

Transitional arrangements for the withdrawal of the 'earlier sale' facility

1. Introduction

The purpose of this notice is to inform interested parties of the impending adoption by the EU Commission of the UCC Implementing Act regarding the transitional arrangements for the withdrawal of the 'earlier sale' facility (currently detailed in Article 147 of Commission Regulation 2454/93) and the projected timetable.

2. Background

Under current EU legislation where there is a series of sales before the importation of the goods, any sale in the supply chain prior to the last sale which led to the introduction of the goods into the customs territory can potentially be used as the basis of the customs value. It has to be demonstrated to customs that the sale in question is a "sale for export" i.e. at the time of that sale the intended destination of the goods is to the EU and not to a third country.

3. Transitional arrangements

A transitional period, applying until the end of 2017, will allow contracts to be signed before the entry into force of the Implementing Act. This would enable existing contracts to be completed under the current business terms.

The draft text reads as follows:

Article 347

Transitional provision on transaction value

1. The transaction value of the goods may be determined on the basis of a sale occurring before the sale referred to in Article 128(1) where the declarant is bound by a contract concluded prior to 18 January 2016.¹
2. This Article shall apply until 31 December 2017.

NB: This provision concludes on **31 December 2017**, regardless of the length of the contract in place at which time the earlier sales facility is formally withdrawn. The UCC and the supplementing Commission Regulations will apply from 1 May 2016. Until then, the Community Customs Code and its implementing provisions continue to apply.

4. Contacts

Any queries on this notice can be forwarded to: originsection@revenue.ie

¹ OJ L.343 Vol 58 of 29/12/15