

# INWARD PROCESSING

## GUIDELINES FOR TRADERS

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## DEFINITIONS

In the context of these Guidelines:

- (i) “Main Processed Products” means the processed products for which the authorisation for inward processing (IP) 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 (CAP) 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:
  - working of goods, including erecting or assembling them or fitting them to other goods
  - processing of goods
  - destruction of goods
  - repair of goods, including restoring them and putting them in order
  - 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, for example re-export, entry into warehouse, destruction, release for free circulation, entry to another Inward Processing Procedure and so on.
- (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.
- (xiii) “CAP” means Common Agricultural Policy.
- (xiv) “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 (for example exported, released to free circulation, destroyed).

## SECTION I

### What is inward processing?

Inward processing (IP) is a duty relief procedure. It allows goods to be imported into the European Union (EU) for processing, with suspension of import duties and VAT. The processed products which result from the processing can either be re-exported or released to free circulation. The duty and VAT must be paid on either the originally imported raw material or on the processed products. A process can be anything from repacking or sorting goods to the most complicated manufacturing.

### Who can use inward processing?

- Individuals, partnerships or corporate bodies established within the European Union, acting on their own behalf or representing a non-Union body.
- Individuals, partnerships or corporate bodies established outside the European Union provided imports are of a non-commercial nature.

## SECTION II

### Applying for authorisation

You must be authorised to import or receive IP goods. Authorisations are issued to the person who processes the goods or arranges for them to be processed on their behalf. If you subcontract processing, the subcontractor must either hold their own authorisation or be named on your authorisation.

Where an application, including processing on your behalf by other companies is approved, you will be the authorisation holder. Other companies included as operators on your authorisation may only receive, process, dispose or transfer IP goods as specified in your authorisation.

### Application process

To make an application for inward processing it is necessary to use the new 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.

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

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, lodgment of the declaration entering the goods to IP constitutes an application. To supplement the declaration, Form IPsim (see appendix II), must be completed and lodged with the import declaration.

You **cannot** use the simplified application procedure 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)

To enter goods to IP using the declaration facility the full amount of duty must be paid on deposit. The deposit will be refunded when the goods have been properly discharged. The period for discharge of goods placed under IP in this way 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.

### **Authorisation covering more than one Member State**

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 must be submitted by using the trader portal to the customs authorities in the Member State where the applicant's main accounts are held.

## **SECTION III**

### **ISSUE OF AUTHORISATION**

#### **Meeting with Revenue official**

Once the application is submitted through the trader portal to Authorisations and Reliefs Unit a copy is referred to the Revenue office in your area. An official from there will arrange a visit to your premises. The purpose of this visit is to confirm the following:

- the quantity of import goods required to produce a given quantity of finished products – rate of yield
- if there will be any waste or scrap by-products from the process
- the time limit for completing the process – period of discharge
- what the goods are
- period of validity
- details of processing
- how goods are disposed of
- identification of goods
- amount of security required.

#### **Period of validity**

Authorisations can be valid for a period of up to five years from the date of acceptance of the application. For certain agricultural goods the period can be up to three years.

#### **Recommendation**

The Revenue official who visits your premises will immediately forward a recommendation to Authorisations and Reliefs Unit on whether the authorisation should be granted

## Issue of an authorisation

It takes approximately 30 days from the date of acceptance of a fully completed application to issue an authorisation. The following factors may cause this period to be extended:

- application for an authorisation covering more than one Member State
- application for retrospective
- provision of a guarantee.

The authorisation will issue through the Customs Decision System and it will be sent to the trader portal where it will be available to the trader to print and/or download.

A set of conditions (see Appendix III) relating to the use of the authorisation must to be signed, in advance of the issue of the authorisation. These conditions must be signed by the Secretary or Managing Director in the case of a limited company, or by the owner or partner in the case of other traders. These conditions will be attached to, and form part of, the authorisation.

## Retrospective authorisation

A retrospective authorisation may only be issued in **exceptional circumstances**. An application for retrospective can only be considered when the details of the circumstances have been submitted. The period of retrospective, 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. No retrospective will be allowed if retrospective was already granted within three years of the date the application for such was accepted. Certain sensitive goods can only receive retrospective for three months (see Appendix I).

## SECTION IV

### OPERATION OF THE PROCEDURE

#### Guarantee

An 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.

There are two guarantee options as follows:

- Individual or Comprehensive. An Individual Guarantee covers an individual declaration or operation.
- A Comprehensive Guarantee covers all declarations entered to the procedure.

While in theory, there are guarantee two options, in reality for a special procedure the most suitable option is the comprehensive guarantee. You 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. You will find information about Comprehensive Guarantees in [Comprehensive guarantee and guarantee waivers](#) on the Revenue website.

