

Instruction Manual on Inward Processing

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This manual provides instruction on the authorisation and control of the Inward Processing procedure.

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Definitions

In the context of this Notice:

- (i) “Main Processed Products”; means the processed products for which the authorisation for inward processing has been granted.
- (ii) “Secondary Processed Products” means processed products which are a necessary by-product of the processing operation other than the main processed products.
- (iii) “Goods in the unaltered state” means goods in the same condition as when they were placed under the IP procedure.
- (iv) “Import duties” means
 - Customs duties.
 - Charges having equivalent effect to Customs duties;
 - Import charges provided for under the common agricultural policy or under specific arrangements applicable to certain goods resulting from the processing of agricultural products.
- (v) “Import goods” means the non-Union goods which have been placed under an IP arrangement.
- (vi) “Processing operations” means any of the following:
 - (a) The working of goods, including erecting or assembling them or fitting them to other goods.
 - (b) The processing of goods.
 - (c) The destruction of goods.
 - (d) The repair of goods, including restoring them and putting them in order.
 - (e) The use of goods which are not to be found in the processed products, but which allow or facilitate the production of those products, even if they are entirely or partially used up in the process (production accessories).
- (vii) “Usual forms of handling” means such handling operations as are needed to ensure preservation of goods or to improve packaging or marketable quality. A list of such handling operations is contained in annex 71-03 of the Delegated Act.
- (viii) “Release for free circulation” means released on to the EU market for sale and consumption in the Union.
- (ix) “Customs approved treatment or use” means any use to which goods are put which is approved by Customs e.g. re-export, entry into warehouse, destruction, release for free circulation, entry to another Inward Processing Procedure etc.
- (x) “Union Code” refers to EU Council Regulation 952/2013 establishing the Union Customs Code.
- (xi) “IA or Implementing Act” refers to the to EU Commission Supplementing Regulation 2015/2447 laying down certain provisions for the implementation of the Union Customs Code.
- (xii) “DA or Delegated Act” refers to EU Commission Supplementing Regulation 2015/2446 laying down certain provisions for the implementation of the Union Customs Code.
- (xii) “CAP” common agricultural policy.
- (xii) “Period for discharge” means the time by which goods placed under a special procedure or the processed products, must be placed under a subsequent customs procedure (e.g. exported, released to free circulation, destroyed).

1. Introduction

The Inward Processing (IP) procedure is provided in the Union Customs Code (UCC), Articles 210-225 and 255-258, the Delegated Act (DA) Articles 161-183 and 240-241, and the Implementing Act (IA) Articles 258-271 and 324-325.

From the 1st May 2016 the IP procedure incorporated both the inward processing and the processing under customs control regimes that had previously operated independently under the Customs Code Council Regulation 2913/92. The new legislation amalgamated these two procedures and provides for a transitional period for the development of electronic systems, for exchange and storage of information, that will be necessary for the full application of the Code.

The main changes in the procedure introduced in the UCC are:

- The Processing under Customs Control (PCC) procedure has been amalgamated with the IP suspension procedure.
- Under the new IP procedure, the re-exportation of the goods is no longer a prerequisite.
- The IP drawback system is no longer available; and
- The requirement to provide a Comprehensive Guarantee to cover a potential or existing customs debt.

To facilitate a smooth transition for holders of PCC authorisations their authorisations were automatically converted to IP from 1st May 2016, and the validity dates of the authorisations were left unchanged. IP rules apply to these authorisations from 1st May 2016 meaning the procedure code 9100 which was used for PCC is no longer valid and the procedure code 5100 for IP will now be used.

IP is aimed at promoting and facilitating manufacturing and certain processing operations in the Union by enabling the importation of non-Union goods to be used in one or more qualifying operations with suspension of import duties or, certain commercial policy measures. An authorisation from the customs authorities is required for the use of the IP procedure (UCC Article 211) and it is one of many procedures provided for in EU legislation and referred to as Special Procedures.

As a rule, products imported under the IP arrangements are destined for processing operations such as:

- (a) Working of goods, including erecting or assembling them or fitting them to other goods:

- (b) Processing of goods.
- (c) Destruction of goods.
- (d) Repair of goods; including restoring them and putting them in order.
- (e) Use of goods which are not to be found in the processed products, but which allow or facilitate the production of those products even if they are entirely or partially used up in the process (production accessories).

The IP arrangements are discharged when compensating products or import goods are declared for another custom approved use or treatment at the office of discharge and relevant conditions are fulfilled. The methods for discharging the procedure are set out in paragraph 5.1.

2. Application for authorisation (UCC Article 211(1)).

2.1 Application Procedure

Application for IP is made by way of the electronic Customs Decision Management System. The trader must use the Trader Portal to submit his 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 website. 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 to both the applicant if it is found that further time is needed.

The application is forwarded to the relevant Division/LCD with a request for an examination of the eligibility of the trader to use IP. A control officer's report with a recommendation, whether positive or negative, must be returned to Authorisations & Reliefs Unit in keeping with the above timeframe. A standard template for the report is provided – see Appendix I.

2.2 Control Officer's assessment

On receiving a copy of the application from Authorisations & Reliefs Unit, the Division/LCD should contact the trader as soon as possible and arrange a meeting to examine such matters as the:

- Processing operation that will be carried out
- Premises where the processing will be carried out
- Accounting procedures used

- Obligations which must be fulfilled by the applicant for the use of IP
- Importance of observing the authorised limits for quantities and values
- Time limit discharging the procedure
- Method that will be used to discharge the procedure and
- The reference amounts for the guarantee

It should be established that the trader has a copy of the [Trader Guidelines](#) on Inward Processing or has access to them on the Revenue website.

Where the trader is a company, a senior executive in charge should be consulted to ensure that management are aware of their obligations.

The control officers report should then be completed including a recommendation as to whether or not the authorisation should be granted. Additional notes may be attached if required. In complex cases, the finalisation of the report may involve an additional visit to the trader. Completed reports are to be sent to Authorisations & Reliefs Unit as soon as possible and, before the 30-day time frame.

2.3 Guarantee

(UCC Articles 89, 211 (3)(c))

Authorisation for IP cannot issue until an appropriate guarantee is in place. The purpose of the guarantee is to secure duties suspended on goods imported under an IP authorisation. Under the UCC a new means of guarantee and a new method for calculating such guarantees was introduced.

There are two new guarantee options as follows:

- Individual Guarantee which covers an individual declaration or operation whilst a
- Comprehensive Guarantee covers all declarations entered to the procedure.

Therefore, While in theory, there are two guarantee 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 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 IP so that the Revenue assessment can be carried out simultaneously.

There are two methods of calculation of the reference amount depending on whether the authorisation covers Ireland only or, if it covers more than one Member State.

In the calculation of the guarantee reference amount for an authorisation covering Ireland only, the amount may be calculated on the import duty liability only. However, if there is more than one Member State involved, all import charges must be included (e.g. VAT). An example of both methods is set down below:

List of Key Data Elements required for the calculation:

- Total value of goods to be placed under the IP procedure during the lifespan of the authorisation
- Average duty rate or possibly actual duty rate
- Period of discharge
- Maximum value of goods which may be under IP at a given point in time

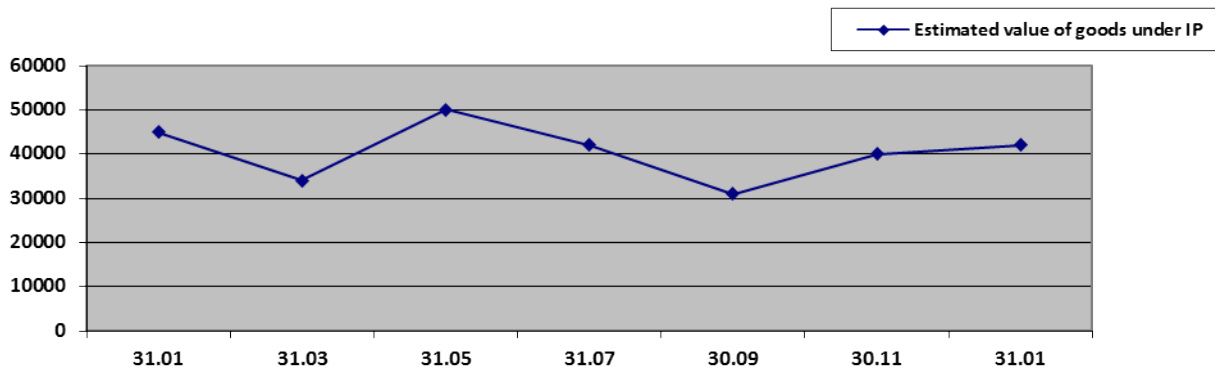
The control officer will establish from the company records the maximum value of goods under IP at a given point in time over the previous 12-month period. The given point in time for the calculation of the reference amount for special procedures will be the last day of the calendar month, therefore 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 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 IP procedure is €50,000 on the 31st May.

