

Instruction Manual on End-Use Procedure

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Introduction

1 What is End-use?

The End-Use Procedure is provided for in the Union Customs Code (UCC), Articles 210-225 and 254, the Delegated Act (DA) Articles 161-183 and 239, and the Implementing Act (IA) Articles 258-271.

End-use is a Customs procedure whereby goods entered for free circulation into the European Union (EU) may be given favourable tariff treatment at a reduced or zero rate of duty on condition they are put to a prescribed use. This procedure is designed to facilitate trade and ease of movement goods within the EU.

1.1 How End-use works

In order to obtain End-use relief, the importer must be the holder of an End-use Authorisation. The goods must be put to a prescribed use within a certain period of time. The importer must also keep records on the goods and their treatment. If the goods are not put to the prescribed End-Use, duty will be due.

The relief applies to customs duty only and does not extend to any anti-dumping duty, value-added tax or excise duty that may be payable.

1.2 What goods qualify for End-use relief?

- (i) Goods eligible for End-use are identified by their tariff classification:

Provision is made under Regulations dealing with suspension of duties in the Tariff to have the suspension of duty made dependent on the End-Use of the goods. For example, Council Regulation (EU) No 1344/2011 of 19 December 2011 (suspending the autonomous Common Customs Tariff) makes the granting of some suspensive rates subject to End-Use control while Council Regulation (EU) No 3050/95 of 22 December 1995 (temporarily suspending the autonomous Common Customs Tariff duties on a number of products intended for the construction, maintenance and repair of aircraft) also makes the granting of the suspensive rate subject to End-Use control.

- (ii) Products intended for aircraft, ships, and boats for drilling platforms as set out in Part I, Section II of the Combined Nomenclature. A listing of tariff headings/codes for these products is given each year in the Combined Nomenclature.

- (iii) Weapons and military equipment certified by a competent authority:

Council Regulation No. 150/2003 suspends import duties on a number of military weapons and equipment on condition that the goods are being used by, or on behalf of, the military forces of a Member State for the defence of the Member

State or for international peacekeeping or support operations. Duty is suspended for importation of goods under this regulation subject to the application of End-use controls and the issue of the appropriate certificate by the competent authority, which in Ireland is the Department of Defence. Businesses importing such goods on behalf of the Department of Defence must be authorised for End-use and must hold the appropriate certificate issued by that Department (or by the equivalent competent authority in another Member State) covering the goods they wish to import.

Appendix I contains a list of 4-digit Tariff headings covering weapons and military equipment on which import duties are suspended.

1.3 Persons Eligible for End-use relief

To benefit from End-use relief, the applicant must be established in the EU. Persons who may qualify include importers

- (i) who themselves put the goods to the prescribed End-use; or
- (ii) arrange to transfer the obligation as referred to in point (i) under TORO (Transfer of Rights and Obligations) to another person under the conditions laid down by the customs authorities (see point on Toro 7.1)

1.4 Exclusions from relief

Goods Not in Free Circulation; the provisions of this Manual do not apply to goods on entry to another Customs Procedure (such as Inward Processing, Warehousing or Free Zone). However, on discharge from another customs procedure End-use relief may be claimed.

Wholesaling or retailing of goods; goods cannot avail of the End-Use duty rate if the importer does not know when or who will be put the goods to End-Use.

2. Application for Authorisation

(UCC Article 211)

2.1 Application Procedure.

(UCC Article 22)

Application for End-Use is made by way of the electronic Customs Decision Management System. The trader must use the Trader Portal to submit the application and must also have a valid ROS certificate. You will find information about the Customs Decision System and the Trader Portal on the Revenue www.revenue.ie. The application will only be accepted upon receipt of all relevant information.

Once all the relevant information has been supplied and the application formally accepted, the time frame for taking a decision begins. Under the UCC a decision, whether favourable or negative, must be made within 30 days from date of acceptance of the application. The option to extend the time limit to make the decision is available if it is found that further time is needed up to a maximum of 30 days.

On receipt of an application Authorisations & Reliefs Unit will carry out the following tasks:

- Check that all of the necessary information to process the application has been supplied by the trader;
- Where additional information is found to be required the trader will be contacted to provide same.
- The application is formally accepted upon receipt of all relevant information.

2.2 Division/LCD Report on New Applications.

The Control Officer should establish the bona fides of the applicant examine the accounting procedures and, if relevant to the particular end-use procedure, examine the applicant's premises. The Control Officer should advise the applicant of their obligations under the End-use system and should establish that the applicant has a copy of the Trader Guidelines on End-use or has access to them on the Revenue website. Where the applicant is a company, a senior executive in charge should be consulted to ensure that management are aware of their obligations.

