

Instruction Manual

On

End-Use

Procedure

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This manual provides instruction on the authorisation and control of the End Use Procedure.

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1 Introduction

1.1 What is End-use?

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

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

1.2 How End-use works

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

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

1.3 What goods qualify for End-use relief?

- (i) Goods eligible for End-use are identified by their tariff classification:
Provision is made under Regulations dealing with suspension of duties in the Tariff to have the suspension of duty made dependent on the end use of the goods. For example, Council Regulation (EU) No 1344/2011 of 19 December 2011 (suspending the autonomous Common Customs Tariff) makes the granting of some suspensive rates subject to end use control while Council Regulation (EU) No 3050/95 of 22 December 1995 (temporarily suspending the autonomous Common Customs Tariff duties on a number of products intended for the construction, maintenance and repair of aircraft) also makes the granting of the suspensive rate subject to End Use control.
- (ii) Products intended for aircraft, ships, boats and for drilling platforms as set out in Part I, Section II of the Combined Nomenclature. A listing of tariff headings/codes for these products is given each year in the Combined Nomenclature.
- (iii) Weapons and military equipment certified by a competent authority:
Council Regulation No. 150/2003 suspends import duties on a number of military weapons and equipment on condition that the goods are being used by, or on behalf of, the military forces of a Member State for the defence of the Member State or for international peacekeeping or support operations. Duty is suspended for importation of goods under this regulation subject to the application of End-use controls and the issue of the appropriate certificate by the competent authority, which in Ireland is the Department of Defence. Businesses importing such goods on behalf of the Department of Defence must be authorised for End-use and must hold the appropriate certificate issued by that Department (or by the equivalent competent authority in another Member State) covering the goods they wish to import. Appendix IV contains a list of 4-digit Tariff headings covering weapons and military equipment on which import duties are suspended.

1.4 Persons Eligible for End-use relief

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

- (i) who, themselves, put the goods to the prescribed End-use; or
- (ii) that partly process the End-use goods and transfer these partly processed goods to another person (or other persons) authorised to carry on the End-use process; or
- (iii) of End-use goods who, themselves, do not carry out any End-use processing but merely distribute the goods to other authorised persons who put the goods to the prescribed End-use

1.5 Exclusions from relief

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

2. Application for Authorisation (UCC Article 211)

2.1 Application Procedure.

(UCC Article 22)

Application forms are available on the Revenue website at www.revenue.ie under Customs, Businesses and Customs, Economic Procedures. All applications, including those for renewal or amendment to existing authorisations, must be submitted in writing to Authorisations & Reliefs Unit.

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

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

2.2 Region/LCD Report on New Applications.

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

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

2.3 Guarantee

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

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

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

Example: Airplane CN code 8802400010 (Civil Use) can be imported with a 0% duty rate if the trader has an End Use Authorisation, however if the trader does not have an End Use Authorisation he cannot use this CN code therefore he must use CN code 8802400090 (Other) which has a duty rate of 2.7%. This 2.7% must be used in the calculation for the guarantee reference amount.

There are two new guarantee options – Individual or Comprehensive. An Individual Guarantee covers an individual SAD or operation whilst a Comprehensive Guarantee covers all SADs entered to the procedure. Therefore, while in theory, there are two options, in reality for a special procedure the most feasible option is the Comprehensive Guarantee. The operator must apply, and be authorised, for Comprehensive Guarantee. The guarantee may take the form of either a cash deposit or a guarantee of undertaking from a surety provider. Material on Comprehensive Guarantees is available on the Revenue website <http://www.revenue.ie/en/customs/comprehensive-guarantee/index.html>.