(a) Authorisation covering Ireland only:

- | | |
|--|------------------------|
| <ul style="list-style-type: none"> • Total value of Goods which may be placed under Inward Processing during the 3 years
(see data field 7 of the application) | €600,000 |
| <ul style="list-style-type: none"> • Duty Rate | 10% |
| <ul style="list-style-type: none"> • Period of Discharge | 6 months |
| <ul style="list-style-type: none"> • Maximum value of goods which may be under inward processing at a given point in time according to business activities* (see graph below) | €50,000 |
| <ul style="list-style-type: none"> • Calculation of the reference amount regarding import duty | €50,000 x 10% = €5,000 |

- Guarantee reference amount is determined as

€5000



Authorisation covering more than one Member State:

- Total value of Goods which may be placed under Inward Processing during the 3 years (see data field 7 of the application)

€600,000

- Duty Rate

10%

- VAT rate *

(Highest VAT rate of the Member States involved).
23%

- Period of Discharge

6 months

- Maximum value of goods which may be under inward processing at a given point in time according to business activities (see graph below)

€50,000

- Calculation of the reference amount regarding import duty

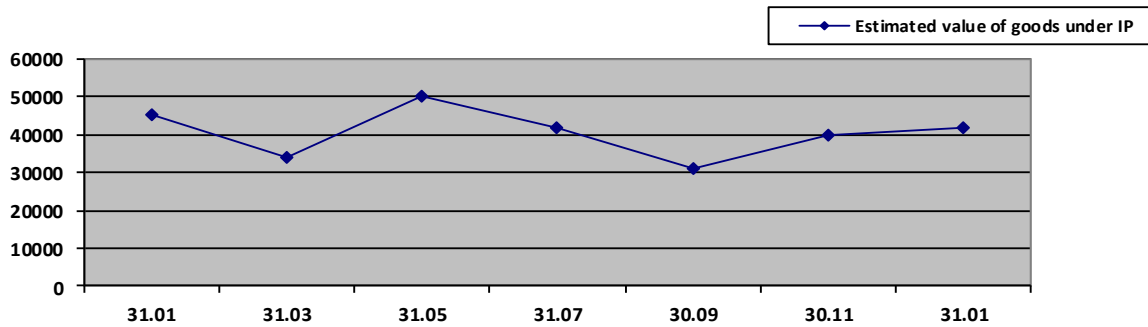
$$€50,000 \times 10\% = €5,000$$

- The other charges are calculated as follows

$$€55,000 \times 23\%(\text{VAT}) = €12,650$$

- Guarantee reference amount is determined as

€17,650



2.4 Authorisation covering more than one Member State

(Article 260,261 of IA)

An authorisation may be issued which will allow goods to be entered to IP in more than one Member State. An application for this type of authorisation is submitted in the Member State where the trader's main accounts are held. All applications for these authorisations in Ireland should be made as normal through the Trader Portal. The Division/LCD should complete a report on the application as at 2.2. Care should be taken to ensure that transfer arrangements between the different traders mentioned in the application are satisfactory to the Division/LCD. The Division/LCD should ensure that any controls required at a local level in any other Member State are clearly established at this stage. On receipt of a positive recommendation from the Division/LCD, Authorisations & Reliefs Unit prepares a draft authorisation which is immediately copied to the authorities in the Member States in which processing will be carried out. This draft will include the controls required by the Division/LCD. Authorisations & Reliefs Unit issues the authorisation on receipt of agreement by the other Member States or after 30 days if no objections are received. Responsibility for control of the authorisation rests with the Irish Administration. Bills of discharge and duty payments for processing in all of the Member States involved must be returned to the Division/LCD in which the trader is located unless otherwise agreed with Authorisations & Reliefs Unit.

In the case of applications where the main accounts are held in another Member State, 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 Division/LCD should contact the trader and arrange a meeting to examine such matters as 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 IP authorisation. The Division/LCD may, if they consider it necessary, require that security be put in place with separate conditions agreed in respect of the Irish trader. However, responsibility for control of the authorisation rests with the issuing Member State. The Division/LCD should liaise with the issuing Member State through Authorisations & Reliefs Unit regarding any necessary controls. On receipt of a positive recommendation from the Division/LCD, Authorisations & Reliefs Unit will inform the Member State that Ireland has no objection to the issuing of the authorisation.

It is vitally important that direct contact between Revenue and any other administration involved in controlling this type of authorisation be initiated at the beginning and maintained throughout the lifetime of the authorisation. Proper control cannot be achieved without this

cornerstone being in place. This applies equally to Irish controlled authorisations and those controlled from other member states.

2.5 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, either for a new authorisation or amendment to an existing authorisation, may not extend beyond one year before the date that the application for authorisation or amendment was lodged. Certain sensitive goods can only receive retrospection for three months, these goods are set down in Appendix II to this manual.

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
- (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; and
- (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 OP procedure the 3-year period will apply to each of the applications.

All requests for retrospective authorisation should be made submitted with the application, or with the request for amendment of the authorisation. Authorisations & Reliefs Unit will refer to the relevant Division/LCD for examination.

2.6 Application for an authorisation based on a customs declaration (simplified authorisation)

(Article 163 DA)

Traders who only make occasional imports to inward processing (IP) may opt for a simplified application procedure rather than applying for and securing authorisation in advance of importation. Under this arrangement, lodgement of the declaration entering the goods constitutes an application. To supplement the declaration, Form IPsim, must be completed and lodged with the import declaration.

The simplified application procedure cannot be used where:

- Equivalence is used
- Sensitive goods included in Annex 71-02 are concerned – see appendix I
- Processing will take place in more than one Member State (authorisation covering more than one Member State)

In order to enter goods to this procedure the full amount of duty must be paid on deposit. The deposit will be refunded when the goods have been properly discharged from the procedure. The period of discharge for this procedure is set at 6 months.

To claim the refund a copy of the import declaration accompanied by the IPsim form must be submitted to the relevant Revenue office.

3. Issue of the Authorisation

3.1 Issue of a new Authorisation

When a favourable decision has been made, Authorisations & Reliefs Unit will check that:

- All necessary reports and documentation are received
- The trader has signed and submitted the IP conditions (Appendix IV) and
- A comprehensive guarantee is in place

Once all of the above are received an authorisation is then drawn up through the electronic Customs Decision System. This is transmitted to the Trader Portal. The authorisation is then available for the trader to download

A copy is sent to LCD/Division for their records.

3.2 Renewal of an authorisation

Renewal of an authorisation is made in the same way as an application for a new IP. The renewal is submitted in the same way, through the Trader Portal.

Authorisations & Reliefs Unit will send each authorised trader a renewal letter two month in advance of the expiry of the authorisation. When an application for renewal is received Authorisations & Reliefs Unit, will check to ensure that all the required information is included. Once checked the application is sent to the Division/LCD.

The Division/LCD's role will be:

- To examine the renewal application
- Ensure all conditions are being met.
- Confirm the CN codes set down are correct
- The quantities and values are in line with the proposed business activities,
- Check that BOD's are in the correct format and the timeframe for lodging with Customs is being met.
- Review the reference amount needed for the duty liability.
- Provide a recommendation as to whether or not the renewal should be granted.
- For renewal of authorisations issued prior to 1st May 2016 a new Control Officers report is required and a new set of conditions must be signed by the trader.

3.3 Amendment to an authorisation

All requests for amendments to current authorisations must be submitted through the Trader Portal, however if the authorisation was not issued from the Customs Decision System, and is still 'paper based' then an application can be made to Authorisations & Reliefs Unit. The section will forward the request to the Division/LCD for a recommendation and a request to review the guarantee reference amount. An application for an amendment to the Authorisation for Comprehensive Guarantee will also need to be submitted and assessed. If the Division/LCD recommends the amendment, Authorisations & Reliefs Unit will issue the amended authorisation either through the Customs Decision System, or will amend the 'paper based' authorisation. A copy will issue to the Division/LCD.

4. Entry of goods to the procedure

4.1 How are goods entered to IP

- When entering goods to IP, the trader is required to do the following:
On the import declaration the appropriate procedure code should be inserted in Box 37 – first two digits will be 51. The authorisation number should also be inserted in Box 44. The invoice numbers or range of numbers should be inserted in Box 44.
- An invoice showing the total value and quantity of goods in the consignment must be available and retained by the trader.