A report should then be completed including a recommendation as to whether or not the authorisation should be granted. Additional notes may be attached to the report if required. In complex cases the finalisation of the report may involve an additional visit to the trader. Completed reports should be sent to Authorisations & Reliefs Unit as soon as possible and, in this regard, it should be borne in mind that an authorisation must generally issue within **30 days** of acceptance of the application.

2.3 Guarantee

(Union Code Articles 211 (3)(c), and 89)

An Authorisation for End-Use cannot issue until an appropriate guarantee is in place. The purpose of the guarantee is to secure duties suspended on goods imported under End-Use.

End-Use allows for a preferential rate of duty to be applied to the imported goods on condition that the goods will be put to the specific End-Use. For the calculation of the guarantee the non-preferential duty rate must be used, as this is the duty liability if the goods are not put to the End-Use.

Example: CN code 8531109510 (fire alarms used in civil aircraft) can be imported with a 0% duty rate if the trader has an End-Use Authorisation, however if the trader does not have an End-Use Authorisation he cannot use this CN code therefore he must use CN code 8531109590 (Other) which has a duty rate of 2.2%. This 2.2% must be used in the calculation for the guarantee reference amount.

There are two new guarantee options – Individual or Comprehensive. An Individual Guarantee covers an individual import declaration or operation whilst a Comprehensive Guarantee covers all import declaration entered to the procedure. Therefore, while in theory, there are two options, in reality for a special procedure the most feasible option is the Comprehensive Guarantee.

The operator must apply, and be authorised, for Comprehensive Guarantee. The guarantee may take the form of either a cash deposit or a guarantee of undertaking from a surety provider. Material on Comprehensive Guarantees is available on the [Revenue website](#).

The application for a Comprehensive Guarantee should be submitted at the same time as the application for End-Use so that the Revenue assessment can be carried out simultaneously.

List of Key Data Elements required for the calculation:

- Total value of goods to be placed under the End-Use procedure during the lifespan of the authorisation
- Non- preferential duty rate
- Period for discharge
- Maximum value of goods which may be under End-Use at a given point in time

The control officer will establish from the company records the maximum value of goods under End-Use at a given point in time over the previous 12-month period. The given point in time to be used for the calculation of the reference amount for special procedures will be the last day of the calendar month, therefore only these 12 days in the previous 12-month period need to be examined to determine the amount of stock on hands. The highest stock record of these 12 days will be used to determine the guarantee reference amount. The graph below takes the last day of every month and determines that the highest value of stock on hand under the End-Use Procedure is €50,000 on the 31st May.

- Total value of good which may be placed under End-Use **during** 3 years (see data field 7 of the application) €600,000
- Non- preferential duty rate 2.2%
- Period for discharge 6 months
- Maximum value of goods which may be under End-Use at a given point in time according to business activities* (see graph below) €50,000
- Calculation of the reference amount regarding import duty $€50,000 \times 2.2\% = €1,100$
- Guarantee reference amount is determined as €1,100

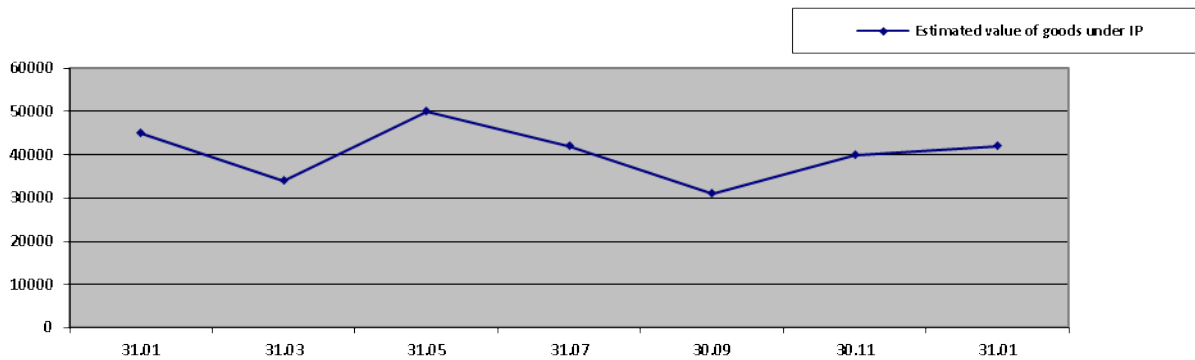


Figure 1: Estimated value of goods under End-Use

2.4 Rate of Yield

(UCC Article 254(5) and 255)

The rate of yield is the quantity of manufactured/processed products made from a given quantity of imported goods. If the application covers more than one process or more than one category of goods, the rate of yield for each processing operation and the method by which the End-Use goods will be identified in the processed goods should be given. It is important that the rate of yield is accurate. If it is too low, the goods could be improperly diverted to an ineligible use.