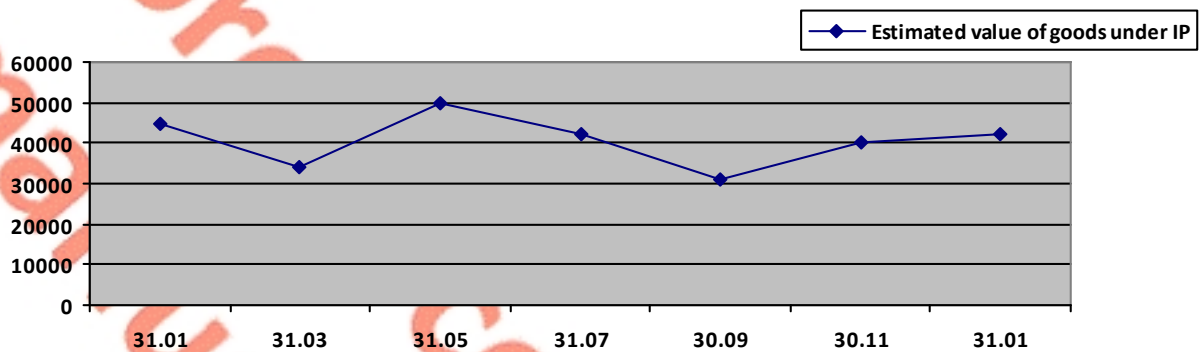
The application for a Comprehensive Guarantee should be submitted at the same time as the application for End use so that the Revenue assessment can be carried out simultaneously.

List of Key Data Elements required for the calculation:

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

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

- Total value of good which may be placed under End Use during 3 years (see data field 7 of the application) €600,000
- Non preferential duty rate 2.7%
- Period of Discharge 6 months
- Maximum value of goods which may be under End Use at a given point in time according to business activities* (see graph below) €50,000
- Calculation of the reference amount regarding import duty $€50,000 \times 2.7\% = €1,350$
- Guarantee reference amount is determined as €1,350



2.4 Rate of Yield

(UCC Article 254(5) and 255)

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

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

3. Type of Authorisations

3.1 Authorisation covering one Member State.

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

3.2 Authorisation covering more than one Member State.

(Article 260 IA)

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

3.2.1 Main accounts held in Ireland

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

3.2.2 Main accounts held in another Member State

- In the case of applications for Authorisations in other Member States concerning operators in Ireland, the draft authorisation is forwarded by the Member State to Authorisations & Reliefs Unit.
- This draft is forwarded to the Region/LCD where the Irish trader is based. This draft should be examined in a timely fashion as the authorisation may be issued by the other Member State if no objection is received within 30 days.
- The designated Control Officer should contact the trader and arrange a meeting to examine the premises where the procedure will be carried out, the accounting procedures used and to explain to the trader their obligations with regard to this authorisation.
- Authorisations & Reliefs Unit will liaise with the issuing Member State regarding any controls that the Control Officer deems necessary.
- On receipt of a positive recommendation from the Control Officer, Authorisations & Reliefs Unit will inform the Member State that Ireland has no objection to the issuing of the authorisation.
- Authorisations & Reliefs Unit will be kept informed by the Administration(s) in the Member State which issued the authorisation regarding any amendments or other issues throughout the lifetime of the authorisation.
- Any issues that arise will be notified to the Control Officer in Ireland without delay.

3.3 Retrospective Authorisation

(UCC Article 211(2) Art 172 DA)

A retrospective authorisation may only be issued in exceptional circumstances. Details of these circumstances must be submitted by the trader and examined before any retrospection can be considered. The period of retrospection, 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.

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,
- (h) where an application concerns renewal of an authorisation for the same kind of operation and goods, the application is submitted within three years of expiry of the original authorisation.

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

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

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

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

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

3.4 Application for an authorisation based on a customs declaration (simplified authorisation) (Article 163 DA)

In certain cases importers may avail of a Simplified Authorisation arrangement approved by Revenue at the point of importation where goods are being imported for a particular End-use:

- (i) On a one-off basis e.g. to facilitate a trader who is not a regular importer; or
- (ii) Where the importation is a straightforward operation, the nature of the intended End-use is simple and the Revenue supervision required is uncomplicated (e.g. importation of a civil aircraft where the End-use can be verified simply by reference to a certificate of registration in the public records).