- In the case of goods imported through the parcel post the words “Imported under inward processing” must form part of the sender’s declaration affixed to the parcel.
- Where the goods imported for IP are liable to ad-valorem duty and it is intended to place some or all of the goods on the EU market, the import declaration must be supported by the appropriate valuation declaration form.

Traders must retain copies of the import declarations and supporting documentation in their records for a period of three years from the end of the year in which the goods to which they relate are released from the procedure.

4.2 Automatic verification through AEP

The AEP system has an automatic verification process for authorised IP traders. This process verifies a trader’s ability to use the procedure code 5100 and the CN codes listed on Annex 1 of the authorisation by cross-referencing this data against the authorisation data stored in CRS. Any deviation from the data included on a trader’s authorisation will result in AEP rejecting the entry. It is vital therefore that Authorisations & Reliefs Unit is immediately made aware of any amendment needed to an authorisation.

The quantities and values on the authorisation are not checked by this verification process.

5. Discharge of goods from the procedure

(UCC Art 215, Art 264 IA)

5.1 Period of Discharge

The period of discharge is from the time the goods are entered to the procedure until either they or the processed product is discharged. The Division/LCD will determine the period of discharge based on the time frame needed to process the goods and discharge them.

The standard period of discharge is set at 6 months, but can be extended if the trader provides evidence that the processing operations needs a longer period of discharge. The period of discharge cannot be used for storage of goods. Where goods are being held in storage rather than being processed then an authorisation for warehousing must be considered.

Discharge of the procedure releases the suspended duty liability. The goods must be discharged from the procedure by one of the methods listed below.

5.2 How are goods discharged from IP

The discharge of goods from IP is regarded as complete when all conditions for use of the procedure have been complied with and the processed products or goods in the unaltered state are:

- Re-exported from the Union

- Transferred to another customs procedure or to another operator authorised to use one of those procedures e.g. Customs Warehousing, Temporary Importation
- Transferred to another Member State to be entered to another customs procedure in that Member State
- Transferred to a custom approved use such as export shops, armed forces, embassies, ships stores
- Used for the first time in the manufacture, repair, modification or conversion of aircraft or spacecraft or parts thereof or related equipment
- Released for free circulation in the Union with payment of duty, import
- Destroyed with no waste remaining
- Abandoned to the exchequer.

When goods are re-exported after IP the procedure code 3151 must be inserted in box 37 of the export declaration. The method of discharge should be identified in the IP conditions, as should the method of verification (commercial documentation, customs declaration, modified declaration or T1).

5.3 Bill of discharge

A bill of discharge must be lodged in the Division/LCD within the timeframe agreed with the trader. The Division/LCD in consultation with Authorisations & Reliefs Unit may extend these periods in special circumstances.

On receipt of the bill of discharge, the Division/LCD 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

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

- The authorisation reference number.
- The periods for discharge.
- The quantity of each type of import goods in respect of which discharge, repayment or remission is claimed.
- The CN code of the import goods.
- The 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.
- The particulars of the customs declarations entering the import goods to IP.
- The established rate of yield.
- The type and quantity of the compensating product.
- The CN code and the value of the compensating product.

- The customs approved treatment or use assigned to the compensating products as well as particulars of the relevant declarations or other documents used to discharge the goods or products from IP.
- The amount of customs duty to be paid on any import goods released for free circulation and
- Quantities and values from the authorisation used and balance carried forward to next period for discharge.

Failure to return Bills of Discharge or to return them on time should be taken up immediately by the Division/LCD with the trader as this is considered a non-compliance issue.

5.4 Monitoring/Checking of authorisations

Checking of authorisations ensures compliance on the part of these authorised traders. It is a matter for each Divisional Office/LCD 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 Division/LCD. These include:

- Ensuring that the terms and conditions are being adhered to.
- Ensuring that the quantities and values as identified in the authorisation are not exceeded or likely to be exceeded. This should involve monitoring of bills of discharge on a regular basis. If quantities or values are exceeded, this may result in customs debts arising.
- Ensuring that the tariff codes included on the authorisation are correct. The automatic verification process in AEP should restrict importations to those set down on the authorisation. However, movements from warehousing into Inward Processing can take place outside of AEP using commercial documentation under the simplified procedure, so checking of tariff number eligibility should continue.
- Ensuring that an authorised trader is subject to ordinary compliance checks at least once every six months. These compliance checks should not take place as a result of risk profiling or strategy but should be over and above any risk related visits. The level of detail that these compliance checks involve can be decided by the Division/LCD but should involve at least the four points above; and
- Ensuring that all authorised traders are audited on a regular basis. 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. The Division/LCD should ensure that every authorised trader is audited at least once during the lifetime

of an authorisation (The maximum term for an authorisation issued currently stands at 3 years).

5.5 Proof of exportation

The Division/LCD should verify that the export formalities have been carried out from the export declaration data available in AEP.

5.6 Destruction

In any case where it is claimed IP goods have been destroyed by accident or force majeure, the trader must report the incident to the Division/LCD. If the Division/LCD are satisfied with the facts as presented by the trader it may be accepted that the procedure has been discharged.

If a trader plans to destroy goods, the Division/LCD must be informed in advance and given the following details:

- The types of goods concerned.
- The amount of duties or other charges liable.
- The reasons for destruction; and
- The method of destruction.

If the Division/LCD is satisfied that the destruction is justified, and there are no environmental concerns, it may be accepted that the procedure has been discharged on completion of the destruction with no waste remaining.

6. Release of IP goods to Free Circulation

6.1 Request for release under Article 85(1) or 86(3) UCC.

Goods can be released to free circulation from the IP procedure in two ways:

- Processed products can be released to free circulation with duty and VAT applicable on the finished product (Old PCC procedure) (Article 85(1)).

Or

(1) The processed product can be released to free circulation with duty and VAT applicable to the originally imported raw materials (old IP diversion) (Article 86(3)). This method must be applied for in advance by the trader, and must be set down in the authorisation.

See Appendix IX for the wording of these Articles.

6.2 Payment of duty (UCC Article 104,)

The Division/LCD will enter in the accounts the amount of import duty payable as established in the bill of discharge within 14 days from the date on which the bill of discharge was received.

Form 1034 - Appendix V - must be submitted by the trader to the Division/LCD with all duty and VAT due at the time of release. If the trader has a deferred payment arrangement, all duties on goods released in a particular month must reach the Division/LCD on or before the fifteenth day of the following month.

Each form 1034 must contain the following:

- The authorisation number
- Reference to the deferred payment arrangement if relevant
- A declaration that it accounts for all the goods released for free circulation.

The form must be accompanied by a summary account of the goods released for free circulation.

6.3 Arrears

The Division/LCD is responsible for the on-going receipt of duty payments. The Division/LCD must pursue outstanding bills of discharge and/or payments as considered appropriate. In the event of continued failure by the trader to submit timely and correct bills of discharge and or timely payments Authorisations & Reliefs Unit should be contacted with a view to a possible withdrawing the authorisation due to non-compliance.

6.4 Use of INF Forms

(Article 271 IA, and 176 & 181 DA, Annex 71-05 DA)

The Commission is to develop an electronic system for the use of all INF forms. Until this system is ready transitional arrangements allow all INF forms to be submitted in paper form.

6.5 INF 1 Form

An INF1 form is a prescribed document used for determining the amounts of customs duty, compensatory interest and any other charges due where processed products or goods in their unaltered state are released for free circulation in a Member State other than the one in which the IP authorisation was issued.

If an Irish trader wishes to release IP goods for free circulation, which were entered to IP in another Member State, a completed form INF1 must be presented to the Division/LCD together with Form 1034. The INF1 must be endorsed by customs in the other Member State. Similarly, if an IP trader in Ireland is sending goods to another Member State for subsequent release to free circulation, the trader must present the Division/LCD with an INF1 for endorsement and forward it with the goods. Member State authorities may agree other methods of exchange of information.

During the transitional arrangement the existing INF 1 can be used in conjunction with the co relation table at Appendix VI.

7. Equivalence

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

7.1 What is equivalence

Equivalence is a facility within IP that allows traders to use identical Union goods in place of import goods for processing and export, when approved to do so.

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 import goods. Equivalent goods may be at a more advanced stage of manufacture than the import 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. In the case of repair, equivalence is allowed for new goods instead of used goods or goods in a better condition than the non-Union goods placed under the IP procedure. It cannot be used with the simplified authorisation arrangement.