In cases where the rate of yield is not known at the time of application or where the rate may vary, the application should be noted to the effect that production records will be used as the basis for establishing the rate. If the rate of yield entered on the application form and authorisation subsequently changes, the applicant should immediately notify Revenue.

3. Type of Authorisations

3.1 Authorisation covering one Member State.

This Authorisation allows the holder to avail of End-Use in Ireland only.

3.2 Authorisation covering more than one Member State.

(Article 260 IA)

An Authorisation may be issued which will enable the trader benefit from the End-Use provisions in more than one Member State. An application for such an authorisation is generally submitted in the Member State where the applicant's main accounts are held. A company whose main accounts are held in Ireland will apply to Revenue to have another Member State or States included in their Irish authorisation. In the same way a company whose accounts are held in another Member State will apply to the Customs Authorities in the other Member State to have Ireland included in their authorisation.

3.2.1 Main accounts held in Ireland

- All applications for authorisations relevant to Ireland should be made to Authorisations & Reliefs Unit.
- Authorisations & Reliefs Unit will consult the Customs Administration in the relevant Member State(s)
- The application will be referred to the relevant Division/LCD for recommendation as will all information received from the Member State(s) involved.
- The Control Officer should complete a report on the application as at para 2.2. Care should be taken to ensure that transfer arrangements between the different traders mentioned in the application are acceptable to both Member States.
- On receipt of a positive recommendation from the Control Officer, Authorisations & Reliefs Unit will prepare a draft authorisation which is immediately communicated to the authorities in the Member State(s) in which processing will be carried out.
- Authorisations & Reliefs Unit will issue the authorisation on receipt of agreement by the other Member State(s) or after 30 days if no objections are received.
- Responsibility for control of the authorisation rests with the Irish Customs.
- Bills of discharge and duty payments for all of the Member States involved must be returned to the Control Officer in the Division/LCD in which the trader is located.
- Authorisations & Reliefs Unit will keep in contact with the Administration(s) in the other Member State(s) regarding amendments or other relevant issues throughout the lifetime of the Authorisation.

3.2.2 Main accounts held in another Member State

- In the case of applications for Authorisations in other Member States concerning operators in Ireland, the draft authorisation is forwarded by the Member State to Authorisations & Reliefs Unit.
- This draft is forwarded to the Division/LCD where the Irish trader is based. This draft should be examined in a timely fashion as the authorisation may be issued by the other Member State if no objection is received within 30 days.
- The designated Control Officer should contact the trader and arrange a meeting to examine the premises where the procedure will be carried out, the accounting procedures used and to explain to the trader their obligations with regard to this authorisation.

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- Authorisations & Reliefs Unit will liaise with the issuing Member State regarding any controls that the Control Officer deems necessary.
 - On receipt of a positive recommendation from the Control Officer, Authorisations & Reliefs Unit will inform the Member State that Ireland has no objection to the issuing of the authorisation.
 - Authorisations & Reliefs Unit will be kept informed by the Administration(s) in the Member State which issued the authorisation regarding any amendments or other issues throughout the lifetime of the authorisation.
 - Any issues that arise will be notified to the Control Officer in Ireland without delay.

3.3 Retrospective Authorisation

(UCC Article 211(2) Art 172 DA)

A retrospective authorisation may only be issued in exceptional circumstances. Details of these circumstances must be submitted by the trader and examined before any retrospection can be considered. The period of retrospection, may not extend beyond one year before the date that the application for retrospection was accepted.