Applications for such Simplified Authorisation arrangements are made at point of import. The SAD declaration constitutes an application for simplified end-use and must be supported by accompanying documentation containing at least the following information the:

- (i) name(s) and address (es) of the applicant, the importer and the operator;
- (ii) nature of the End-use;
- (iii) technical description of the goods, the products resulting from their End-use and the means of identifying them;
- (iv) estimated rate of yield from the goods or the method by which that rate is to be determined;
- (v) estimated period for assigning the goods to their End-use; and
- (vi) place where the goods are to be put to the End-use.

Where staff at the point of importation consider that particular elements of the above information are not absolutely necessary to enable them to satisfy themselves that the goods will be put to the intended End-use, or where any elements of the information are already contained on the SAD

declaration, the accompanying documentation may be accepted without those particular elements of information.

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

- (i) Clearance for free circulation and assigning of the goods to the prescribed End-use must be carried out solely within Ireland.
- (ii) The applicant must use the ordinary SAD declaration procedure (as opposed to a Simplified Declaration Procedure);
- (iii) The applicant must be solely responsible for assigning the goods to the prescribed End-use.

Due to the risks associated with the Simplified Authorisation arrangement, its use should be restricted to situations where there is a low risk of diversion to alternative uses (because of the nature of the goods).

4. Issue of an Authorisation (UCC Article 211)

4.1 Issue of a New Authorisation

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

Authorisations & Reliefs Unit will send the original authorisation to the Region/LCD for delivery to the holder. A copy is also sent for the trader file held in the Region/LCD. The Region/LCD must deliver the authorisation to the holder by hand. Before receiving the authorisation the holder must accept and sign a standard set of conditions (see Appendix II). A signed copy of the conditions must be returned to Authorisations & Reliefs Unit, while the Region/LCD should retain a copy in the trader file.

In the case of newly authorised operators, when imports under End-use begin the Control Officer should check to ensure that the tariff classifications codes, quantities and values being declared are in accordance with the authorisation.

4.2 Renewal of an Authorisation (Article 164 DA)

Authorisations & Reliefs Unit maintains a database of all current authorisations. The Section sends each authorisation holder a renewal letter three months in advance of the expiry of the authorisation. When an application for renewal is received in Authorisations & Reliefs Unit, it is checked for any changes from the previous authorisation. The Region/LCD will be requested to examine the renewal application and provide a recommendation as to whether or not the renewal should be granted. In those circumstances the Region/LCD should review the guarantee reference amount for the renewal period and, where relevant, ensure that the applicant is authorised for a Comprehensive Guarantee.

4.3 Amendment to an Authorisation (Article 164 DA)

All requests for amendments to current authorisations must be submitted to Authorisations & Reliefs Unit. The Section will forward the request to the Control Officer for a recommendation and a request to review the guarantee reference amount.

5. Entry of goods to the procedure

5.1 Declaration on SAD

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

- Enter the procedure codes 115 or 140 in Box 36• (115 if there is an autonomous tariff suspension under end-use, or 140 if there is only end-use on the tariff code).
- Enter the Authorisation number in Box 44;
- Enter the invoice numbers or range of numbers in Box 44;

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

6. Obligations of Authorisation holders

6.1 Time Limits

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

6.2 Records

(UCC Article 214)

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

6.3 Period of Discharge

The period of discharge is from the time the goods are entered to the procedure until they have been put to the prescribed end use. The Region/LCD will determine the period of discharge based on the stock turn over period plus any time the goods are held under the procedure. This time frame should be no more than 6 months, but may, **in exceptional**

circumstances, be longer. Discharge of the procedure by means of the goods either being put to the end use, exported or destroyed releases the suspended duty liability.