7.2 Application for equivalence

Applications to use equivalence are normally made at the time of the application for IP. Applications for equivalence can also be dealt with by way of amendment to a current authorisation. Any application for equivalence must include the following:

- The nature, quantity and value of the compensating products in respect of which the application is made.
- The nature, tariff subheading, commercial quality and quantity of the goods being imported.
- Any information necessary to establish the relationship between the goods exported and the replacement import goods.

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

7.3 Restrictions to the use of equivalence

The use of equivalent goods shall not be authorised where:

- The non-Union goods placed under the IP procedure would be subject to a provisional or definitive anti-dumping, countervailing, safeguard duty or an additional duty resulting from a suspension of concessions if they were declared for release for free circulation.
- The authorisation is issued for the usual forms of handling only.

- Where a prohibition of drawback of, or exemption from, import duty applies to non-originating goods used in the manufacture of processed products for which a proof of origin is issued in the framework of a preferential arrangement between the Union and certain countries or territories outside the Union.
- Where it would lead to an unjustified import duty advantage, or where provided for in Union legislation.

The use of equivalent goods shall also not be authorised for goods or products that have been genetically modified or contain elements that have undergone genetic modification.

7.4 Prior exportation

This is an arrangement which allows the trader to manufacture products from equivalent goods and export the products before the import of the replacement goods i.e. export before import EX/IM. Prior exportation cannot be used unless specifically provided for in the trader's authorisation.

7.5 Special equivalence rules for agricultural goods

(Annex 71-04 to DA)

The use of equivalence in respect of specified agricultural goods i.e. rice, wheat, sugar, live animals and meat, maize, olive oil and milk and milk products, is subject to special provisions, which are set down in Appendix VIII.

7.6 Information Form INF5

(Article 271 IA, and 176 & 181 DA, Annex 71-05 DA)

An INF5 form is a prescribed document used mainly for the exchange of information between Member States where compensating products manufactured from equivalent goods are exported from one Member State (e.g. Ireland), prior to the import of the replacement goods to a different Member State (e.g. France). This is known as triangular traffic. The Member State authorities concerned may agree other methods of exchange of information. INF5 can also be used where only one Member State is involved.

8. Movement of goods under inward processing

(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 without customs formalities, but the records of the trader shall show the location of the goods and all information regarding the movement.

Movement of goods to the customs office of exit with a view to discharging the IP procedure shall be carried out under the cover of the re-export procedure, however the goods will remain under the IP procedure until they have been taken out of the customs territory of the Union.

8.1 Transfer from the point of entry

Transfer of the goods from the point of entry to the premises of the trader or operator is covered by the entry declaration which declares the goods entered to the IP procedure and the liability is covered by the trader's guarantee.

8.2 Transfer to an approved operator

An operator is someone who has been authorised to process IP goods in their own premises on behalf of the authorised trader. The goods may be transferred to the operator's premises for processing without any customs formalities. The trader retains responsibility for the goods at all times and all movements of the goods must be recorded in the trader's accounts. If the operator is located in another Member State, Authorisations & Reliefs Unit will contact the customs authorities in that Member State and, if they are in agreement, the trader's authorisation will be amended to an Authorisation covering more than one Member State.

9. The "No Drawback" rule

(UCC Article 78)

Certain Preferential Trade Agreements concluded between the EU and third countries include a provision known as the "No Drawback" rule. Under this provision goods do not qualify for preferential tariff treatment on entry to the agreement country where materials used in their manufacture have benefited from "a drawback (refund) of customs duty or exemption from customs duty of whatever kind". Therefore, a Movement Certificate EUR1 or Invoice Declaration may not be issued for goods containing any materials which have benefited from duty suspension under IP.

However, if a trader wishes to use an EUR 1/Invoice Declaration, then the originally imported goods must be released out of the Inward Processing arrangements and all duties/VAT etc must be paid before the EUR 1/Invoice Declaration can be used.

The "No Drawback" rule currently applies to the following countries:

- Algeria
- Chile
- Egypt
- Faroe Islands
- Iceland
- Israel
- Jordan
- Lebanon
- Liechtenstein
- Macedonia (F.Y.R.)

Mexico
Morocco
Norway
Palestinian Authority of the West Bank & the Gaza Strip
Switzerland
Syria
Tunisia
Turkey
South Korea
Canada

For further information on the “No Drawback rule” please contact Classification, Origin & Valuation Section, telephone 067 63213, 36261

10. Sensitive Goods (Annex 71-02 DA)

The use of non-Union sensitive goods in IP is restricted. Divisions/LCD may consider that, given the sensitivity of these goods within the EU market, additional monitoring of these authorisations is necessary. The following are the broad headings of the goods concerned:

Beef and Veal
Pig meat
Sheep meat
Poultry
Cereals
Rice
Sugar
Olive oil
Milk and milk products
Wines
Certain alcohols
Goods for which export refunds are fixed
Eggs
Fishery products

The period of validity of the authorisation in respect of such goods will be for a maximum of three years.

APPENDIX I: Control Officers Report on Inward Processing

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES	
Part one: to be completed for all Procedures. Part two: additional information for inward processing applications Part three: additional information for outward processing applications.	
Part one	
File reference: Special Procedure: <i>(Indicate the type of procedure applied for e.g. IP/OP/EU)</i>	
(1) Name and Address of trader	
(1a) Registered Address (if different to above):	
(2) Applicant EORI number:	(3) VAT Registration number:
(4) Company Registration number:	(5) TAN Number:
(6) Has the trader a copy of the Traders Guidelines on Revenue Website?	(7) Does the trader hold a VAT 56(b) Authorisation?
(8) Has the trader AEO status?	(9) Will the company require a deferred payment arrangement?

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES

(10) Has the trader been approved for any simplified procedures?

If so, please give details:

(see Annex 1)

(11) Are the trader's accounts satisfactory?

(12) Is the trader under audit?

If so, in what context?

(13) Does the trader have a satisfactory record in complying with Custom's requirements?

(14) Are fiscal goods involved?

(CAP goods or goods involving export refunds)

Complete this question for End-use only (for IP see question 29 and for OP see question 32)

(15) What is the nature of the end-use?

(15a) At what point are the goods considered to be put to their end use?

Note: Goods must be capable of being put to their end-use on importation. Goods under end-use cannot be repaired; for repair an IP authorisation is needed.

(16) Can applicant prove an economic need for the procedure?

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES

(17) Where will the processing/end use operation be carried out?

If not at the premises of the applicant indicate the operators that will be involved in the processing in question 18.

(18) Name and address of Operators:

Name and address of Operators:

VAT no:

EORI no:

VAT no:

EORI no:

(18a) Indicate what type of processing/end use will be carried out by these operators:

(18 b) Has the trader provided an undertaking allowing Revenue right of entry to any Operators premises?

(if not please request undertaking)

(19) Has the trader applied for a retrospective authorisation?

If yes, is retrospections recommended?

State the exceptional circumstances under which retrospection was approved:

Note: retrospection cannot be allowed if the trader has had an application for retrospection granted within 3 years from date of acceptance of the application. The maximum period allowable is twelve months prior to the date of acceptance of the application or, 3 months in the case of Annex 71-02 goods.

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES

(20) Is separate storage of goods under the procedure necessary?

If so, what are the arrangements?

(21) Is equivalence requested?

If so, do the goods have the same eight-digit CN code and the same commercial quality and the same technical characteristics as the goods which they are replacing?

Note: Equivalence is not permitted in cases where the Non-Union goods imported into the procedure would be subject to a provisional or definitive anti-dumping, countervailing, safeguard duty or an additional duty resulting from a suspension of concessions if they were declared for release for free circulation.

(22) Is prior exportation required? _____

If yes, is the trader familiar with the requirements to use the INF 5 form? (see Annex 2)

(23) Is triangulation envisaged? _____

If yes,

name the importer authorised to enter the goods:

Place where the goods are to be imported:

Customs authority empowered to check on the import goods:

(24) Has the trader given the correct ten-digit CN codes for goods entering the procedure and eight-digit CN codes for the processed products?

Note: trader should be encouraged to obtain BTI.

(25) What is the means of identification of the raw materials and the processed product?

(26) Are you in agreement with the stated "rate of yield"? _____

If not, please agree rates of yield and set down below:

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES

(27) Period of discharge? _____ (months)

Justification:

(if over 6 months)

Note: standard period of discharge is set at 6 months. Period can be less but if an extended period is requested, then the justification must be set down. The period of discharge must be for the processing operations and cannot include storage.

(28) Is movement of goods under the procedure envisaged?

If so, are the records sufficient to show the details of the movement and location of goods?