Retrospective authorisations are only possible where all of the following conditions are met;

- (a) There is a proven economic need;
- (b) The application is not related to attempted deception;
- (c) The applicant has proven, on the basis of accounts or records, that:
 - (i) All the requirements of the procedure are met;
 - (ii) Where appropriate, the goods can be identified for the period involved;
 - (iii) Such account or records allow the procedure to be controlled;
- (d) All the formalities necessary to regularise the situation of the goods can be carried out, including, where necessary, the invalidation of the customs declarations concerned;
- (e) No authorisation with retroactive effect has been granted to the applicant within three years of the date on which the application was accepted;

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- (f) An examination of the economic conditions is not required (except where an application concerns renewal of an authorisation for the same kind of operation and goods – see point (h))
 - (g) The application does not concern the operation of storage facilities for the customs warehousing of goods,
 - (h) Where an application concerns renewal of an authorisation for the same kind of operation and goods, the application is submitted within three years of expiry of the original authorisation.

With regard to point (e) retrospection will only be allowed once for the same procedure, e.g. if a trader applies for an IP and an End-Use procedure the 3-year period will apply to each of the applications.

All requests for retrospective authorisation should be made to Authorisations & Reliefs Unit and will be referred to the relevant Division/LCD for recommendation.

If retrospection is allowed, it will be necessary for the trader to amend the relevant import declarations for the retrospection period as the goods in question will have been imported originally with full duty paid. The Control Officer should examine these amendments carefully as they will create a refund situation.

Note: In practice the reduction in the customs duty payable will likely also give rise to a refund of import Value-Added Tax.

- In the case of non-VAT registered traders any such refund of import VAT is to be allowed.
- In the case of VAT registered traders, the VAT re-credited by the amended Import declaration should be re-debited by way of a short CI. This is necessary as VAT registered traders claim any VAT refund due to them on their VAT 3.

3.4 Application for authorisation based on a customs declaration (simplified authorisation)

(Article 163 DA)

In certain cases, importers may avail of a Simplified Authorisation arrangement, approved by Revenue at the point of importation, where goods are being imported for a particular End-Use on a one-off basis e.g. to facilitate a trader who is not a regular importer.

Applications for such Simplified Authorisation arrangements are made at point of import. The H1 8f declaration constitutes an application for Simplified End-Use.

The following procedure codes should be entered on the declaration:

- DE 1/10 – enter code 4400,
- DE 2/2 – enter code 00100,
- DE 3/39 – enter details of the importer.

Duty is required on deposit and a refund can be claimed on AIS once the goods have been put to the End-Use.

The following general conditions also apply to the issue of a Simplified Authorisation:

- (i) Clearance for free circulation and assigning of the goods to the prescribed End-Use must be carried out solely within Ireland.
- (ii) The applicant must use the standard H1 (as opposed to Simplified Declaration Procedure).
- (iii) The applicant must be solely responsible for assigning the goods to the prescribed End-Use.
- (iv) An application by declaration is restricted to three times in a 12-month period.

4. Issue of an Authorisation

(UCC Article 211)

4.1 Issue of a New Authorisation

When Authorisations & Reliefs Unit has received all necessary reports and documentation, an authorisation is drawn up. Authorisations can be valid for a period of up to five years from the date of acceptance of the application. Before the authorisation can issue the guarantee must be in place.

Authorisation & Relief Unit will issue to the Trader through the CDS Trader Portal where it will be available for the trader to download. A copy of the authorisation is sent to the control officer by Authorisation & Relief Unit.

4.2 Renewal of an Authorisation

(Article 164 DA)

When an authorisation is near its expiry date the economic operator should submit a renewal application through the Trader Portal two months in advance.

The application for renewal will be examined and forwarded to the Division/LCD who will be requested to examine the application and provide a recommendation as to whether or not the renewal should be granted. In those circumstances the Division/LCD should review the guarantee

reference amount for the renewal period and, where relevant ensure that the applicant is authorised for a comprehensive guarantee.

4.3 Amendment to an Authorisation

(Article 164 DA)

All requests for amendments to current authorisations must be submitted by the trader through the Trader Portal. The Section will forward the request to the Control Officer for a recommendation and a request to review the guarantee reference amount. The authorisation will then be amended through the CDS system and available to trader on the Trader Portal.

5. Entry of goods to the procedure

5.1 Import Declaration

When traders are entering goods to the End-use procedure, they should complete the H1 declaration as follows:

- DE 1/10 Procedure Code 4400
- DE 2/3 End-Use Authorisation number
- DE 3/39 Holder of the Authorisation

An invoice showing the total value and quantity of goods in the consignment must be retained by the holder and be readily available to the Control Officer if requested. Authorisation holders must retain copies of the import declarations and supporting documentation for a minimum period of three calendar years after the year in which the goods are no longer subject to End-Use control by Revenue.