It is suggested that an application for a comprehensive guarantee should be submitted at the same time as that for IP so that the Revenue assessment can be carried out simultaneously.

## **Supervision / Audit**

Traders must be able to account for all goods entered to the IP procedure, and be able to provide relevant information to a Revenue official if required. Your accounts and the operation of your authorisation may be subject to a Revenue audit at any time. The Automated Entry Processing (AEP) system includes an automatic verification process for authorised IP traders. This process verifies a trader's right to use a procedure code by cross-referencing their data against stored authorisation data. This cross-referencing also applies to the tariff codes on the authorisation. Any deviation from the data included on the authorisation will result in AEP rejecting the entry. In the case of authorisations covering more than one Member State (MS), overall control rests with the issuing Member State. However, each MS on the authorisation may put in place specific controls for the procedure taking place in their administration.

## **Discharge of liability**

The discharge of 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, for example customs warehouse
- transferred to another Member State to be entered to another customs procedure in that Member State
- transferred to a customs approved use such as export shops, armed forces, embassies, ships stores
- used for the first time in the manufacture repair, modification or conversion of civil aircraft or spacecraft or parts thereof or related equipment
- released for free circulation in the Union with payment of duty and import VAT
- destroyed under customs supervision  
or
- abandoned to the exchequer.

## **Destruction under inward processing**

Destruction is a means of discharging the IP arrangements if the goods brought into the procedure or the processed products are destroyed with no waste remaining. Your Revenue office must be informed of your intention to destroy goods in advance of such destruction.

## **Goods not accounted for**

Import duties must be paid on any goods covered by an IP arrangement that are not satisfactorily accounted for.

## **Entry to the arrangements**

Goods may be entered to IP at the time of importation or be entered from another customs procedure, for example warehousing. Standard requirements regarding completion of the entry documentation apply. Customs procedure code 51 in box 37 applies to the IP procedure.



## **Rate of yield**

The "rate of yield" means the quantity or percentage of processed products obtained from the processing of a given quantity of goods placed under the processing procedure;

The expected rate of yield or the method by which it will be calculated must be specified in your application. This rate will be verified by the Revenue official during the initial visit to your premises. In cases where the rate of yield is not known at the time of application or the rate may vary, you should record on your application that you intend to use your production records as the basis for establishing the rate. If you have entered the rate of yield on the application/authorisation and the rate subsequently changes or is incorrect, you must inform the Revenue official.

## **Period for discharge**

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

The standard period for discharge is set at 6 months, but can be extended if the trader provides evidence that the processing operations will need a longer period of discharge. The period for 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.

## **Bill of discharge**

A bill of discharge accounting for all goods imported to the IP procedure must be lodged with Revenue within an agreed timeframe.

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 IP.
- established rate of yield.
- type and quantity of the processed product.
- CN code and the value of the processed product.
- 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 IP.
- 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.

Failure to return bills of discharge or failure to return them on time is considered a non-compliance issue.

### **Movement of goods under inward processing**

Movement of goods may take place between different places in the customs territory of the Union without customs formalities, but your records must 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.

### **Transfer from the point of entry**

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

### **Transfer to an approved operator**

An operator is someone who has been authorised to process IP goods in their own premises on your behalf. The goods may be transferred to the operator's premises for processing without any customs formalities. You will retain responsibility for the goods at all times and all movements of the goods must be recorded in your accounts.

If the operator is in another Member State, Economic Procedures Unit will contact the customs authorities in that Member State and, if they agree, your authorisation will be amended to an authorisation covering more than one Member State.

## **SECTION V**

### **PAYMENT OF DUTIES**

#### **Goods released for free circulation**

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) under Article 85(1) of the Union Customs Code.
- The processed product can be released to free circulation with duty and VAT applicable to the originally imported raw materials (old IP diversion) under Article 86(3) of the Union Customs Code.

If you intend to release goods to free circulation you must state in your application which method you wish to use. The method used will be set down in your authorisation. If you choose both methods then you must give a breakdown of the goods to be released under each method.

### **Payment of duty**

Unless a special arrangement for deferred payment has been approved, an appropriate entry must be lodged and the import duties must be paid before goods are placed on the Union market.

### **Deferred payment arrangements**

Where goods are released for free circulation on a regular basis the customs authorities may grant the use of a simplified procedure (without the need to present an entry at each release). This is subject to the provision of a deferred payment arrangement. Under this arrangement an entry in respect of the goods released for free circulation in any one month, together with the import duties, must be lodged with customs by the fifteenth day of the month following release. Operation of the arrangement is subject to provision of separate surety cover to guarantee the import duties on the released goods. Any application to operate this system should be agreed with the Revenue official in advance.