(a) Between the trader and the named operator:

(b) To other Authorisation holders:

(29) Address for each of the following responsible Revenue offices:

(a) Supervising Revenue office:

(b) Office(s) of entry for the procedure:

(c) Office of discharge:

(30) Time period for presentation of the Bill of Discharge: _____ months

(31) What is the reference amount needed for the duty liability: (this must be calculated even if the trader has AEO status: € _____ (for OP see Part Three)

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES

(32) What form will the guarantee take: Cash or guarantee?

(33) Are there any special control arrangements envisaged?

(34) Date of visit(s): _____

(35) Are there any other observations relevant to this application which has come to light as a result of enquiries carried out?

PART TWO: INWARD PROCESSING

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES

(36) What operation will be carried out under the Inward Processing Procedure:

Repair: _____

Destruction: _____

Processing:(all goods must be identified in the processed product with the exception of production accessories _____

Production accessories: the use of which are not be found in processed products, but which allow for or facilitate the production of those products, even if they entirely or partially used up in the process. _____

Goods intended to undergo operations to ensure their compliance with technical requirements for their release to free circulation: _____

Goods which have to undergo usual forms of handling: _____

Description of the specific operations to be carried out:

(36a) If more than one operation is involved, please specify the Annex 1 goods for each operation.

(37) Is the trader releasing goods to free circulation?

If yes, state below method of release. (If both methods are used state the percentage of each method).

Processed product released to free circulation under Art 85(1) UCC

Originally imported raw material released to free circulation under Art 86 (3) UCC.

(See Annex 2 for UCC Articles.)

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES

(38) Are there goods to be re-exported?
 If so please state what proportion will be:

Exported without preferential origin documentation, to preferential trade agreement countries where the "No Drawback "rule applies.

Exported to other non-EU countries _____

PART THREE: OUTWARD PROCESSING

(39) What time period is required to process/repair and re-import the goods?

(40) In the case of repair indicate that the goods are in need of repair (that they are faulty or broken as this procedure cannot be used to improve the technical performance of the goods).

(41) Is the Standard Exchange system with prior importation required? _____

If yes,

What time period is required to subsequently export the defective goods?

_____ (maximum period is 2 months)

Amount of guarantee required for imported goods until defective goods are exported

€ _____

Is the use of INF 2 envisaged? (see Annex 3) _____

If not what other form of exchange of information is to be used?

(42) At entry or discharge from the arrangements, are the goods transferring from or to other Authorisation holders? _____

Name of other holder's: _____

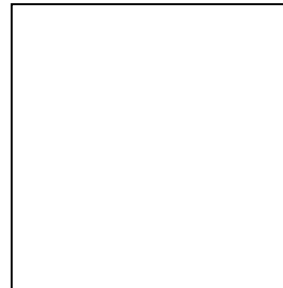
RECOMMENDATION

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES

(43) Please state any relevant information pertaining to your recommendation:

Name
(Block Capitals)

STAMP



CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES**Simplified Procedures**

EU legislation including the UCC established the concept of Simplified Procedures for import and export of goods from/to non- EU Countries.

Additional information on the various national import and export simplifications, which are available together with the relevant application forms, including guides to completion, is provided from the links below.

Types of Simplified Procedure

Under these simplified procedures, a number of different facilitation methods are available which permit imports and exports to be cleared through Customs more quickly and more easily that would otherwise be permitted. The types of simplified procedures available at import and export include

[Incomplete Declaration at Import](#)

[Incomplete Declaration at Export](#)

[Simplified Declaration Procedure at Import](#)

[Simplified Declaration Procedure at Export](#)

ANNEX 2 – ARTICLES 85(1) AND 86(3)

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES**ARTICLE 85 (1)****General rules for calculating the amount of import or export duty**

1. The amount of import or export duty shall be determined on the basis of those rules for calculation of duty which were applicable to the goods concerned at the time at which the customs debt in respect of them was incurred.

ARTICLE 86(3)**Special rules for calculating the amount of import duty**

3. Where a customs debt is incurred for processed products resulting from the inward processing procedure, the amount of import duty corresponding to such debt shall, at the request of the declarant, be determined on the basis of the tariff classification, customs value, quantity, nature and origin of the goods placed under the inward processing procedure at the time of acceptance of the customs declaration relating to those goods.

Annex 3 – INF INFORMATION SHEETS

INF 1 is used for the communication of information on duty amounts, security and commercial policy measures under Inward Processing.

INF 2 is used in order to communicate information on temporary export goods in triangular traffic, in order to obtain partial or total relief for processed products under Outward Processing.

INF 5 is used to communicate information in order to obtain duty relief for import goods, on prior exportation in triangular traffic, under Inward Processing.

INF 9 is used to communicate information on processed products to be assigned another custom approved treatment or use in triangular traffic, under Inward Processing.

APPENDIX II: Sensitive goods and products (Annex 71-02 DA)

The following goods are covered by this Annex:

1. The following agricultural products falling under one of the following sectors of the common market organization (CMO):

Beef and veal sector: products referred to in Regulation (EU) No 1308/2013, Article 1(2)(o) and listed in Annex I Part XV.

Pig meat sector: products referred to in Regulation (EU) No 1308/2013, Article 1(2)(q) and listed in Annex I Part XVII.

Sheep meat and goatmeat sector: products referred to in Regulation (EU) No 1308/2013, Article 1(2)(r) and listed in Annex I Part XVIII.

Eggs sector: products referred to in Regulation (EU) No 1308/2013, Article 1(2)(s) and listed in Annex I Part XIX.

Poultry meat sector: products referred to in Regulation (EU) No 1308/2013, Article 1(2)(t) and listed in Annex I Part XX.

Agriculture products: products referred to in Regulation (EU) No 1308/2013, Article 1(2)(v) and listed in Annex I Part XXII.

Cereals sector: products referred to in Article 1(2)(a), Annex I Part I of Regulation (EU) No 1308/2013.

Rice sector: products referred to in Article 1(2)(b), Annex I Part II of Regulation (EU) No 1308/2013.

Sugar sector: products referred to in Article 1(2)(c), Annex I Part III of Regulation (EU) No 1308/2013.

Olive oil sector: products referred to in Article 1(2)(g), Annex I Part VII of Regulation (EU) No 1308/2013.

Milk and milk-products sector: products referred to in Article 1(2)(p), Annex I Part XVI of Regulation (EU) No 1308/2013.

Wine sector: products referred to in Article 1(2)(l), Annex I Part XII of Regulation (EU) No 1308/2013 and falling under CN codes:

0806 10 90

2009 61

2009 69

2204 21 (quality wine PDO and PGI excepted)

2204 (quality wine PDO and PGI excepted)2204 30

2. Ethyl alcohol and spirit products falling under CN codes:

2207 10

2207 20

2208 40 39 – 2208 40 99

2208 91 – 2208 90 99

3. ex 2401 unmanufactured tobacco

4. Products other than those under points 1 and 2 subject to agricultural export refund.

5. Fishery products listed in Annex I to Council Regulation (EC) No 1379/2013 on the common organization of the markets in fishery and aquaculture products and products listed in Annex V to this regulation subject to a partial autonomous suspension.

6. All fishery products subject to an autonomous quota.

APPENDIX III

Form: IPSim

**Application for Inward Processing by Customs Declaration
Commission Reg. No. 2446/2015, Article 163.**

Name or Business Name and Address:

of the applicant/Declarant/Operator:

VAT No.: _____ Tan

No: _____

Goods to be Processed/repared:

Tariff or technical description:

Tariff Code Number:

Quantity and Value:

Processed/repared Goods:

Trade or technical description:

Tariff Code Number:

Suggested method of identifying the import goods in the finished products:

Nature/Place of Processing Operation:

Estimate Rate of Yield:

Estimate period for discharge (repair/processing and re-export):

Proposed Office of discharge:

Proposed Transfer Formalities:

Import Declaration Number (SAD):

Declaration:

I undertake to comply with the conditions of Inward Processing Relief as laid down in Council Regulation (EC) No. 952/2013 Union Customs Code.

Signed: _____ Status in Company:

A Traders guide on [Inward Processing](#) is available on the Revenue website.

FOR OFFICIAL USE ONLY

This declaration and a copy should be presented to customs at the point of entry

**Original: For Trader
Copy: For Import station**

Goods released to IP? Yes/No

Signed:

Date:

APPENDIX IV: General conditions to be observed by persons authorised to engage in an Inward Processing arrangement.