6. Obligations of the Authorisation holders

6.1 Time Limits

An authorisation holder must put the goods to the prescribed End-Use within the time limit stated in the authorisation. However, the specified time limits may be extended by Revenue if the goods have not been assigned to the prescribed End-Use within the time limit in question due either to unforeseen circumstances or to exigencies inherent in the working or processing of the goods. Any application for extension of a time limit or any case where the time limit is exceeded should be referred to Authorisations & Reliefs Unit for consideration.

6.2 Records

(UCC Article 214)

The holder of the authorisation is required to keep adequate records to enable Revenue to carry out any checks considered necessary to ensure that the goods are put to the prescribed End-Use. The records should show the Customs import declaration number and date. There must be an adequate audit trail with locations, dates, values, quantities etc from receipt of goods, through process and final disposal and including any by-products resulting from processing. The Control Officer should ensure that the records kept by the holder meet these requirements. These records must be available for inspection by Revenue. The records in question must be preserved for a minimum period of three calendar years after the year in which the goods are no longer subject to End-Use control by Revenue.

7. Discharge of goods from the procedure (UCC Art 215, Art 264 IA)

7.1 Period for Discharge

The period for discharge is from the time the goods are entered to the procedure until they have been put to the prescribed End-Use. The Division/LCD will determine the period for discharge based on the stock turn over period plus any time the goods are held under the procedure. This time frame should be no more than 6 months, but may, in certain circumstances, be longer. Discharge of the procedure by means of the goods either being put to the End-Use, exported or destroyed releases the suspended duty liability.

The period for discharge cannot include time when the goods are in storage. Where goods are being held in storage rather than being processed/put to End-Use then authorisation for storage must be considered.

7.2 Bill of Discharge

Under the UCC, a Bill of Discharge for the End-Use procedure must be drawn up by the holder and must be lodged with the National Division within the timeframe agreed within the authorisation. The timeframe will be specified under "Bill of Discharge Description" on the authorisation. The Bill of Discharge must be lodged within 30 days after this due date. The National Division, in consultation with Authorisations & Reliefs Unit in Customs Division, may extend the timeframe in special circumstances.

On receipt of the Bill of Discharge, the National Division should examine the details without delay and any liability established should be entered into the accounts within 14 days from receipt of the Bill of Discharge.

New traders or traders who have had compliance issues will be required to submit monthly Bills of Discharge in order to closely monitor the authorisation.

The Bill of Discharge shall contain at least the following details:

- Authorisation reference number,
- Period for discharge,
- Quantity of each type of import goods in respect of which discharge, repayment or remission is claimed,
- CN code of the import goods,
- Customs value and the rate of import duties to which the goods which were placed under the special procedure are liable. This is the actual value declared on the Declaration, not a standard or any other form of value used by the company,
- Particulars of the customs declarations entering the import goods to End-Use,
- The established rate of yield,
- Type and quantity of the processed product,
- CN code and the value of the processed product,
- The customs approved treatment or use assigned to the processed products as well as particulars of the relevant declarations or other documents used to discharge the goods or products from End-Use,
- Amount of customs duty to be paid on any import goods released for free circulation,
- Quantities and values from the authorisation used and balance carried forward to next period for discharge.

The National Division should ensure that Bills of Discharge are submitted within the agreed timeframe. Failure to return Bills of Discharge in a timely manner is considered as non-compliance with the conditions of the authorisation and should be taken up immediately by National Division with the holder.

Example of a Monthly Bill of Discharge:

Period for Discharge – 6 months, validity start in January.

Bill of Discharge Monthly – Containing any goods discharged from the End-Use procedure plus any goods, for which, the period for discharge has expired.

Date	Goods Received	BOD 006 End June	BOD 007 End July	BOD 008 End Aug	BOD 009 End Sept	BOD 010 End Oct	BOD 011 End Nov	BOD 012 End Dec
Jan	500	BOD due						
Feb	500	BOD due						
March	500	BOD due						
April	500	BOD due						
May	500	BOD due						
June	500	BOD due						
July	500		BOD 007					
Aug	500			BOD 008				
Sept	500				BOD 009			
Oct	500					BOD 010		
Nov	500						BOD 011	
Dec	500							BOD 012
Jan	500							
Feb	500							



Period for discharge – 6 Months. Any goods imported may remain under the End-Use procedure for a maximum of 6 months.



The period for discharge for these imported goods has expired, and these goods must be discharged from the End-Use procedure under the BOD, thus the debt must be raised, and duties paid.