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

6.4 Bill of discharge

From the 1st May 2016 under the UCC, a bill of discharge for the End-use procedure must be drawn up by the holder and must be lodged in the Region/LCD within the timeframe agreed within the authorisation. The Region/LCD, in consultation with Authorisations & Reliefs Unit, may extend these periods in special circumstances.

On receipt of the bill of discharge, the Region/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:

- 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 SAD, not a standard or any other form of value used by the company.
- particulars of the customs declarations entering the import goods to End-use;
- the established rate of yield;
- type and quantity of the processed product;
- CN code and the value of the processed product;
- the customs approved treatment or use assigned to the processed products as well as particulars of the relevant declarations or other documents used to discharge the goods or products from 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 to return them on time should be taken up immediately by the Region/LCD with the holder as this is considered a non compliance issue

6.5 Satisfying End-use Conditions

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

- (i) In the case of goods which can be used **only once**, they have been assigned to the prescribed End-use within the time limits laid down in the Authorisation (see section 6.1); or
- (ii) In the case of goods which may be put to **repeated use**, two years after they are first assigned to the prescribed End-use in accordance with the time-limits laid down; the date of such first assignment is to be entered in the bill of discharge referred to in section 6.4.
- (iii) Goods (referred to in note (i) above) intended for certain classes of aircraft for the purposes of their construction, maintenance, conversion or equipping are considered to have been assigned to that End-use when the aircraft is transferred to a person other than the holder of the authorisation or is again made available to its owner, e.g. following maintenance, repair or conversion.
- (iv) Goods (referred to in Part 1, Section II A of the Combined Nomenclature) intended for certain classes of vessel or for drilling or production platforms for the purposes of their construction, repair, maintenance, conversion, fitting or equipping are considered to have been assigned to that End-use when the vessel or drilling platform is transferred to a person other than the holder of the authorisation or again made available to its owner, e.g., following maintenance, repair or conversion.
The duty preference rate only applies to goods intended for incorporation in the various categories of eligible vessels or platforms, for their construction, repair, maintenance or conversion and to goods intended for fitting to or equipping them. It does not apply to plant or tools, or to machinery or equipment for use in a shipbuilding yard or other manufacturing premises. Consumable goods are also excluded.
- (v) Goods (referred to in Part 1, Section II A of the Combined Nomenclature) supplied directly on board a vessel for the purposes of equipping it are considered to have been put to the End-use at the time of such supply.
- (vi) Civil aircraft are considered to have been put to End-use when they are registered in the public records prescribed for that purpose in an EU Member State or in a third country. Evidence of such registration must be produced to Revenue before End-use requirements are met.

7. Movement of goods under End-use.

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

The T5 movement document used to transfer goods between End use holders can no longer be used from 1st May 2016. Movement of goods may take place between different places in the customs territory of the Union by transferring the rights and obligations of the holder of the authorisation to assign the goods to their End use to an operator who will then be responsible for assigning the goods to their End use. All operators receiving End use goods must be set down in the authorisation in advance of any movement. The records of the authorisation holder must show the following information:

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

Once proof is provided that the goods have been received by the operator and put to the end use the liability is discharged.

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

8. Goods which cannot fulfil end-use conditions
(Articles 254)

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

- export them from the EU
- destroy them under customs supervision or,
- abandon to the exchequer.

9. Destruction under Customs Supervision

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

9.1 Waste or Scrap

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

9.2 Customs Duty Debt

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

10. Monitoring/Checking of Authorisations

10.1 Control Measures

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

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

10.1.1 Parts for Aircraft or Sea Vessels

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

10.1.2 Land-based Operational Bases

In the case of goods listed in Part 1, Section IIA of the Combined Nomenclature, Revenue may, at the request of the Authorisation holder, approve places known as "land-based operational bases", where goods intended for incorporation in drilling or production platforms, benefiting from duty suspension, may be stored or subjected to operations of any kind. Such conditions as Revenue may determine shall apply to such approvals. Requests received for such approvals are to be forwarded to Authorisations & Reliefs Unit for consideration.