1. The authorisation is issued by the Revenue Commissioners and may be revoked for non-compliance with Union legislation governing Inward Processing.
2. Acceptance of these conditions does not relieve the Authorisation holder from compliance with the law and regulations for the time being in force relating to Inward Processing or to the importation, transshipment, exportation, warehousing or entry for free circulation of goods including the submission of Intrastat and/or VIES declarations.
3. The Authorisation holder shall inform the customs authorities without delay of any factor arising after the decision was taken, which may influence its continuation or content.
4. The Authorisation holder is responsible for ensuring that the tariff code numbers quoted on the Authorisation are correct.
5. To make an amendment or modification, or to increase the quantities and values of the goods already authorised, an application should be made to the Revenue Commissioners in advance of importation. Failure to do so may result in a Customs liability.
6. The Authorisation holder is agreeable to the transmission by the Revenue Commissioners of statistical information relating to goods imported under the arrangement to the E.U. Commission.

7. Each consignment of goods imported under inward processing must be entered in the Automated Entry Processing (AEP) system, in accordance with the AEP Trader Guide. The appropriate procedure code (first two digits 51) must be inserted in box 37. The Authorisation number must be quoted in box 44. The entry must bear a declaration that the goods entered thereon are being imported for the purpose of undergoing a process of manufacture in accordance with an Authorisation issued by the Revenue Commissioners. The entry must be supported by an invoice(s), in duplicate, showing the total value and quantity of goods in the consignment
8. In the case of goods imported through the parcel post, the words "Imported under I.P" must form part of the sender's declaration affixed to the parcel.
9. Accounts must be kept at the premises of the Authorisation holder showing the quantity of all the goods:
 - a. Imported or otherwise received under the arrangement,
 - b. Used in manufacture,
 - c. Exported outside the EU after having undergone the process of manufacture, the quantity of the processed products concerned being also given,
 - d. Released to free circulation.
 - e. Destroyed under customs supervision, or otherwise accounted for as waste,
 - f. Transferred to other approved regimes,
 - g. Remaining on hands at the end of any approved period.

The accounts must contain adequate detail to enable each transaction to be traced and checked against inward and outward movements of materials approved under the arrangement.

In the case of (a), particulars of each consignment received must be recorded under a unique sequential reference and include the internal materials control references allocated by the trader. The records must include the import SAD reference for imports and other recognised references for other receipts.

In the case of (c), particulars of each dispatch of processed products must be recorded under a unique sequential reference number and include the business commercial reference numbers. The records must include the export SAD reference for goods for export and other recognised references for other deliveries and transfers.

In the case of (d), where any of the imported goods are liable to excise duties, separate accounts must be kept in respect of the quantities released to free circulation.

10. Bills of discharge must be provided to the local Revenue office showing, in respect of each type of product to be manufactured, the quantity of each description of goods imported under the arrangement, which is required to complete the finished product, or

a specified number of such products. The Authorisation holder must notify their local Revenue Office of any material change in the rate of yield impacting on duty liability.

11. The accounts referred to in the condition 10 must be kept accessible to and open for inspection by any Revenue Official, and such officials must be afforded every facility for satisfying themselves as to their accuracy. These accounts, including details required on bills of discharge may be subject to review by a Revenue Audit and the authorisation holder may be requested to present a new accounting system.
12. Samples of the goods imported and of the processed products in which they are used must be provided to any Revenue Official if so requested.
13. In respect to the agreed time frame for presentation of the Bill of Discharge, condition 10 must be furnished to the relevant Revenue Office within ten days from the termination of such period, and each such return must be certified by the Secretary or by a duly authorised official to be a full and true account of all transactions related to the arrangement which took place during the period in question.
14. Where goods/processed products are exported a customs declaration must be made to the AEP system in accordance with the AEP Trader Guide. The appropriate procedure code (last two digits 51) must be inserted in box 37. The Authorisation number must be quoted in box 44 together with the invoice/serial number of the export consignment as shown in the Authorisation holder's accounts. The entry must be supported by the export documents required by the regulations.
15. Dutiable goods not used in manufacture, and any waste material resulting from the manufacturing operations, must be exported, destroyed without delay in the presence of a Revenue Official or otherwise accounted for to the satisfaction of the Revenue Commissioners and any duty or other like charge due on exportation or otherwise must be paid thereon.
16. Duty must be paid on demand on any dutiable goods, which at any time are not shown to have been exported under these conditions or not to have been otherwise accounted for to the satisfaction of the Revenue Commissioners.
17. The authorisation holder is responsible for ensuring that they comply with the provisions for the time being in force in the relevant member state(s) in relation to the payment of Value Added Tax.
18. Where the import goods or processed products are placed on the EU Market the Authorisation holder must co-operate fully with Revenue in all necessary enquiries undertaken in relation to the customs valuation of goods imported under the arrangement and, in particular, a valuation declaration form (C&E G563, or alternative as appropriate) must be completed at the time of entry of the goods concerned to the arrangement. Where the declared value is not accepted, pending investigation and

adjustment as found necessary, processed products or goods in the unaltered state may not, in any circumstances, be placed on the EU market except on payment of a deposit sufficient to cover the proper amount of duty payable thereon.

19. All necessary assistance and co-operation must be provided to any Revenue Official in taking stock of goods held under the arrangement and in establishing agreement between official stock records and the records of the Authorisation holder.
20. Revenue reserves the right to vary or add to the conditions set out above.

I/We.....(Name in block letters) hereby certify that the conditions (1) to (20) set out above are accepted and undertake that they will be complied with.

Signed*: _____

Designation of Signatory:

on behalf of: _____

(Name of holder of Authorisation)

Date: _____

*When the Authorisation is issued to an individual the signatory should be that individual. In the case of a limited company the signatory should be the Secretary or Managing Director or General Manager, and in the case of any other trading entity, the owner or partner. A responsible official other than those mentioned may also sign provided he/she is duly authorised in writing to accept liability.

In the case of a non-resident individual, limited company or other trading entity the signatory should be the lawfully appointed Attorney of the holder of the Authorisation, resident in the State.

APPENDIX V: Inward Processing return and periodic payment Form 1034

8. Inward Processor	VAT No.	1. DECLARATION DIV.	A. No. and Date							
		Collection								
		Station								
Period to which payment relates										
31. Description of goods	32. Item No.	33. Commodity Code	47. CALCULATION OF TAXES			Type	Tax Base	Rate		
						MP				
	Amount			37. Procedure						
	34. Country origin Code									
	a.	b.								
			38. Net mass (kg)							
		41. Supplementary units								
		46. Statistical value								
31. Description of goods	32. Item no.	33. Commodity Code	47. CALCULATION OF TAXES			Type	Tax Base	Rate		
						MP				
	Amount			37. Procedure						
	34. Country origin Code									
	a.	b.								
			38. Net mass (kg)							
		41. Supplementary units								
		46. Statistical value								
31. Description of goods	32. Item No.	33. Commodity Code	47. CALCULATION OF TAXES			Type	Tax Base	Rate		
						MP				
	Amount			37. Procedure						
	34. Country origin Code									
	a.	b.								
			38. Net mass (kg)							
		41. Supplementary units								
		46. Statistical value								
31. Description of goods	32. Item No.	33. Commodity Code	47. CALCULATION OF TAXES			Type	Tax Base	Rate		
						MP				
	Amount			37. Procedure						
	34. Country origin Code									
	a.	b.								
			38. Net mass (kg)							
		41. Supplementary units								
		46. Statistical value								
31. Description of goods	32. Item No.	33. Commodity Code	47. CALCULATION OF TAXES			Type	Tax Base	Rate		
						MP				
	Amount			37. Procedure						
	34. Country origin Code									
	a.	b.								
			38. Net mass (kg)							
		41. Supplementary units								
		46. Statistical value								

38. Net mass (kg)

41. Supplementary units

46. Statistical value

I hereby declare that the above particulars are a true and complete account of the charges payable on the goods released from inward processing during the stated period and I request that the attached summary(ies) of accounts be accepted as the basis of change.

TOTAL

FOR OFFICIAL USE

Payment received and records

Signature
noted

Date 20

Cashier

APPENDIX VI: Standardised Exchange of Information (Inf) Annex 71-05 Da)

Section A

Standardised exchange of information (INF) between customs authorities is not yet required but the supervising customs office shall make available the relevant INF data elements in the electronic system relating to INF

The supervising customs office shall make available the following data elements in accordance with *Article 181(1)*. Where a customs declaration or re-export declaration/notification refers to an INF, the competent customs authorities shall provide additional data elements in accordance with *Article 181(3)*.

The holder of an authorisation for inward processing IM/EX which involves one Member State may request the supervising customs office to make the relevant INF data elements available via the electronic system relating to INF in order to prepare the standardised exchange of information between customs authorities, if the responsible customs authority has requested such INF.

