; identification marks of seals must be impossible to falsify and difficult to reproduce; material used must be resistant to accidental breakage and prevent undetectable falsification or re-use*)
- If official seal has been tampered with or broken you must notify customs immediately.

You must seal all exports of CAP goods under community transit or a control copy T5.

9. Additional Documents (1)

Export Licenses

- CAP Licenses are usually needed for the export of foodstuffs, whether as raw materials or processed products.
 - Issued by the Department of Agriculture, Food and the Marine and controlled by Revenue.

Note that CAP goods declared for one country of destination may need a license, whereas the same consignment going to another country may not.

Some additional shipping and customs documentation:

Commercial invoice
EUR1 Form
Certificate of Conformity
Certificate of Origin

Bill of Lading
Airway bill
Packing List
Certificate of Insurance

9. Additional Documents for CAP goods (T5)

➔ Exporters are required to have the SAD stamped by Customs.

For indirect Exports:

Goods liable to an export duty and consigned via another member state must travel under a control copy **T5**.

European Community transit document T5 (C1125)



EUROPEAN COMMUNITY		OFFICE OF DEPARTURE	
1	2 Consignor/Exporter No.	T 5	
	<input type="checkbox"/>		
8 Consignee	3 Forms	4 Loading list	7 Reference number
	5 Items	6 Total packages	
14 Declarant/Representative No.	15 Country of dispatch/export		17 Country of destination
18 Identity and nationality of means of transport at departure	19 Cr	NOTES CONCERNING Box 104: Enter <input checked="" type="checkbox"/> where applicable. Box 105: Enter type, serial number, date of issue and name of issuing authority. Box 109: Enter type, number, date of registration and name of Customs office.	
1	IMPORTANT NOTE This original must accompany the goods and be lodged: - in the case of goods to be exported, with the Customs office of exit from the customs territory of the Community. - in other cases, with the competent office in the Member State of destination.		B Tibagesendes til: Palautusosilte: PO Box 1 Zurücksenden an: Renvoyer à: Harwich Entspricko niç: Da rispedire a: CO12 3BE Rinvviare a: Teruggenden aan: Devolver a: Ater til: ENGLAND
	31 Packages and description of goods	Marks and numbers - Container No(s) - Number and kind	32 Item No
			35 Gross mass (kg)
			38 Net mass (kg)
			40 Previous document
			41 Supplementary units

10. Simplified Declarations

Exporters who ship regularly to third countries may make a **simplified export declaration** at the time of export.

- The declaration may be in the form of an incomplete SAD or another administrative or commercial document.
- **A supplementary declaration is made at the end of the month.** Covering all simplified declaration made during the month in question.

Exporters who wish to use the procedure must apply in writing to their local Customs office.

➔ **AEOs will be in a stronger position to benefit from simplified procedures.**

11. Taxes

No export taxes on goods exported from the EU

Zero rate of VAT applies to exported goods - as long as exported outside the EU







Contact Details

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THANK YOU