BOD due monthly. Any goods discharged from the End-Use procedure must be entered on the BOD and the BOD submitted within 30 days.

Example: A trader, holding an End-Use authorisation, imports goods on the 15th of January with a Period for discharge of 6 months.

- If the goods are discharged from End-Use procedure during this 6-month period, they are recorded on the next Bill of Discharge.
- If the imported goods remain unused in the procedure on the 16th of July (after 6 months), then the period for discharge has expired and duty payment is now due.
- The goods must be discharged from the procedure on the next BOD which is due at the end of July.

The holder has 30 days to submit this BOD – so the BOD must be submitted by the 30th of August.

Example 2: Quarterly Bills of Discharge

Period for Discharge 6 months, validity starts in January.

Bill of Discharge Quarterly – Containing any goods discharged from the End-Use procedure plus any goods, for which, the period for discharge has expired.

Date	Goods Received	BOD 002 End June	BOD 003 End Sept	BOD 004 End Dec	BOD 005 End March
Jan	500				
Feb	500				
Mar	500	BOD 001			
Apr	500				
May	500				
June	500	BOD 002			
July	500				
Aug	500				
Sept	500		BOD 003		
Oct	500				
Nov	500				
Dec	500			BOD 004	
Jan	500				
Feb	500				BOD 005
Mar	500				
April	500				



Period for discharge – 6 Months. Any goods imported may remain under the procedure for a maximum of 6 months.



The period for discharge of these imported goods has expired, and these goods must be discharged from the End-Use procedure under the BOD, thus the debt must be raised, and duties paid.

BOD due quarterly. Any goods discharged from the End-Use procedure must be entered on the BOD and the BOD submitted within 30 days.

BOD 001 – Contains any goods discharged from the End-Use procedure from Jan to March.

BOD 002 - Contains any goods discharged from the End-Use procedure from April to June.

BOD 002 - Any goods discharged from the End-Use procedure from July to Sept PLUS any imported goods not put to their End-Use from period Jan to March (Period for discharge has expired).

BOD 003 - Any goods discharged from the End-Use procedure from Oct to Dec PLUS any imported goods not put to their End-Use from period April to June (Period for discharge has expired).

7.3 Satisfying End-Use Conditions

Goods are considered to have been assigned to the End-Use in question when:

- (i) In the case of goods which can be used only once, they have been assigned to the prescribed End-Use within the time limits laid down in the Authorisation (see section 6.1); or
- (ii) In the case of goods which may be put to repeated use, two years after they are first assigned to the prescribed End-Use in accordance with the time-limits laid down; the date of such first assignment is to be entered in the bill of discharge referred to in section 6.4.
- (iii) Goods (referred to in note (i) above) intended for certain classes of aircraft for the purposes of their construction, maintenance, conversion or equipping are considered to have been assigned to that End-Use when the aircraft is transferred to a person other than the holder of the authorisation or is again made available to its owner, e.g. following maintenance, repair or conversion.
- (iv) Goods (referred to in Part 1, Section II A of the Combined Nomenclature) intended for certain classes of vessel or for drilling or production platforms for the purposes of their construction, repair, maintenance, conversion, fitting or equipping are considered to have been assigned to that End-Use when the vessel or drilling platform is transferred to a person other than the holder of the authorisation or again made available to its owner, e.g., following maintenance, repair or conversion.

The duty preference rate only applies to goods intended for incorporation in the various categories of eligible vessels or platforms, for their construction, repair, maintenance or conversion and to goods intended for fitting to or equipping them. It does not apply to plant or tools, or to machinery or equipment for use in a shipbuilding yard or other manufacturing premises. Consumable goods are also excluded.

- (v) Goods (referred to in Part 1, section II A of the Combined Nomenclature) supplied directly on board a vessel for the purposes of equipping it are considered to have been put to the End-Use at the time of such supply.

8. Movement of goods under End-Use.

(UCC Art 219, Art 267 IA, Art 178 (1) (e) & Art179 DA)

Movement of goods may take place between different places in the customs territory of the Union by transferring the rights and obligations of the holder of the authorisation to assign the goods to their End-Use to an operator who will then be responsible for assigning the goods to their End-Use. All operators receiving End-Use goods must be set down in the authorisation in advance of any movement. The records of the authorisation holder must show the following information:

- The name and address of the operator to whom the goods are to be transferred to and who will then assign the goods to their End-Use.
- Details of the Transfer of Rights and Obligations Authorisation and customs supervising office.
- An invoice or a commercial document indicating that the goods are transferring under the End-Use procedure.
- Invoice or commercial documentary evidence from that operator confirming receipt of the goods.