Note:

(M) means mandatory and (O) means optional

Common data elements	Comments
Authorisation number (M)	
Person making the request (M)	EORI number used for identification purposes
INF number (M)	Unique number given by the supervising customs office [e.g. IP EX/IM/123456/GB + <i>authorisation no</i>]
Supervising customs office (M)	COL code would be used for identification purposes
Customs office using the INF data elements (O)	COL code would be used for identification purposes. This data element will be provided if the INF data elements are actually used.
Description of the goods which are covered by the INF (M)	
CN Code, net quantity, value	These data elements are related to the total net

(M) of processed products	quantity of goods for which the INF is requested.
Description of the processed products which are covered by the INF (M)	
CN Code, net quantity, value of processed products (M)	These data elements are related to the total net quantity of processed products for which the INF is requested.
Particulars of the customs declaration(s) placing goods under the special procedure (O)	Where a customs declaration refers to the INF, this data element shall be provided by the customs office of placement .
MRN (O)	This data element may be provided if the INF data elements are actually used.
Remarks (O)	Any additional information may be entered

Specific data elements IP	Comments
If a customs debt is incurred, the amount of import duty shall be calculated in accordance with Article 86(3) of the Code (O)	-
Equivalent goods (O)	-
Prior exportation (O)	-
<i>Business case IP IM/EX</i>	
Customs declaration of placement under inward processing was accepted (O)	Where a customs declaration refers to the INF, this data element shall be provided by the customs office of placement .
Particulars necessary for application of commercial policy measures (O)	-
Last date for discharge (O)	Where a customs declaration refers to the INF, this data element shall be provided by the customs office of placement .
CN Code, net quantity, value (M)	Indicate the quantity of goods which were placed under IP. This data element shall be provided by

	the customs office of placement .
The declaration of discharge was accepted (O)	Where a customs declaration refers to the INF, this data element shall be provided by the customs office of discharge .
CN Code, net quantity, value (M)	In case of discharge, indicate the quantity of processed products which is available. This data element shall be provided by the customs office of discharge .
Date of exit and exit result (O)	These data elements shall be provided by the customs office of exit.
<i>Business case IP EX/IM</i>	
Export declaration under IP EX/IM was accepted (O)	Where an export declaration refers to the INF, this data element shall be provided by the customs office of export .
Particulars necessary for application of commercial policy measures (O)	
Last date of placement of non-Union goods, which are replaced by equivalent goods, under inward processing (O)	Where a customs declaration refers to the INF, this data element shall be provided by the customs office of export .
CN Code, net quantity, value (M)	Indicate the quantity of goods which can be placed under IP. This data element shall be provided by the customs office of export .
Date of exit and exit result	These data elements shall be provided by the customs office of exit .
Date of placement of non-Union goods, which are replaced by equivalent goods, under inward processing (O)	Where a customs declaration refers to the INF, this data element shall be provided by the customs office of placement .
CN Code, net quantity, value (M)	In case of placement of non-Union goods under inward processing, indicate the quantity available. This data element shall be provided by the customs office of placement .
Specific data elements OP	Comments
<i>Business case OP EX/IM</i>	
Country of processing (O)	-

Member State of re-importation (O)	-
Equivalent goods (O)	-
Customs declaration OP number (M)	Where a customs declaration for OP refers to the INF, this data element shall be provided by the customs office of export/placement .
Identification of goods (M)	(M) unless equivalent goods may be used. Where a customs declaration refers to the INF, this data element shall be provided by the customs office of export/placement .
CN Code, net quantity (M)	In case of placement of Union goods under outward processing, indicate the quantity available. This data element shall be provided by the customs office of export/placement .
Last date of re-importation of processed products (M)	Where a customs declaration refers to the INF, this data element shall be provided by the customs office of export/placement .
Exit result (M)	Where a customs declaration refers to the INF, this data element shall be provided by the customs office of exit .
Date of re-importation of processed products (M)	Where a customs declaration refers to the INF, this data element shall be provided by the customs office for release for free circulation .
Particulars of the customs declaration(s) for release for free circulation (O)	Where a customs declaration for release for free circulation refers to the INF, this data element shall be provided by the customs office for release for free circulation .
CN Code, net quantity, value (M)	In case of re-importation of processed products, indicate the quantity of processed products which can be re-imported under outward processing. This data element shall be provided by the customs office for release for free circulation .
<i>Business case OP IM/EX</i>	
Prior importation of processed products (O)	This data element shall be provided by the customs office for release for free circulation . (guarantee must be provided)
Last date of placement of Union goods, which are	Where a customs declaration refers to the INF, this data element shall be provided by the

replaced by equivalent goods, under outward processing (O)	customs office for release for free circulation.
Date of placement of Union goods, which are replaced by equivalent goods, under outward processing (M)	Where a customs declaration refers to the INF, this data element shall be provided by the customs office of export/placement.
CN Code, net quantity, value (M)	In case of placement of Union goods, which are replaced by equivalent goods, under outward processing, indicate the quantity of Union goods which must be placed under outward processing. Where a customs declaration refers to the INF, this data element shall be provided by the customs office of export/placement.
Exit result (M)	Where a customs declaration refers to the INF, this data element shall be provided by the customs office of exit.

Section B

Standardised exchange of information (INF) between customs authorities is required but the INF data elements are not yet available in the electronic system relating to INF

1. The responsible customs authority as referred to in Article 101(1) of the Code has requested an INF between customs authorities in accordance with Article 181(2) because a customs debt is incurred in accordance with Articles 77(1)(a) or 79(1) of the Code for processed products which were obtained under inward processing IM/EX. The calculation of the amount of import duty shall be made in accordance with Article 86(3) of the Code but the responsible customs authority does not have information on the goods which were placed under inward processing IM/EX.

2. The responsible customs authority as referred to in Article 101(1) of the Code has requested an INF between customs authorities in accordance with Article 181(2) because a customs debt is incurred in accordance with Articles 77(1)(a) or 79(1) of the Code for processed products which were obtained under inward processing IM/EX and Commercial Policy Measures are applicable.

3. In situations covered by points 1 or 2 above the responsible customs authority shall provide the following data elements:

Common data elements	Comments
Type of request (M)	Procedure needs to be identified (IP or IP CPM). The data element 'Type of request' is needed only in cases where the customs declaration does not refer to an INF.
The responsible customs	COL code would be used for identification

authority as referred to in Article 101(1) of the Code (M)	purposes
Authorisation number (M)	-
CPM (O)	
Supervising customs office receiving the request (M)	COL code would be used for identification purposes
Description of the goods or processed products for which the INF is requested (M)	-
CN Code, net quantity, value (M)	
MRN (O)	
Remarks (O)	Any additional information may be entered

The supervising customs office receiving the request shall make available the following data elements:

Specific data elements IP IM/EX	Comments
The amount of import duty to be entered in the accounts and notified to the debtor in accordance with Article 86(3) of the Code (O)	-
Particulars necessary for application of commercial policy measures (O)	-
INF number (M)	Unique number given by the supervising customs office [e.g. IP/123456/GB + <i>authorisation no (EORI no is part of the authorisation no)</i>]
MRN (O)	-

APPENDIX VII: Conditions to be observed by persons authorised to operate equivalence

1. In these conditions:

"import goods" means the non-Union goods placed under inward processing,

"equivalent goods" means the equivalent Union goods which, under the equivalent compensation arrangement, replace the import goods,

"equivalent processed products" means the processed products processed from equivalent goods.

2. Importation of import goods and exportation of equivalent processed products may be carried out only by the holder of the inward processing Authorisation.
3. Equivalence is not permitted for import goods that are subject to an agricultural or a commercial policy measure, a provisional or definitive anti-dumping duty, a countervailing duty, a safeguard measure or an additional duty resulting from a suspension of concessions.
4. A separate account must be kept showing disposal of the import goods and exportation of the equivalent processed products.
5. For prior exportation a maximum time limit of six months for completion of the arrangement applies commencing on the date of the export of the equivalent compensating products under the arrangement.
6. An export declaration must be presented to Revenue or an appropriate entry must be made to the AEP system in respect of each consignment of equivalent processed products exported under the arrangement.
7. An INF 5 must be stamped showing the quantity of equivalent goods contained in the exported processed products. This stamped INF 5 starts the time period set down in point 5.
8. Samples of the equivalent processed products, of the equivalent goods from which processed, and of the import goods must be supplied free of charge on demand by a Revenue Official.
9. The account referred to in condition 4 must be kept accessible to and open to inspection by any Revenue Official and such Official must be afforded every facility for satisfying themselves as to its accuracy.

10. These conditions apply to an equivalent processed/prior exportation arrangement relating to products imported under an inward processing arrangement.
11. Adherence to these conditions does not remove the obligation from the authorisation holder to comply with EU law and regulations governing Inward Processing.
12. The Revenue Commissioners reserve the right to vary or to add to the conditions set out above.

I/We.....(Name in block letters) hereby certify that the conditions (1) to (12) set out above are accepted and undertake that they will be complied with.

Signed*: _____

Designation of Signatory:

on behalf of: _____

(Name of holder of Authorisation)

Date: _____

When the Authorisation is issued to an individual the signatory should be that individual. In the case of a limited company the signatory should be the Secretary or Managing Director, and in the case of any other trading entity, the owner or partner. A responsible official other than those mentioned may also sign provided he/she is duly authorised in writing to accept liability.

In the case of a non-resident individual, limited company or other trading entity the signatory should be the lawfully appointed Attorney of the holder of the Authorisation, resident in the State.

APPENDIX VIII: special provisions concerning equivalent goods (Annex 71-04-DA)

I. Customs warehousing, inward and outward processing

Conventionally produced goods and organic goods

It is not permitted to replace:

organic goods by conventionally produced goods; and
conventionally produced goods by organic goods.

II. Inward processing

i. Rice

Rice classified under CN code 1006 shall not be deemed equivalent unless it falls within the same eight-digit CN code of the Combined Nomenclature. Nevertheless, for rice with a length not exceeding 6,0 mm and a length/width ratio equal to or more than 3 and for rice with a length equal to or less than 5,2 mm and a length/width ratio equal to or more than 2, equivalence shall be established by determination of the length/width ratio only. The measurement of the grains shall be done in accordance with Annex A(2)(d) to Regulation (EC) No 3072/95 on the common organisation of the market in rice.

ii. Wheat

Equivalent goods may be used only between wheat harvested in a third country and already released for free circulation and non-Union wheat, of the same eight-digit CN code, having the same commercial quality and the same technical characteristics.

However:

derogations from the ban on use of equivalent goods may be adopted in respect of wheat on the basis of a communication from the Commission to the Member States, after examination by the Committee,

the use of equivalent goods is permitted between Union durum wheat and durum wheat of third-country origin, provided it is for the production of pasta falling within CN codes 1902 11 00 and 1902 19.

iii. Sugar

Recourse to the use of equivalent goods is permitted between non-Union raw cane sugar (CN codes 1701 13 90 and/or 1701 14 90) and sugar beet (CN code 1212 91 80) under the condition that processed products falling within CN code 1701 99 10 (white sugar) are obtained.

The equivalent quantity of raw cane sugar of standard quality as defined in point III of Part B of Annex III to Regulation (EU) No 1308/2013 shall be calculated by multiplying the quantity of white sugar with the coefficient 1.0869565.

The equivalent quantity of raw cane sugar not of standard quality shall be calculated by multiplying the quantity of white sugar with a coefficient obtained by dividing 100 by the yield of raw cane sugar. The yield of raw cane sugar shall be calculated as set out in point III of Part B of Annex III to Regulation (EU) No 1308/2013.

iv. Live animals and meat

Equivalent goods may not be used for inward-processing operations on live animals or meat.

Derogation from the ban on the use of equivalent goods can be made for meat which has been made subject of a communication by the Commission to the Member States, after an examination carried out by a body composed of representatives of the customs administrations of the Member States if the applicant can prove that equivalence is economically necessary and if the customs authorities transmit the draft of the procedures foreseen to control the operation.

v. Maize

The use of equivalent goods between Union and non-Union maize is possible only in the following cases and subject to the following conditions:

In the case of maize for use in animal feed, the use of equivalent goods is possible provided that a customs control system is set up to ensure that the non-Union maize is in fact used for processing into animal feed.

In the case of maize used in the manufacture of starch and starch products, the use of equivalent goods is possible between all varieties with the exception of maize's rich in amylopectin (wax-like maize or 'waxy' maize) which are only equivalent between themselves.

In the case of maize used in the manufacture of meal products, the use of equivalent goods is possible between all varieties with the exception of maizes of the vitreous type ('Plata' maize of the 'Duro' type, 'Flint' maize) which are only equivalent between themselves.

vi. Olive oil

A. Recourse to the use of equivalent goods is permitted only in the following cases and under the following conditions:

virgin olive oil

between Union extra virgin olive oil falling within CN code 1509 10 90 which corresponds to the description in Point 1(a) of Part VIII of Annex VII to Regulation (EU) No 1308/2013 and non-Union extra virgin olive oil of the same CN code, provided that the processing operation produces extra virgin olive oil falling within the same CN code and satisfying the requirements of the said Point 1(a);

between Union virgin olive oil falling within CN code 1509 10 90 which corresponds to the description in Point 1(b) of the Part VIII of Annex VII to Regulation (EU) No

1308/2013 and non-Union virgin olive oil of the same CN code, provided that the processing operation produces virgin olive oil falling within the same CN code and satisfying the requirements of the said Point 1(b);

between Union lampante virgin olive oil falling within CN code 1509 10 10 which corresponds to the description in Point 1(c) of the Part VIII of Annex VII to Regulation (EU) 1308/2013 and non-Union lampante virgin olive oil of the same CN code, provided that the processed product is:

refined olive oil falling within CN code 1509 90 00 which corresponds to the description in Point 2 of Part VIII of the abovementioned Annex VII, or

olive oil falling within CN code 1509 90 00 which corresponds to the description in Point 3 of Part VIII of the said Annex VII and is obtained by blending with Union virgin olive oil falling within CN code 1509 10 90.

olive-pomace oil

between Union unrefined olive-pomace oil falling within CN code 1510 00 10 which corresponds to the description in Point 4 of Part VIII of Annex VII to Regulation (EC) No 1234/2007 and non-Union unrefined olive-pomace oil of the same CN code, provided that the olive-pomace oil processed product falling within CN code 1510 00 90 and corresponding to the description in Point 6 of Part VIII of the said Annex VII is obtained by blending with Union virgin olive oil falling within CN code 1509 10 90.

B. The blending's referred to in Point A.1(c) second indent and Point A.2, with non-Union virgin olive oil, used in an identical manner, are authorised only where the arrangements for supervision of the procedure are organized in a manner that makes it possible to identify the proportion of non-Union virgin olive oil in the total quantity of blended oil exported.

C. The processed products must be put into immediate packaging of 220 litres or less. By way of derogation, in the case of agreed containers of 20 tonnes maximum, the customs authorities may allow the exportation of the oils found in the preceding Points on condition that there is systematic control of the quality and quantity of the exported product.

D. Equivalence shall be checked by using commercial records to verify the quantity of oils used for blending and, for the purpose of verifying the quality concerned, by comparing the technical characteristics of samples of the non-Union oil taken when it was entered for the procedure with the technical characteristics of the samples of the Union oil used taken when the processed product concerned was processed against the technical characteristics of the samples taken at the time of actual exportation of the processed product at the point of exit. Samples shall be taken in accordance with international standards EN ISO 5555 (sampling) and EN ISO 661 (sending of samples to laboratories and preparation of samples for tests). The analysis shall be carried out with reference to the parameters in Annex I to Commission Regulation (EEC) No 2568/91¹.

vii Milk and milk products

Recourse to the use of equivalence is permitted under the following conditions:

The weight of each component of milk dry matter, milk fat matter and milk protein of the import goods shall not exceed the weight of each of these components in the equivalent goods.

¹ OJ L 248, 5.9.1991, p. 1.

However, where the economic value of the goods to be placed under inward processing is determined by only one or two of the above-mentioned components, the weight may be calculated on the basis of this or these component(s). The authorisation shall specify the details, notably the reference period for which the total weight has to be calculated. The reference period shall not exceed 4 months.

The weight of the relevant component(s) of the goods to be placed under inward processing and of the equivalent goods shall be indicated in the relevant customs declarations and INF, to enable the customs authorities to control the equivalence on the basis of those elements.

III. Outward processing

The use of equivalent goods is not permitted for goods which are covered by Annex 71-02.

APPENDIX IX: UCC Articles 85(1) And 86(3)

ARTICLE 85 (1)

General rules for calculating the amount of import or export duty

1. The amount of import or export duty shall be determined on the basis of those rules for calculation of duty which were applicable to the goods concerned at the time at which the customs debt in respect of them was incurred.

ARTICLE 86(3)

Special rules for calculating the amount of import duty

3. Where a customs debt is incurred for processed products resulting from the inward processing procedure, the amount of import duty corresponding to such debt shall, at the request of the declarant, be determined on the basis of the tariff classification, customs value, quantity, nature and origin of the goods placed under the inward processing procedure at the time of acceptance of the customs declaration relating to those goods.