

New Customs Code entered into force as from 1 May

The European customs landscape will look differently the next years. This because the new Customs Code for the European Union entered into force on 1 May 2016. Since not only regular importers and exporters should be abreast of these changes, but also those who come in contact with import and export occasionally, we provide you here with an overview.

To start: what is import and export?

Before we start, it is crucial to determine what is to be understood by import and export. Misunderstandings may occur. If goods remain within the European Union, but are transported from one member state to another, there is no import or export: e.g. a car is transported from Belgium to Italy. The applicable rules for this transaction are to be found in the VAT legislation.

There is only import/export if a country outside the Union is involved. So only in case goods enter a member state (import) from outside the European Union or when goods are transported from the European Union to a third country, a non EU country (export), e.g. a container is shipped from Belgium to Thailand (export), goods are transported from Brazil to Germany (import).

A new Code: is everything new?

The new Code is also known as the UCC (Union Customs Code).

Fortunately, the new Customs Code does not mean that the complete customs system of the Union is turned upside-down. Most principles remain untouched.

The new rules are mainly driven by a new starting point: Customs wants to evolve towards a collaboration between the customs authorities and the economic actors (instead of considering each other as opponents).

New terms

What however strikes immediately, is that the Code introduces a number of new terms:

- Community and non-Community goods are now referred to as 'Union goods' and 'non-Union goods';
- economic customs arrangements such as inward and outbound processing relief are now referred to as 'special schemes';
- the AEO-Certificate now becomes 'AEO-License';
- the European Community is as from now referred to as the European Union.

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Some high level changes

It is certainly not the purpose to go into detail on all changes. Therefore this high level overview:

- authorised market actors will receive an AEO-license. Such license shows the other market actors that the license holder is a trustworthy trading partner. Only such license holders can benefit from a number of simplified administrative obligations, e.g. simplified customs declaration, reduced guarantees, less border inspections. In order to obtain such license one has to proof practical professionalism and professional qualifications;
- as from now, also the applicant is bound by a binding tariff information;
- who wants to act as exporter should be established in the European Union and should have the competence to decide that the goods are transported to a place outside the customs territory;
- the transaction value of the goods will be determined on the last sales value and no longer on the first sale-principle;
- for all customs arrangements and for temporary storage a 100% guarantee will be asked;
- the types of customs warehouses are renamed, leaving three public custom warehouses (type I to III) and one private warehouse;
- under the new special scheme for inward processing it is no longer necessary that the 'processed' goods are re-exported.

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