## **SECTION VI**

### **SPECIAL ARRANGEMENTS**

#### **Equivalence**

Equivalence is a facility within IP that allows traders to use identical Union goods in place of import goods for processing and export. This facility must be specifically approved on the authorisation as there are some goods and procedures excluded from equivalence. There are additional conditions attached to the use of equivalence (see Appendix V and Appendix VI).

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. Equivalence cannot be used with the simplified authorisation arrangement.

#### **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. This is known as export before import EX/IM. Prior exportation cannot be used unless specifically provided for in the trader's authorisation.

#### **Triangular Traffic System INF5**

The triangular traffic system allows goods or processed products to be exported from a Member

State other than the one where the goods were entered for the procedure. You may also use triangular traffic in conjunction with prior exportation/equivalence. This allows processed products derived from equivalent Union goods to be exported from a place other than that where the goods were imported. The export may take place before the import of the third country goods (EX/IM). A special information document (INF5) may be used to control the movement of the goods and to facilitate the exchange of information between Member States. The Customs authorities may agree to other means of exchange of information

### **The 'No-Drawback' Rule**

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. Details of these countries may be obtained from the Classification, Origin and Valuation Unit at Tel: 067 - 63213.

## **SECTION VII**

### **MISCELLANEOUS**

#### **Exportation for further processing**

All or part of the processed products or goods in the unaltered state may be temporarily re-exported for the further processing outside the Union under the outward processing (OP) procedure.

#### **Prohibitions and restrictions on goods**

Goods entering IP are not exempt from import and/or export prohibitions and restrictions. Licensable goods subject to quantitative restrictions, goods subject to tariff quotas or other quantitative import restrictions and so on may be entered to IP suspension. If goods are released for free circulation they must comply with any commercial policy measures that apply.

#### **Further information**

You can get further information from:

- any Revenue office
- Authorisations and Reliefs Unit, St. Conlon's Road, Nenagh, Co Tipperary, Tel. 067-63204/63237, email: [revcep@revenue.ie](mailto:revcep@revenue.ie).

## APPENDIX I

### 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;

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

Sheepmeat 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;

Poultrymeat 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 29 (quality wine PDO and PGI excepted)2204 30

Ethyl alcohol and spirit products falling under CN codes:

2207 10

2207 20

2208 40 39 – 2208 40 99

2208 90 91 – 2208 90 99

ex 2401 unmanufactured tobacco

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

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.

All fishery products subject to an autonomous quota.

**APPENDIX II – 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: \_\_\_\_\_

**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 III

#### **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 Community 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 EU 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 IP" 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 Union 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 your 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 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 compensating 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 also 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 Community 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 Community 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 IV**

Inward Processing return and periodic payment Form 1034

<b>8.</b> Inward Processor	VAT No.	1. DECLARATION DIV.	A. No. and Date				
		Collection					
		Station					
Period to which payment relates							
<b>31.</b> Description of goods	<b>32.</b> Item No.	<b>33.</b> Commodity Code	<b>47. CALCULATION OF TAXES</b>				
			Type	Tax base	Rate	Amount	MP
			<b>34.</b> Country origin Code		<b>37.</b> Procedure		
			a.   b.				
			<b>38.</b> Net mass (kg)				
		<b>41.</b> Supplementary units					
		<b>46.</b> Statistical value					
<b>31.</b> Description of goods	<b>32.</b> Item no.	<b>33.</b> Commodity Code	<b>47. CALCULATION OF TAXES</b>				
			Type	Tax base	Rate	Amount	MP
			<b>34.</b> Country origin Code		<b>37.</b> Procedure		
			a.   b.				
			<b>38.</b> Net mass (kg)				
		<b>41.</b> Supplementary units					
		<b>46.</b> Statistical value					
<b>31.</b> Description of goods	<b>32.</b> Item No.	<b>33.</b> Commodity Code	<b>47. CALCULATION OF TAXES</b>				
			Type	Tax base	Rate	Amount	MP
			<b>34.</b> Country origin Code		<b>37.</b> Procedure		
			a.   b.				
			<b>38.</b> Net mass (kg)				
		<b>41.</b> Supplementary units					
		<b>46.</b> Statistical value					
<b>31.</b> Description of goods	<b>32.</b> Item No.	<b>33.</b> Commodity Code	<b>47. CALCULATION OF TAXES</b>				
			Type	Tax base	Rate	Amount	MP
			<b>34.</b> Country origin Code		<b>37.</b> Procedure		
			a.   b.				
			<b>38.</b> Net mass (kg)				
		<b>41.</b> Supplementary units					
		<b>46.</b> Statistical value					
<b>31.</b> Description of goods	<b>32.</b> Item No.	<b>33.</b> Commodity Code	<b>47. CALCULATION OF TAXES</b>				
			Type	Tax base	Rate	Amount	MP
			<b>34.</b> Country origin Code		<b>37.</b> Procedure		
			a.   b.				
			<b>38.</b> Net mass (kg)				
		<b>41.</b> Supplementary units					
		<b>46.</b> Statistical value					
<b>31.</b> Description of goods	<b>32.</b> Item No.	<b>33.</b> Commodity Code	<b>47. CALCULATION OF TAXES</b>				
			Type	Tax base	Rate	Amount	MP
			<b>34.</b> Country origin Code		<b>37.</b> Procedure		
			a.   b.				
			<b>38.</b> Net mass (kg)				
		<b>41.</b> Supplementary units					
		<b>46.</b> 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				
Signature .....			FOR OFFICIAL USE				
Payment received and records noted      Date      20			Cashier				

## APPENDIX V

### 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 time limit of \_\_\_\_\_ months for completion of the arrangement applies commencing on the date of the export of the equivalent compensating products under the arrangement.
6. A SAD 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 VI

### ANNEX 71-04 - DA

#### SPECIAL PROVISIONS CONCERNING EQUIVALENT GOODS

##### 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

###### (1) 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.

###### (2) 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.

###### (3) 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.

#### **(4) 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.

#### **(5) 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 maizes 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.

#### **(6) Olive oil**

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

(1) virgin olive oil

(a) 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)

- (b) 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)
- (c) 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.

(2) 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 blendings 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 2568/91<sup>1</sup>.

**(7) 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.

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.

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<sup>1</sup> OJ L 248, 5.9.1991, p. 1.

**APPENDIX VII**  
ANNEX 71-03 - DA

**List of permitted usual forms of handling**

Unless otherwise specified, none of the following forms of handling may give rise to a different eight-digit CN code:

- (1) ventilation, spreading-out, drying, removal of dust, simple cleaning operations, repair of packing, elementary repairs of damage incurred during transport or storage in so far as it concerns simple operations, application and removal of protective coating for transport
- (2) reconstruction of the goods after transport
- (3) stocktaking, sampling, sorting, sifting, mechanical filtering and weighing of the goods
- (4) removal of damaged or contaminated components
- (5) conservation, by means of pasteurisation, sterilisation, irradiation or the addition of preservatives
- (6) treatment against parasites
- (7) anti-rust treatment
- (8) treatment:
  - by simple raising of the temperature, without further treatment or distillation process, or
  - by simple lowering of the temperature;even if this results in a different eight-digit CN code
- (9) electrostatic treatment, uncreasing or ironing of textiles
- (10) treatment consisting in:
  - stemming and/or pitting of fruits, cutting up and breaking down of dried fruits or vegetables, rehydration of fruits, or
  - dehydration of fruits even if this results in a different eight-digit CN code
- (11) desalination, cleaning and butting of hides
- (12) addition of goods or addition or replacement of accessory components as long as this addition or replacement is relatively limited or is intended to ensure compliance with technical standards and does not change the nature or improve the performances of the original goods, even if this results in a different eight-digit CN code for the added or replacement goods
- (13) dilution or concentration of fluids, without further treatment or distillation process, even if this results in a different eight-digit CN code
- (14) mixing between them of the same kind of goods, with a different quality, in order to obtain a constant quality or a quality which is requested by the customer, without changing the nature of the goods
- (15) mixing of gas or fuel oils not containing biodiesel with gas or fuel oils containing biodiesel, classified in Chapter 27 of the CN, in order to obtain a constant quality or a quality which is

requested by the customer, without changing the nature of the goods even if this results in a different eight-digit CN code

- (16) mixing of gas or fuel oils with biodiesel so that the mixture obtained contains less than 0,5 %, by volume, of biodiesel, and mixing of biodiesel with gas or fuel oils so that the mixture obtained contains less than 0,5 %, by volume, of gas or fuel oils
- (17) dividing or size cutting out of goods if only simple operations are involved
- (18) packing, unpacking, change of packing, decanting and simple transfer into containers, even if this results in a different eight-digit CN code, affixing, removal and altering of marks, seals, labels, price tags or other similar distinguishing signs
- (19) testing, adjusting, regulating and putting into working order of machines, apparatus and vehicles, in particular in order to control the compliance with technical standards, if only simple operations are involved
- (20) dulling of pipe fittings to prepare the goods for certain markets
- (21) denaturing, even if this results in a different eight-digit CN code
- (22) any usual forms of handling, other than the abovementioned, intended to improve the appearance or marketable quality of the import goods or to prepare them for distribution or resale, provided that these operations do not change the nature or improve the performance of the original goods.