Once proof is provided that the goods have been received by the operator and put to the End-Use the liability is discharged.

Movement of goods to the customs office of exit shall be subject to the provisions that would have been applicable had the goods been placed under the export procedure. The goods shall remain under the End-Use procedure until they have been taken out of the customs territory of the Union.

8.1 Transfer of Rights and Obligations (TORO)

Toro is the means by which the holder of the authorisation for End-Use can transfer goods to another operator for them to put to their End-Use.

The holder of the authorisation for End-Use must apply for TORO for any operators to whom they wish to transfer the goods in advance of any transfer. This application should be made to Authorisations and Reliefs Unit, Customs Division, Nenagh, Co. Tipperary. The application can be submitted in paper format or electronically (email) and must contain all details of the transferees – EORI number, name and address. If the transferee is in another Member State, then these details will be sent by Revenue to the Custom Authorities of that Member State for approval before any transfer can be done.

The transferee does not need to have an authorisation for End-Use as the transferor is transferring his rights and obligations for putting the goods to their End-Use to them. They must however keep records of the time in which the goods were put to their End-Use and inform the transferor of the discharge of the goods.

The holder of the authorisation is responsible for the Bill of Discharge which must contain all information about the goods transferred. They are also responsible for making sure the period for discharge of the goods is adhered to by the transferee. The guarantee for the End-Use procedure remains the responsibility of the holder of the authorisation and cannot be transferred. Therefore, it is imperative that the holder of the authorisation ensures that any operators receiving goods from them can comply fully with the procedure for End-Use.

The TORO form must be used for all consignments and is in Appendix II. Copies must be kept by both the transferor and the transferee for their records.

9. Goods which cannot fulfil end-use conditions

(Articles 254)

If goods under End-Use control cannot be put to the prescribed End-Use because of their condition or because of some other valid reason the holder may;

- Export them from the EU
- Destroy them under customs supervision or,
- Abandon to the exchequer.

10. Destruction under Customs Supervision

The trader must make the Control officer aware in advance that goods are going to be destroyed. The goods may then be destroyed under customs supervision without the creation of a customs debt.

10.1 Waste or Scrap

Waste and scrap which result from the working or processing of goods according to the prescribed End-Use and losses due to natural wastage shall be considered as goods assigned to the prescribed End-Use. Waste and scrap resulting from the destruction of goods placed under the End-Use procedure shall be deemed to be placed under the customs warehousing procedure.

10.2 Customs Duty Debt

The Authorisation specifies the end-use to which the goods imported may be assigned. If the importer puts the goods to another use, other than export or destruction, a customs debt is created, and the original entry must be amended. The Control Officer is responsible for the collection of the customs duty. The amount of customs duty paid (if any) when the goods were originally entered is to be deducted from the Customs debt incurred. The uncollected duty must be collected and brought to account by post entry.

11. Monitoring/Checking of Authorisations

11.1 Control Measures

The Control Officer's initial report is the primary element in the decision to grant an authorisation. The checking of the trader's imports, entries/import declarations and the overall monitoring of the authorisation by the Control Officer is essential to the control of End-Use. It is a matter for each Control Officer to ensure consistency in relation to this checking, having regard to risk strategy rather than resources. There are several aspects to an authorisation, which must be monitored by the Control Officer. These include ensuring that:

- The terms and conditions are being adhered to;
- Quantities and values as identified in the authorisation are not exceeded or likely to be exceeded. This should involve monitoring of bills of discharge or equivalent documentation on a regular basis. If quantities or values are exceeded, this may result in customs debts arising;
- The period for discharge is being adhered to;
- Only the goods specified on the Authorisation are declared under End-Use;
- Goods can be tracked/traced through the process;
- The holder is subject to regular compliance checks having regard to the frequency of importations. The level of detail that these compliance checks involve can be decided by the Division/LCD but should involve at least the points above;
- All authorised traders are considered for audit in the normal way. The fact that these traders are visited for compliance checks on a regular basis should not exclude them from any audit program being undertaken by the Division/LCD. An audit during the lifetime of the Authorisation (usually three years) is desirable, although final decisions on which traders to audit will be driven by the level of risk involved.

In the case of parts destined for End-Use in the repair, maintenance, etc. of aircraft or sea vessels, the Control Officer should ensure records of their use, for example, engineers' and mechanics' reports of work done, are available for Revenue inspection.