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

10.2 Common storage of goods

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

11. Equivalence

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

11.1 What is equivalence?

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

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

11.2 Application for equivalence

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

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

11.3 Restrictions to the use of equivalence

The use of equivalent goods shall not be authorised;

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

Appendix 1 - Report on End-use application

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(a) Authorisation?
(8) Has the trader AEO status?	(9) Will the company require a deferred payment arrangement?
(10) Has the trader been approved for any simplified procedures? If so, please give details	
(see Annex 1)	

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES

(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?

(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

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES

(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 retrospection 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.

(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)

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES

(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:

(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

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES

(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)

(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.)

(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

CONTROL OFFICERS REPORT FOR SPECIAL PROCEDURES

(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 actually 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



Annex 1- SIMPLIFIED 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](#)

[Local Clearance Procedure at Import](#)

[Local Clearance Procedure at Export](#)

ANNEX 2 – 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.

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 customs approved treatment or use in triangular traffic, under Inward Processing.

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Appendix II - General conditions to be observed by persons authorised to engage in an End-use Arrangement.

1. The Authorisation is issued by the Revenue Commissioners and may be revoked for non-compliance with EU legislation governing End-use.
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 End-use 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 goods must be put to the prescribed end-use as indicated in the Customs & Excise Tariff within a period of from the date of entry for customs purposes or the date of receipt of transferred goods.
4. The Authorisation holder is responsible for ensuring that the tariff code(s) quoted on the Authorisation are correct.
5. 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 End-use must be entered in the Automated Entry Processing (AEP) System, in accordance with the AEP Trader Guide. The appropriate procedure code must be inserted in box 36 of the SAD. The Authorisation number must be quoted in box 44.
8. Civil Aircraft are considered to have fulfilled the requirement of End-use when they are registered in the Public records prescribed for that purpose
9. Records must be kept and a Bill of Discharge submitted by the holder of the Authorisation at its principal place of business in the State. The following information is required:
 - the authorisation reference number;
 - The periods for discharge
 - the quantity of each type of import goods in respect of which discharge 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 SAD, not a standard or any other form of value used by the company.
 - the particulars of the customs declarations entering the import goods to End use
 - the established rate of yield;
 - if relevant, the type and quantity of the processed product;
 - if relevant, the CN code and the value of the processed product;
 - the customs approved treatment or use assigned to the processed products as well as particulars of the relevant declarations or other documents used to discharge the goods or products from End use.

- Quantities and values from the authorisation used and balance carried forward to next period for discharge
- 10 The Authorisation holder is responsible for ensuring that s/he complies with the provisions for the time being in force in relation to the payment of Value Added Tax.
 11. 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.
 12. All necessary assistance and co-operation must be provided to Revenue in exercising control of the arrangements and in establishing agreement between official records and the records of the Authorisation holder.
 13. In the event of the goods being transferred to another authorised person either in Ireland or elsewhere in the EU advance notification of the transfer must be given. Where goods are transferred the date of transfer and the name and address of the transferee, who must also be authorised to import or receive similar goods under End-use, should be quoted in the notification.
 14. Revenue reserves the right to vary or add to the conditions set out above.

I/We hereby certify that the conditions (1) to (16) set out above are accepted and I/we undertake to comply with them.

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.

A more recent version of this manual is available.

Appendix III – conditions to be observed by persons authorised to operate equivalence

1. In these conditions

"import goods" means the non-Union goods placed under end use,

"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 end use 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. A time limit of ____ months for completion of the arrangement applies commencing
 - * on the date of the placing of the import goods on the Union Market.
 - * on the date of the export of the equivalent processed 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. The time when equivalent processed/prior exportation is considered to have taken place will be determined by a Revenue Official in accordance with the relevant EU legislative provisions.
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 end use 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.

* Delete as appropriate

I/We.....(Name in block letters) hereby certify that the conditions (1) to (14) 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 IV - Tariff headings for weapons and military equipment on which import duties are suspended

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

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

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

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