The movement of such goods whether from platform to platform, base to platform or point of shipment to platform, and vice versa, are not subject to Revenue formalities other than the appropriate entry in the records pertaining to such goods. This applies to platforms whether inside or outside territorial waters. These records should be available for inspection by Revenue.

11.2 Common storage of goods

Any application to allow the common storage of End-Use goods entered under the provisions of the End-Use procedure with goods of the same type and quality and having the same technical and physical characteristics not so entered (non-End-Use goods) may be allowed by the Control Officer provided that he/she is satisfied that the necessity for such storage exists. In such cases putting an equivalent quantity of the common stock to the prescribed End-Use will satisfy requirements.

12. Equivalence

(UCC Article 223, Art 268 IA, 169 of DA)

12.1 What is equivalence?

Equivalence is a new facility in the End-Use procedure that allows holders to use identical Union goods in place of non-Union goods for End-Use.

The equivalent goods must fall within the same subheading of the Common Customs Tariff, be of the same commercial quality and have the same technical characteristics as the non-Union goods. Equivalent goods may be at a more advanced stage of manufacture than the non-Union goods provided the essential part of the processing is carried out by or on behalf of the trader. Equivalence can be granted either for specific products or for all products covered by an authorisation.

12.2 Application for equivalence

Applications to use equivalence are normally made at the time of the application for End-Use on the standard application form. Applications for equivalence can also be dealt with by way of amendment to a current authorisation.

Any trader who is issued with an authorisation, which provides for the use of equivalence must sign a specific set of conditions. Authorisations & Reliefs Unit will issue a copy of these conditions to the Division/LCD with the authorisation.

12.3 Restrictions to the use of equivalence

The use of equivalent goods shall not be authorised;

- for goods or products that have been genetically modified or contain elements that have undergone genetic modification; or
- Where it would lead to an unjustified import duty advantage; or
- Where provided for in Union legislation.

Appendix I - Tariff headings for weapons and military equipment on which import duties are suspended

(COUNCIL REGULATION (EC) NO. 150/2003)

2804	8527
2825	8528
3601	8531
3602	8535
3603	8536
3604	8539
3606	8543
3701	8544
3702	8701
3703	8703
3705	8704
3707	8705
3824	8709
3926	8710
4202	8711
4911	8716
5608	8801
6116	8802
6210	8804
6211	8805
6217	8901
6305	8903
6307	8906
6506	8907
7308	9004
7311	9005
7314	9006
7326	9008
7610	9013
8413	9014

<i>8414</i>	<i>9015</i>
<i>8415</i>	<i>9020</i>
<i>8418</i>	<i>9022</i>
<i>8419</i>	<i>9025</i>
<i>8421</i>	<i>9027</i>
<i>8424</i>	<i>9030</i>
<i>8427</i>	<i>9031</i>
<i>8472</i>	<i>9302</i>
<i>8479</i>	<i>9303</i>
<i>8502</i>	<i>9304</i>
<i>8516</i>	<i>9306</i>
<i>8518</i>	<i>9307</i>
<i>8521</i>	<i>9404</i>
<i>8525</i>	<i>9406</i>
<i>8526</i>	

Appendix II - Transfer of Rights and Obligations (TORO) Form

Transfer of rights and obligations (Toro)		
1.	Customs Authorities have Authorised TORO on	Transferor: Authorisation number: Date:
Persons and supervising customs office(s) concerned		
2.	EORI number or name and address of transferor	
3.	EORI number or name and address of transferee	
4.	Supervising Customs Office of the transferor	
5.	Supervising Customs Office of the transferee	
Details of goods which are subject to TORO		
6.	MRN of customs declaration placing the goods under the special procedure	
7.	TARIC code	
8.	Packages and description	
9.	Marks and numbers of goods	
10.	Gross Mass KG	
11.	Net Mass KG	
12.	Supplementary units, if applicable	

Transfer of rights and obligations (Toro)		
13.	Date by which the special procedure must be discharged	
14.	Period within which the transferee has to provide the transferor about the discharge of the special procedure	
15.	Date and time of TORO	
For completion by transferee		
16.	Date on which the special procedure was discharged	
17.	Date on which the transferor was informed about the discharge of the special procedure.	
18.	Confirmation of the transferee that the transferor was informed about the discharge of the special procedure.	Place & Date: Signature:
19.	Where applicable, additional information (e.g. guarantee, rate of yield)	
For completion by the transferor		
20.	Confirmation that the information provided by the transferee is correct	Place & date: Signature: