



Council of the
European Union

Brussels, 25 April 2025
(OR. en)

7752/25

Interinstitutional File:
2023/0156(COD)

LIMITE

UD 72
CODEC 392
ENFOCUSTOM 52
ECOFIN 395
MI 193
COMER 57
TRANS 113
FISC 91

NOTE

From:	General Secretariat of the Council
To:	Working Party on Customs Union
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Union Customs Code and the European Union Customs Authority, and repealing Regulation (EU) No 952/2013 - Title VIII - Presidency compromise text

Delegations will find enclosed the Presidency compromise text for Title VIII of the UCC reform proposal. Changes to the Commission proposal (doc. ST 9596/23) are marked in **bold underline** and ~~striketrough~~.

PL Presidency redrafting proposal on Title VIII (Articles 101 – 144) to be discussed at CUG 28/04

Provisions related to e-commerce are presented in *italics* for clarity.

(The amendments are presented in comparison to the Commission proposal COM(2023) 258 final)

Title VIII

SPECIAL PROCEDURES

Chapter 1

General provisions

Article 101

Scope

1. Goods may be placed under any of the following categories of special procedures:
 - (a) transit, which shall comprise external and internal transit;
 - (b) storage, which shall comprise customs warehousing and free zones;
 - (c) specific use, which shall comprise temporary admission and end-use;
 - (d) processing, which shall comprise inward and outward processing.
- ~~2. The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement and amend this Regulation by determining the data provided or made available to the customs authorities for placing goods under special procedures.~~

Authorisation

1. [Importers or exporters] intending to place goods under a special customs procedure shall have an authorisation from the customs authorities for the following:
 - (a) the use of the inward or outward processing procedure, the temporary admission procedure or the end-use procedure; or
 - (b) the operation of storage facilities for the customs warehousing of goods, ~~except where the storage facility operator is the customs authority itself.~~ **where a storage facility operator operates a customs warehouse for its own use; or**
 - (c) **the operation of storage facilities for the customs warehousing of goods for where a storage facility operator operates a customs warehouse for its own use of distance sale.**
- 1a. Persons shall have an authorisation from the customs authorities for the operation of storage facilities for the customs warehousing of goods by any importer, except where the storage facility operator is the customs authority itself.**
- 1b. The authorisation shall set out the conditions for the use of these the special procedures referred to in paragraph 1, point (a), or the operation of these the storage facilities referred to in paragraph 1, point (b), (c) and paragraph 1a.**
2. ~~Except where otherwise provided, t~~The customs authorities shall grant the authorisations referred to in paragraph 1 **and 1a** only where **all of** the following conditions are met, **except where otherwise provided:**
 - (a) ~~the holder of the authorisation~~ **the applicant** is established in the customs territory of the Union, ~~except where otherwise provided for temporary admission procedure or, in exceptional cases, for the end-use or inward processing procedures;~~
 - (b) ~~the holder of the authorisation~~ **the applicant** provides the necessary assurance of the proper conduct of the operations; **an authorised economic operator for customs simplifications or** a Trust and Check trader shall be deemed to fulfil this condition,

insofar as the activity pertaining to the special procedure concerned is taken into account in the authorisation referred to in Articles 24 or 25, respectively;

- (c) ~~the customs authorities deemed it necessary where the holder of the authorisation is not a Trust and Check trader,~~ a guarantee is provided for the potential customs debt or other charges related to the goods placed under the special procedure in accordance with Article 170;
- (d) the customs authorities are able to exercise customs supervision without having to introduce administrative arrangements which are disproportionate to the economic needs involved;
- (e) ~~if~~ in the authorisation concerns case of the temporary admission procedure, the ~~holder of the authorisation~~ applicant uses the goods or arranges for their use;
- (f) ~~if the authorisation concerns~~ in the case of the inward processing procedure, the ~~holder of the authorisation~~ applicant carries out processing operations on the goods or arranges for them to be carried out;
- (g) in the case of a processing procedure, the essential interests of Union producers ~~would~~ will not be adversely affected by the authorisation ~~for a processing procedure~~ ('~~examination of the economic conditions~~').

3. Unless otherwise justified by the economic nature of the processing, for assessing whether economic conditions are fulfilled for granting an authorisation for an inward processing procedure ~~adversely affects the essential interest of the Union producers,~~ the competent customs authorities ~~issuing the authorisation~~ shall, before ~~adopting its~~ taking a decision on the authorisation, request the opinion of the EU Customs Authority where ~~if~~:

- (a) ~~the import duty applicable upon release for free circulation of the processed products is determined on the basis of the tariff classification, customs value, quantity, nature and origin of the goods placed under the inward processing procedure in accordance with Article 168(3) and (4); and~~
- (b) evidence exists that the essential interests of Union producers are likely to be adversely affected. ~~[Such evidence shall be deemed to exist where the goods to be placed under inward processing would be subject to an agricultural 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 if they were released for free circulation.]~~

4. For assessing whether **economic conditions are fulfilled for** granting an authorisation for an outward processing procedure ~~adversely affects the essential interest of the Union producers,~~ the **competent** customs authorities shall, before ~~adopting its~~ **taking a** decision on the authorisation, request the opinion of the EU Customs Authority where evidence exists that the essential interests of Union producers of goods that are considered as sensitive are likely to be adversely affected, and the goods are not intended to be repaired.
5. When requested in accordance with paragraphs 3 and 4, **during examination of the economic conditions,** the EU Customs Authority may ~~reach~~ **issue** one of the following opinions:
- (a) granting the authorisation does not adversely affect the essential interests of Union producers;
 - (b) granting the authorisation adversely affects the essential interests of Union producers;
 - (c) granting the authorisation for a duly substantiated and monitored quantity of goods that is defined in the opinion does not adversely affect the essential interests of Union producers.

The opinion of the EU Customs Authority shall be taken into account by the customs authorities **competent for granting the authorisation** ~~issuing the authorisations~~ as well as by any other customs authorities dealing with similar authorisations. ~~The customs authorities issuing the authorisation may disregard the opinion adopted by the EU Customs Authority provided that they give reasons for their decision in that respect.~~

6. The customs authorities granting the authorisation shall provide or make available the authorisations in the EU Customs Data Hub. Where the authorisations for special procedures contain commercially sensitive information, access to ~~their particulars~~ **that sensitive information** shall be restricted.
7. The Commission is empowered to adopt delegated acts in accordance with Article 261, supplementing this Regulation in order to determine:

(0a) the conditions referred to in paragraph 1b and paragraph 2 for granting authorisations for special procedures referred to in paragraph 1, point (a), or the operation of the storage facilities referred to in paragraph 1, point (b), (c) and paragraph 1a;

- (a) the exceptions to the conditions referred to in paragraph 2;
- (b) the cases referred to in paragraph 3 where the economic nature of the processing justifies that the customs authorities assess whether granting an authorisation for an inward processing procedure adversely affects the essential interest of the Union producers without the opinion of the EU Customs Authority;

(ba) the cases where evidence shall be deemed to exist that the essential interests of Union producers are likely to be adversely affected referred to in paragraph 3 and the cases referred to in paragraphs 3 and 4 where the economic conditions shall be deemed to be fulfilled;

- (c) the list of goods considered as sensitive referred to in paragraph 4.

8. The Commission shall specify, by means of implementing acts:

- (a) the procedural rules for granting the authorisation for the special procedures or the operation of the storage facilities referred to in paragraphs 1 and 1a;
- (b) the procedural rules for the examination of the economic conditions, including for the EU Customs Authority to provide its opinion; and
- (c) ~~the quantity and the rules for~~ fixing and monitoring the threshold quantity referred to in paragraph 5.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 262(4).

9. Until the date set out in Article 265(1), an examination of the economic conditions referred to in paragraph 2, point (f), shall take place at Union level ~~hosted by~~ in accordance with the Commission procedural rules referred to in paragraph 8, point (b). Until that date, where reference is made to the opinion of the EU Customs Authority under this Chapter, it is meant to refer to the examination of the economic conditions at

Union level by the Commission ~~examination at Union level~~ as provided under paragraphs **3, 4 and** 5 of this Article.

Article 103

Authorisations with retroactive effect

1. The customs authorities shall **upon application** grant an authorisation with retroactive effect, where all of the following conditions are fulfilled:
 - (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 accounts 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 or of the ~~previous records concerned~~ data provided for placing goods under a customs procedure**;
 - (e) no authorisation with retroactive effect, **for the same type of special procedure**, has been granted to the applicant within 3 years of the date on which the application was accepted;
 - (f) the opinion of the EU Customs Authority is not required to assess whether the granting of the authorisation would adversely affect the essential interests of Union producers, except where an application concerns renewal of an authorisation for the same kind of operation and goods;
 - (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 3 years of expiry of the original authorisation.
2. Customs authorities may grant an authorisation with retroactive effect also where the goods which were placed under a customs procedure are no longer available at the time when the application for such authorisation was accepted.

Article 103a

Retroactive amendment to the authorisation

- 1. Upon justified application by the holder of the authorisation, submitted within the period of validity of the authorisation referred to in Article 102 (1) and (1a), the customs authorities may authorise the authorisation granted to be amended with retroactive effect.**

By way of derogation of the first subparagraph, the holder of the authorisation may submit the application to amend the authorisation after the expiration of the period of validity of the authorisation as long as there are goods placed under the relevant procedure, which has not been discharged.

- 2. In the decision on the retroactive amendment to the authorisation, the customs authorities shall determine the date from which that amendment takes effect .**

- 2a. A retroactive amendment shall not take effect prior to the date of effect of the authorisation.**

- 3. No retroactive amendment shall be permitted where it is applied for after any of the following events:**

- (a) the customs authorities have informed the holder of the authorisation that they intend to examine the goods or perform a control;**
- (b) the customs authorities have established that the particulars or data elements of the authorisation are incorrect;**
- (c) the application for amending the authorisation is related to attempted deception or abuse by the holder of the authorisation.**

- 4. The application referred to in paragraph 1 shall not concern the period of validity of the authorisation granted.**
- 5. The application referred to in paragraph 1 shall not make it necessary to obtain the opinion of the EU Customs Authority referred to in Article 102 (3) and (4).**

Article 104

Records

1. ~~The~~ **Unless otherwise provided, the** holder of the authorisation, **as referred to in Article 102(1) and (1a),** the importer or exporter, and all persons carrying ~~on~~**out** an activity involving the storage, working or processing of goods, or the sale or purchase of goods in free zones, shall keep appropriate records in a form approved by the customs authorities and provide ~~them~~ or make available those records in the EU Customs Data Hub.

The records shall contain the information and the particulars which enable the customs authorities to supervise the procedure concerned, in particular with regard to identification of the goods placed under that procedure, their customs status and their movements.

2. ~~A~~ **An authorised economic operator for customs simplifications or a** Trust and Check trader shall be deemed to comply with the obligation laid down in paragraph 1- **insofar as his or her records are appropriate for the purpose of the special procedure concerned.**
3. **The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement this Regulation by determining the type of information and particulars that are to be contained in the records and the exceptions to the obligation to provide them or make them available in the EU Customs Data Hub as referred to in paragraph 1.**

Article 105

Discharge of a special procedure

1. In cases other than the transit procedure and without prejudice to the customs supervision in relation to end-use provided for in Article 135, a special procedure shall be discharged when the goods placed under the procedure, or the processed products, are placed under a subsequent customs procedure, ~~have been~~ **are** taken out of the customs territory of the Union, ~~or have been~~ **are** destroyed with no waste remaining, or are abandoned to the State in accordance with Article 78.
2. The customs authorities shall discharge the transit procedure when they are in a position to establish, on the basis of a comparison of the data provided or made available to the customs office of departure and those provided or made available to the customs office of destination, that the procedure has ended correctly.
3. The customs authorities shall take all the measures necessary to regularise the situation of the goods in respect of which a procedure has not been discharged under the conditions prescribed.
4. The discharge of the procedure shall take place within a certain time-limit, unless otherwise provided.
5. The Commission is empowered to adopt delegated acts, in accordance with Article 261₂, to supplement this Regulation by determining the time limit referred to in paragraph 4.
6. The Commission shall specify, by means of implementing acts₂, the procedural rules for the discharge of a special procedure referred to in this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 262(4).

Article 106

Transfer of rights and obligations

1. The customs authorities may authorise the holder of an authorisation for a special procedure other than transit to fully or partially transfer ~~his or her~~ **their** rights and obligations with regard to goods that have been placed under that special procedure to an

importer or exporter or any other person that also meets the conditions for the procedure concerned.

2. ~~The holder of the authorisation that is transferring his or her rights and obligations shall inform the customs authorities about the transfer and about the discharge of the procedure, unless the customs authorities have also authorised the importer or exporter to which the rights and obligations are transferred.~~^{3.}

3. ~~Where the transfer of rights and obligations involves more than one Member State, the customs authorities authorising the transfer shall consult the other Member States concerned.~~

3a. The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement this Regulation by determining:

(a) the cases where and the conditions under which the transfer of rights and obligations is allowed;

(b) the form in which the customs authorities authorise the transfer of rights and obligations;

(c) the data and information required for applications and authorisations for transfer of rights and obligations.

4. The Commission shall specify, by means of implementing acts, the procedural rules for transferring the rights and obligations of the holder of the authorisation with regard to goods which have been placed under a special procedure other than transit. Those implementing acts shall be adopted in accordance with the examination procedure in Article 262(4).

Article 107

Movement of goods

1. In specific cases, [importers and exporters] may move goods placed under a special procedure other than transit or in a free zone between different places in the customs territory of the Union.

2. The Commission is empowered to adopt delegated acts² in accordance with Article 261² to supplement this Regulation by determining the cases and the conditions under which importers and exporters may move goods as referred to in paragraph 1 of this Article.
3. The Commission shall specify, by means of implementing acts², the procedural rules for the movement of goods placed under a special procedure other than transit or in a free zone as referred to in paragraph 1. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 262(4).

Article 108

Usual forms of handling

1. Goods placed under customs warehousing or a processing procedure or in a free zone may undergo usual forms of handling intended to preserve them, improve their appearance or marketable quality or prepare them for distribution or resale.
 - 1a. Goods stored in a private customs warehouse referred to in Article 102 (1) (c) may be subject to the usual forms of handling which are strictly necessary for the purpose of prepare for the distance sale.**
2. The Commission is empowered to adopt delegated acts² in accordance with Article 261² to supplement this Regulation by determining the usual forms of handling for goods referred to in paragraphs 1 **and 1a** of this Article.

Article 109

Equivalent goods

1. Equivalent goods shall consist in Union goods which are stored, used or processed instead of the goods placed under a special procedure.

Under the outward processing procedure, equivalent goods shall consist in non-Union goods which are processed instead of Union goods placed under the outward processing procedure.

Except where otherwise provided, equivalent goods shall have the same eight-digit Combined Nomenclature code, the same commercial quality and the same technical characteristics as the goods which they are replacing.

2. The customs authorities shall, upon application, authorise the following, provided that the proper conduct of the procedure, in particular as regards customs supervision, is ensured:
- (a) the use of equivalent goods under customs warehousing, free zones, ~~and~~ end-use **procedures** ~~and a processing procedure~~;
 - (b) the use of equivalent goods under the temporary admission procedure, in specific cases;
 - (c) **the use of equivalent goods under inward processing procedure;** ~~in~~
in the case of the inward processing **with prior export** procedure, the export of processed products obtained from equivalent goods before the import of the goods they are replacing;
 - (d) **the use of equivalent goods under the outward processing procedure;** ~~in~~
in the case of the outward processing **with prior import** procedure, the import of processed products obtained from equivalent goods before the export of the goods they are replacing.

An authorised economic operator for customs simplifications or a Trust and Check trader shall be deemed to fulfil the condition that the proper conduct of the procedure is ensured, insofar as the activity pertaining to the use of equivalent goods for the procedure concerned is taken into account in the authorisation referred to in Articles **24 or 25**, **respectively.**

3. The use of equivalent goods shall not be authorised in any of the following cases:
- (a) where only usual forms of handling as defined in Article 108 are carried out under the inward processing procedure;
 - (b) where a prohibition of drawback of, or exemption from, import duty applies to non-originating goods used in the manufacture of processed products under the inward

processing procedure, for which a proof of origin is issued or made out in the framework of a preferential arrangement between the Union and certain third countries or groups of such countries;

(c) where it would lead to an unjustified import duty advantage or where provided for in Union legislation.

4. In the case referred to in paragraph 2, point (c), and where the processed products would be liable to export duty if they were not being exported in the context of the inward processing procedure, the holder of the authorisation shall provide a guarantee to ensure payment of the export duty should the non-Union goods not be imported within the period referred to Article 138(3).

5. The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement this Regulation in order to determine:

(a) the exceptions referred to in paragraph 1, third subparagraph;

(b) the conditions under which equivalent goods are used in accordance with paragraph 2;

(c) the specific cases where equivalent goods are used under the temporary admission procedure, referred to in paragraph 2, point (b);

(d) the cases where the use of equivalent goods is ~~is~~ **shall** not **be** authorised in accordance with paragraph 3, point (c).

6. The Commission shall specify, by means of implementing acts, the procedural rules for the use of equivalent goods authorised in accordance with paragraph 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 262(4).

Chapter 2

Transit

SECTION 1

GENERAL RULES

Article 110

Scope

1. Goods shall be placed under a transit procedure upon their entry into the customs territory, unless they have already been placed under a transit procedure specified in Articles 111 and 112 or ~~are placed~~ under another customs procedure within the time-limit set out in Article 86(4)~~(5)~~.
2. [The holder of the goods **transit procedure** shall be considered as being the importer or the exporter of the goods and shall be liable for the payment of customs duties and other taxes and charges unless the customs authorities have data on another importer or exporter.]
3. ~~Goods placed under the union transit procedure shall stay under that procedure, until they are placed under another customs procedure.~~

Article 111

External transit

1. Under the external transit procedure, non-Union goods may be moved from one point to another within the customs territory of the Union without being subject to any of the following:
 - (a) import duty or other charges, including anti-dumping duties, countervailing duties or safeguard measures;

- (b) commercial policy measures, insofar as they do not prohibit the entry or exit of goods into or from the customs territory of the Union.
2. In specific cases, Union goods shall be placed under the external transit procedure.
3. Movement as referred to in paragraph 1 shall take place in one of the following ways:
- (a) under the external Union transit procedure;
 - (b) in accordance with the TIR Convention, provided that such movement;
 - (i) began or is to end outside the customs territory of the Union;
 - (ii) is effected between two points in the customs territory of the Union through the territory of a third country;
 - (c) in accordance with the ATA or Istanbul Conventions, where a transit movement takes place;
 - (d) under cover of form 302 provided for in the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces, signed in London on 19 June 1951 ~~and~~or EU form 302;
 - (e) under the postal system in accordance with the acts of the Universal Postal Union, when the goods are carried by or for holders of rights and obligations under such acts.
4. The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement this Regulation by determining the specific cases where Union goods are to be placed under the external transit procedure.
5. The Commission shall specify, by means of implementing acts, the procedural rules to apply paragraph 3, points (b) to (e), in the customs territory of the Union, taking into account the needs of the Union. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 262(4).

Article 112

Internal transit

1. Under the internal transit procedure, ~~and under the conditions laid down in paragraph 2,~~ Union goods may be moved from one point to another within the customs territory of the Union, and pass through **the territory of** a third country, without any change in their customs status.
2. The movement referred to in paragraph 1 shall take place in one of the following ways:
 - (a) under the internal Union transit procedure, provided that such a possibility is provided for in an international agreement;
 - (b) in accordance with the TIR Convention;
 - (c) in accordance with the ATA or Istanbul Conventions, where a transit movement takes place;
 - (d) under cover of form 302 as provided for in the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces, signed in London on 19 June 1951 ~~and~~**or** EU form 302;
 - (e) under the postal system in accordance with the acts of the Universal Postal Union, when the goods are carried by or for holders of rights and obligations under such acts.
3. The Commission shall specify, by means of implementing acts the procedural rules to apply paragraph 2, points (b) to (e), in the customs territory of the Union, taking into account the needs of the Union. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 262(4).

Article 113

Single territory for transit purposes

Where goods are moved from one point in the customs territory of the Union to another in accordance with the TIR Convention, the ATA or Istanbul Conventions, under cover of forms 302,

EU form 302 or under the postal system, the customs territory of the Union shall, for the purposes of such transport, be considered to form a single territory.

Article 114

Exclusion of persons from TIR operations

1. Where the customs authorities of a Member State decide to exclude a person from TIR operations under Article 38 of the TIR Convention, that decision shall apply throughout the customs territory of the Union and TIR carnets lodged by that person shall not be accepted by any customs office.
2. A Member State shall communicate its decision referred to in paragraph 1, together with the date of its application, to the other Member States, ~~and~~ to the Commission and to the EU Customs Authority.

Article 115

Authorised ~~consignor~~ consignee and authorised ~~consignee~~ consignor for TIR purposes

1. The customs authorities may, upon application, authorise a person, ~~referred to as~~ (an ~~‘authorised consignee’~~) to receive goods moved in accordance with the TIR Convention at an authorised place, so that the procedure is terminated in accordance with Article 1, point (d), of the TIR Convention.
2. The customs authorities may, upon application, authorise a person, ~~referred to as~~ (an ~~‘authorised consignor’~~) to send goods to be moved in accordance with the TIR Convention ~~at~~ from an authorised place, so that the procedure is started in accordance with Article 1, point (c) of the TIR Convention.

For the purpose of the first subparagraph, the authorised consignor shall be authorised to use seals of a special type as referred to ~~in accordance with~~ Article 116(4), point (c).

3. The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement this Regulation by determining the conditions for the granting of the authorisations referred to in paragraphs 1 and 2.

SECTION 32
UNION TRANSIT

Article 116

Obligations of the holder of the Union transit procedure and of the carrier and recipient of goods moving under the Union transit procedure

1. The holder of the Union transit procedure shall be responsible for all of the following obligations:
 - (a) provision of **the required** the data **or making them available to the customs authorities** ~~enabling the customs authorities to supervise the goods, including at least the identification of the goods placed under that procedure, the means of transport, the importer or the exporter, the customs status and the movements;~~
 - (b) **notification of arrival** ~~presentation~~ of the goods intact and the required data, at the customs office of destination, within the prescribed time limit and in compliance with the measures taken by the customs authorities to ensure their identification;
 - (c) observance of the customs provisions relating to the procedure;
 - (d) unless otherwise provided for in the customs legislation, provision of a guarantee in order to ensure payment of the amount of import or export duty corresponding to any customs debt or other charges, which may be incurred in respect of the goods.
2. The obligation of the holder of the procedure shall be met and the transit procedure shall end when the goods placed under the procedure and the required information are available at the customs office of destination in accordance with the customs legislation.
3. A carrier or recipient of goods who accepts goods knowing that they are moving under the Union transit procedure shall also be responsible for ~~presentation~~ **notification of arrival** of the goods intact at the customs office of destination within the prescribed time-~~limit~~ and in compliance with the measures taken by the customs authorities to ensure their identification.

4. Upon application, the customs authorities may authorise any of the following simplifications regarding the placing of goods under the Union transit procedure or the ~~discharge~~ **end** of that procedure:
- (a) the status of authorised consignor, allowing the holder of the authorisation to place goods under the Union transit procedure without presenting them to customs;
 - (b) the status of authorised consignee, allowing the holder of the authorisation to receive goods moved under the Union transit procedure at an authorised place, to ~~discharge~~ **end** the procedure in accordance with **Article 105** paragraph (2);
 - (c) the use of seals of a special type, where sealing is required to ensure the identification of the goods placed under the Union transit procedure;
- (ca) the provision of a reduced data set, or, where applicable, the use of a customs declaration with a reduced data set, for placing the goods under transit procedure;**
- (d) the use of an electronic transport document to place goods under the Union transit procedure, provided it contains the necessary information, and this is available to the customs authorities at departure and at destination to allow the customs supervision of the goods and the discharge of the procedure.
- ~~5. The customs authorities at least every 3 years shall perform an in-depth monitoring of the activities of authorised consignors and consignees in order to assess their compliance with the authorisation requirements.~~
6. The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement this Regulation by:
- (a) further specifying the data requirements laid down in paragraph 1, points (a) and (b), and the conditions for granting the authorisations referred to in paragraph 4;**
 - (b) determining the data to be provided or made available to the customs authorities for placing goods under the Union transit procedure as referred to in paragraph 1, point (a).**

~~further specifying the data requirements laid down in paragraph 1, points (a) and (b) and the conditions for granting the authorisations referred to in paragraph.~~

7. The Commission shall specify, by means of implementing acts, the procedural rules on:
- (a) the placing of goods under the Union transit procedure and the discharge of that procedure;
 - (b) the operation of the simplifications referred to in paragraph 4.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 262(4).

Article 117

Goods passing through the territory of a third country under the external Union transit procedure

1. The external Union transit procedure shall apply to goods passing through a third country if one of the following conditions is fulfilled:
 - (a) provision is made to that effect under an international agreement;
 - (b) carriage through that third country is effected under cover of a single transport document drawn up in the customs territory of the Union.
2. In the case referred to in paragraph 1, point (b), the operation of the external Union transit procedure shall be suspended while the goods are outside the customs territory of the Union.
3. The Commission ~~shall specify, by means of~~ **is empowered to adopt** implementing acts, **to specify** the procedural rules on the customs supervision of goods passing through the territory of a third country under the external Union transit procedure. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 262(4).

Chapter 3

Storage

SECTION 1

COMMON PROVISIONS

Article 118

Scope

1. Under a storage procedure, non-Union goods may be stored in the customs territory of the Union without being subject to any of the following:
 - (a) import duty;
 - (b) other charges as provided for under other relevant provisions in force;
 - (c) commercial policy measures, insofar as they do not prohibit the entry or exit of goods into or from the customs territory of the Union.
2. The conditions for placing goods under a storage procedure shall be the following:
 - (a) ~~the minimum data has been provided or made available to customs, which must include at least the importer responsible for the goods, the manufacturer, the value, the origin, the tariff classification and description of the goods and the list of relevant other legislation applied by the customs authorities on those goods, unless otherwise provided~~ **the required data has been provided or made available to the customs authorities;** and
 - (b) the goods comply with the other legislation applied by the customs authorities; **and**
 - (c) **the goods have arrived to the [place of release for the procedure].**
3. Union goods may be placed under the customs warehousing or free zone procedure in accordance with the other legislation applied by the customs authorities or in order to benefit from a decision granting repayment or remission of import duty.

- 3a.** **The customs authorities may, where an economic need exists and customs supervision will not be adversely affected, authorise that** Union goods ~~may~~ be entered, stored, moved, used, processed or consumed in a customs warehouse or in a free zone. In such cases, the goods shall not be regarded as being under a storage procedure.
- ~~4. The importer shall place non-Union goods brought into a customs warehouse or a free zone under the appropriate storage procedure.~~
- 4a.** **The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement this Regulation by determining the data to be provided or made available to the customs authorities for placing goods under a storage procedure as referred to in paragraph 2, point (a).**
5. The Commission shall specify, by means of implementing acts, the procedure for the placing of Union goods under the customs warehousing or free zone procedure as referred to in paragraph ~~2~~**3**. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 262(4).

Article 118a

Special rules for distance sale

- 1.** **The conditions for placing goods under storage shall be the following:**
- (a)** **the procedure is applied by the holder of the authorisation mentioned in the Article 122 a of this Regulation;**
- (b)** **the minimum data has been provided or made available to customs, which must include at least the deemed importer responsible for the goods, the manufacturer, the value, the origin, the quantity, the tariff classification and description of the goods and the list of relevant other legislation applied by the customs authorities on those goods, unless otherwise provided;**
- (c)** **the goods comply with the other legislation applied by the customs authorities-;**
- (d)** **the goods have arrived to the place of release;**
- (e)** **the goods are brought into the customs territory of the Union in wholesale quantities.**

2. *Goods stored in a private customs warehouse mentioned in Article 102 (1) (c) may only be subject of retail sale, transfer to another customs warehouse or wholesale re-export.*
3. *Union goods may be entered, stored, moved, used, processed or sold in a customs warehouse for distance sale. In such cases the goods shall not be regarded as being under a customs warehousing procedure for distance sale.*
4. *The importer shall place non-Union goods brought into a customs warehouse for distance sale under the customs warehousing procedure for distance sale.*

Article 119

Storage information

- ~~1. The operator of a customs warehouse or a free zone shall provide or make available to the customs authorities the minimum data necessary for the application of the provisions governing the storage of the goods located therein, in particular the data referred to in Article 118(2), point (a), the customs status of the goods placed under the storage procedure and the subsequent movements of those goods.~~
- ~~2. Where the importer or the carrier has already provided or made available all or part of the information referred to in paragraph 1, the customs warehouse or free zone operator shall link its own additional information to the importer's or carrier's information.~~
- ~~3. The operator must not accept goods for which the minimum information has not been provided or made available to customs.~~
- ~~4. The Commission is empowered to adopt delegated acts in accordance with Article 261, to supplement this Regulation by determining the minimum information referred to in paragraph 1 of this Article.~~

Article 120

Amendment and invalidation of storage information

- ~~1. The operator of a customs warehouse or a free zone may amend one or more particulars of the information on the goods in its facility after it has been provided or made available,~~

~~unless the customs authorities have informed the operator that they intend to examine the goods or that they have established that the information on the goods is incorrect.~~

2. ~~The importer, the carrier or the operator of the warehouse or a free zone shall invalidate the information on goods that are not brought into the customs territory of the Union as soon as possible. The customs authorities shall invalidate the information on those goods after 30 days from the date in which the information was provided or made available.~~

Article 121

Duration of a storage procedure

1. There shall be no limit to the length of time goods may remain under a storage procedure.
2. **By way of derogation from paragraph 1**~~In exceptional circumstances~~, the customs authorities may set a time limit by which a storage procedure must be discharged:
 - (a) **in exceptional circumstances**, in particular where the type and nature of the goods may, in the case of long-term storage, pose a threat to human, animal or plant health and life or to the environment;
 - (b) **[where an authorisation for the operation of a storage facility has been revoked]**.

SECTION 2

CUSTOMS WAREHOUSING

Article 122

Storage in customs warehouses

1. Under the customs warehousing procedure, ~~non-Union~~ goods may be stored in premises or any other location authorised for that procedure by the customs authorities and under customs supervision ('customs warehouses').
2. Customs warehouses may be available for use by any importer for the customs warehousing of goods ('public customs warehouse'), or for the storage of goods ~~imported~~

by the holder of an authorisation for customs warehousing warehouse ('private customs warehouse').

- 3. Goods placed under the customs warehousing procedure may be temporarily removed from the customs warehouse. Such removal shall, except in case of force majeure, be authorised in advance by the customs authorities.**

Article 122a

Customs warehouse for distance sales

- 1. Prior to a distance sale, the IOSS deemed importers having the status of a Trust and Check traders may be authorised to store the goods in a private customs warehouse for distance sales.**
- 2. Customs authorities and other competent authorities are entitled to control whether the goods comply with the requirements for release for free circulation before being placed under the customs warehousing procedure and during their storage.**
- 3. Goods intended for distance sales to consumers in the Member States may be placed under the customs warehousing procedure in a customs warehouse for distance sales only if the following cumulative conditions are fulfilled in respect of those goods:**
- (a) they are packed in collective packages containing homogeneous goods, in a state prior to the preparation of individual consignments when the distance sale is concluded and**
- (b) they are brought into the customs territory of the Union in quantities that facilitate performing effective customs controls.**

The customs authority shall assess the fulfilment of the condition referred to in point (b) in relation to the size of the entity planning to conduct distance sales from the customs warehouse for distance sales.

4. The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement this Regulation by determining the conditions for granting the authorisation referred to in paragraph 1.

Article 123

~~Authorisation for the operation of customs warehouses~~

- ~~1. The operation of a customs warehouse requires an authorisation from the customs authorities, unless the operator of the customs warehouse is the customs authority itself. The authorisation shall set out the conditions for the operation of the customs warehouse.~~
- ~~2. The authorisation referred to in paragraph 1 shall be granted only to persons who satisfy the following conditions:~~
 - ~~(a) they are established in the customs territory of the Union;~~
 - ~~(b) they provide the necessary assurance of the proper conduct of the operations;~~
 - ~~(c) a Trust and Check trader shall be deemed to fulfil this condition insofar as the operation of customs warehouse is taken into account in the authorisation referred to in Article 25;~~
 - ~~(d) they provide a guarantee for the potential customs debt.~~
- ~~3. The authorisation referred to in paragraph 1 shall be granted only where the customs authorities are able to exercise customs supervision without having to introduce administrative arrangements which are disproportionate to the economic needs involved.~~
- ~~4. The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement this Regulation by determining the conditions for granting the authorisation referred to in paragraph 1 of this Article.~~

Article 124

Movement of goods in customs warehouse

1. ~~The customs authorities may authorise an operator of a customs warehouse to move goods under the following conditions:~~
 - (a) ~~the possibility to move the goods is provided for in the customs warehouse authorisation;~~
 - (b) ~~the operator of the customs warehouse is an authorised economic operator trust and check;~~
 - (c) ~~information on the movements is recorded in the operator's records and provided or made available to the customs authorities of departure and arrival of the goods.~~
2. ~~The Commission shall specify, by means of implementing acts, the procedure for the movement of goods in customs warehouse referred to in paragraph 1. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 262(4).~~

Article 125

Processing in a customs warehouse

The customs authorities may, where an economic need exists and customs supervision is not adversely affected, authorise ~~that~~ **the processing of** goods in customs warehousing ~~are subsequently placed under the inward processing or end-use procedures to be processed~~ **take place** in ~~the~~ customs warehouse, subject to the conditions provided for by those procedures.

In such cases, the goods shall not be regarded as being under the customs warehousing procedure.

Customs supervision Responsibilities of the holder of the authorisation

[Without prejudice to Article 20], the holder of the authorisation referred to in Article 102(1), point (b), (c) and Article 102(1a) and the importer shall be responsible for:

- (a)** ensuring that goods under the customs warehousing procedure are not removed from customs supervision;
- (b)** **fulfilling the obligations arising from the storage of goods covered by the customs warehousing procedure; and**
- (c)** **fulfilling the obligations arising from the placing of the goods under the customs warehousing procedure.**

SECTION 3
FREE ZONES

Designation of free zones

1. Member States may designate parts of the customs territory of the Union as free zones.

For each free zone the Member State shall determine the area covered and define the entry and exit points.

2. Member States shall communicate to the Commission **and to EU Customs Authority** information on their free zones which are in operation.

3. Free zones shall be enclosed.

The perimeter and the entry and exit points of the area of free zones shall be subject to customs supervision.

4. Persons, goods and means of transport entering or leaving free zones may be subject to customs controls.

Article 128

Buildings and activities in free zones

1. The construction of any building in a free zone shall require the prior approval of the customs authorities.
2. Subject to the customs legislation, any industrial, commercial or service activity shall be permitted in a free zone. The carrying on of such activities shall be subject to notification, in advance, to the customs authorities.
3. The customs authorities may prohibit or restrict the activities referred to in paragraph 2, having regard to the nature of the goods in question, or the requirements of customs supervision, or security and safety requirements.
4. The customs authorities may prohibit persons who do not provide the necessary assurance of compliance with the customs provisions from carrying on an activity in a free zone.

Article 129

Non-Union goods in free zones

1. Non-Union goods may, while they remain in a free zone, be released for free circulation or be placed under the inward processing, temporary admission or end-use procedure, under the conditions laid down for those procedures.

In such cases, the goods shall not be regarded as being under the free zone procedure.

2. Without prejudice to the provisions applicable to supplies or to victualling storage, where the procedure concerned so provides, paragraph 1 shall not preclude the use or consumption of goods of which the release for free circulation or temporary admission would not entail application of import duty or measures laid down under the common agricultural or commercial policies or measures prohibiting the use of those goods in the Union.

Such use or consumption requires that the appropriate information ~~shall~~ be provided or made available to customs.

Article 130

Taking goods out of a free zone

~~Goods may be taken out of a free zone only if they have been placed under another customs procedure.~~

- 1. Without prejudice to legislation in fields other than customs, goods in a free zone may be exported or re-exported from the customs territory of the Union, or brought into another part of the customs territory of the Union.**
- 2. Articles 41, 44, 45, 49, 84, 85 shall apply to goods taken out of a free zone into other parts of the customs territory of the Union.**

Article 131

Customs status

1. Upon application by the person concerned, the customs authorities shall establish the customs status as Union goods of the following goods:
 - (a) Union goods which enter a free zone;
 - (b) Union goods which have undergone processing operations within a free zone;
 - (c) goods released for free circulation within a free zone.
2. Where goods are taken out of a free zone into another part of the customs territory of the Union or placed under a customs procedure, they shall be regarded as non-Union goods unless their customs status as Union goods has been proven.
3. However, for the purposes of applying export duty and export licences or export control measures laid down under the common agricultural or commercial policies, such goods shall be regarded as Union goods, unless it is established that they do not have the customs status of Union goods.

Chapter 4

Specific use

SECTION 1

TEMPORARY ADMISSION

Article 132

Scope

1. Under the temporary admission procedure, non-Union goods intended for **re**-export may be subject to specific use in the customs territory of the Union; with total or partial relief from import duty, and without being subject to any of the following:
 - (a) other charges as provided for under other relevant provisions in force;
 - (b) commercial policy measures, insofar as they do not prohibit the entry or exit of goods into or from the customs territory of the Union.
2. The temporary admission procedure may only be used provided that the following conditions are met:
 - (a) the goods are not intended to undergo any change, except normal depreciation due to the use made of them;
 - (b) it is possible to ensure that the goods placed under the procedure can be identified, except where, in view of the nature of the goods or of the intended use, the absence of identification measures is not liable to give rise to any abuse of the procedure or, in the case referred to in Article 109, where compliance with the conditions laid down in respect of equivalent goods can be verified;
 - (c) ~~where required,~~ an authorisation has been granted in accordance with Article 102;
 - (ca)** ~~and the minimum data has been provided or made available to customs prior to the release of the goods, which must include at least the importer responsible for~~

~~the goods, the value, the origin, the tariff classification, and a description of and the intended use of the goods~~ **the required data has been provided or made available to the customs authorities;**

- (d) the requirements for total or partial duty relief laid down in the customs legislation are met;
- (e) the goods have arrived to the ~~customs territory of the Union~~ **[place of release for the customs procedure]; and**
- (f) the goods comply with the relevant other legislation applied by the customs authorities.

3. The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement this Regulation by determining:

- (a) the specific use referred to in paragraph 1 of this Article;
- (b) the requirements for total **or partial** relief from import duty referred to in paragraph 2, point (d), of this Article;
- (c) **the data to be provided or made available to the customs authorities for placing goods under the temporary admission procedure as referred to in paragraph 2, point (ca).**

Article 133

Period during which goods may remain under the temporary admission procedure

1. The customs authorities shall determine the period ~~within which goods placed under~~ **for discharge of** the temporary admission procedure ~~must be placed under a subsequent customs procedure~~. Such period shall be long enough for the objective of authorised use to be achieved.
2. The maximum period during which goods may remain under the temporary admission procedure for the same purpose and under the responsibility of the same authorisation holder shall be 24 months, even where the procedure was discharged by placing the goods under another special procedure and subsequently placing them under the temporary admission procedure again.

3. Where, in exceptional circumstances, the authorised use cannot be achieved within the period referred to in paragraphs ~~1 and~~ 2, the customs authorities may grant an extension of reasonable duration of that period, upon justified application by the importer.
4. The overall period during which goods may remain under the temporary admission procedure shall not exceed 10 years, except in the case of an unforeseeable event.

Article 134

Amount of import duty in case of temporary admission with partial relief from import duty

1. The amount of import duty in respect of goods placed under the temporary admission procedure with partial relief from import duty shall be set at 3 % of the amount of import duty which would have been payable on those goods had they been released for free circulation on the date on which they were placed under the temporary admission procedure.

That amount shall be payable for every month or fraction of a month during which the goods have been placed under the temporary admission procedure with partial relief from import duty.

2. The amount of import duty shall not exceed that which would have been payable if the goods in question had been released for free circulation on the date on which they were placed under the temporary admission procedure.

SECTION 2

END-USE

Article 135

End-use procedure

1. Under the end-use procedure, goods may be released for free circulation under a duty exemption or at a reduced rate of duty that is provided in Union legislation on condition that the importer assigns the goods to a specific use.
2. The conditions for placing goods under the end-use procedure shall be the following:
 - (a) ~~where required,~~ an authorisation has been granted in accordance with Article 102;
 - (b) ~~the minimum data has been provided or made available to customs, which must include at least the importer responsible for the goods, the seller, the buyer, the manufacturer, the product supplier where this is different from the manufacturer, the responsible economic operator in the Union pursuant to Article 4 of Regulation (EU) 2019/1020 and Art. 16 of Regulation (EU) 2023/XXXX¹ the value, the origin, the tariff classification and a description of the goods, the unique reference of the consignment and its location, and the list of relevant other legislation applied by the customs authorities on those goods~~ **the required data has been provided or made available to the customs authorities;**
 - (c) any import duty or other charges due, including anti-dumping duties, countervailing duties or safeguard measures, shall be paid or guaranteed, unless the goods are the subject of a drawing request on a tariff quota;
 - (d) the goods have arrived to the ~~customs territory of the Union~~ **place of release for the customs procedure**; **and**

~~1 [OP : please insert final reference in the text — see footnote 19]~~

- (e) the goods comply with the relevant the other legislation applied by the customs authorities.
3. Where the goods are at a production stage, which would allow economically the prescribed end-use only, the customs authorities may establish in the authorisation the conditions under which the goods shall be deemed to have been used for the purposes laid down in the Union legislation providing the duty exemption or reduced rate of duty.
4. Where goods are suitable for repeated use and the customs authorities consider it appropriate in order to avoid abuse, customs supervision shall continue for a period not exceeding 2 years after the date of their first use for the purposes laid down in the Union legislation providing the duty exemption or reduced rate of duty.
5. Customs supervision under the end-use procedure shall end in any of the following cases:
- (a) where the goods have been used for the purposes laid down in the Union legislation providing the duty exemption or reduced rate of duty;
 - (b) where the goods have been taken out of the customs territory of the Union, destroyed or abandoned to the State;
 - (c) where the goods have been used for purposes other than those laid down in the Union legislation providing the duty exemption or reduced duty rate and the applicable import duty has been paid.
6. Where a rate of yield is required, Article 136 shall apply to the end-use procedure.
7. 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.
8. 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. The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement this Regulation by determining the data to be provided or made**

available to the customs authorities for placing goods under the end-use procedure as referred to in paragraph 2, point (b).

Chapter 5

Processing

SECTION 1

GENERAL PROVISIONS

Article 136

Rate of yield

Except where a rate of yield has been specified in Union legislation governing specific fields, the customs authorities shall set either the rate of yield or average rate of yield of the processing operation or where appropriate, the method of determining such rate.

The rate of yield or average rate of yield shall be determined on the basis of the actual circumstances in which processing operations are, or are to be, carried out. That rate may be adjusted, where appropriate, in accordance with Article 10.

SECTION 2

INWARD PROCESSING

Article 137

Scope

1. Without prejudice to Article 109, under the inward processing procedure non-Union goods may be used in the customs territory of the Union in one or more processing operations without such goods being subject to any of the following:
 - (a) import duty or other charges including anti-dumping duties, countervailing duties or safeguard measures;
 - (b) commercial policy measures, insofar as they do not prohibit the entry or exit of goods into or from the customs territory of the Union.
2. The conditions for placing goods under the inward processing procedure shall be the following:
 - (a) ~~where required,~~ an authorisation has been granted in accordance with Article 102, for one of the uses referred to in paragraphs 3 and 4 of this Article;
 - (b) ~~the minimum data has been provided or made available to customs, which must include at least the importer responsible for the goods, the seller, the buyer, the manufacturer, the value, the origin, the tariff classification and a description of the goods and their location, and the list of relevant other legislation applied by the customs authorities~~ **the required data has been provided or made available to the customs authorities;**
 - (ba) **the goods comply with the other legislation applied by the customs authorities;**
and
 - (c) the goods have arrived to the ~~customs territory of the Union~~ **[place of release for the customs procedure]**.
3. ~~Importers may use the inward processing procedure for any of the following:~~

- (a) ~~repairing the goods that are intended to be placed under inward processing;~~
- (b) ~~destroying the goods that are intended to be placed under inward processing;~~
- (c) ~~producing processed products in which the goods placed under inward processing can be identified, without prejudice to the use of production accessories;~~
- (d) ~~undergoing operations on the goods placed under inward processing to ensure their compliance with technical requirements for their release for free circulation;~~
- (e) ~~subjecting the goods placed under the inwards processing to usual forms of handling in accordance with Article 108;~~
- (f) ~~producing processed products with goods equivalent to the goods placed under the inward processing procedure, in accordance with Article 109.~~

The inward processing procedure may be used in cases other than repair and destruction only where, without prejudice to the use of production accessories, the goods placed under the procedure can be identified in the processed products.

In the case referred to in Article 109, the inward processing procedure may be used where compliance with the conditions laid down therein in respect of equivalent goods can be verified.

4. In addition to paragraphs 1 and 3, the inward processing procedure may also be used for any of the following goods:

- (a) goods intended to undergo operations to ensure their compliance with technical requirements for their release for free circulation;**
- (b) goods which have to undergo usual forms of handling in accordance with Article 108.**

5. The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement this Regulation by determining the data to be provided or made available to the customs authorities for placing goods under the inward processing procedure as referred to in paragraph 2, point (b).

Period for discharge

1. The customs authorities shall specify the period within which the inward processing procedure is to be discharged, in accordance with Article 105.

That period shall run from the date on which the non-Union goods are placed under the procedure and shall take account of the time required to carry out the processing operations and to discharge the procedure.

2. The customs authorities may grant an extension, of reasonable duration, of the period specified pursuant to paragraph 1, upon justified application by the holder of the authorisation.

The authorisation may specify that a period which commences in the course of a month, quarter or semester shall end on the last day of a subsequent month, quarter or semester respectively.

3. In the case of prior export in accordance with Article 109(2), point (c), the authorisation shall specify the period within which the non-Union goods shall be ~~declared for~~ **placed under** the inward processing procedure, taking account of the time required for procurement and transport to the customs territory of the Union.

The period referred to in the first subparagraph shall be set in months and shall not exceed ~~6~~**12** months. It shall run from the date of ~~acceptance of the export declaration relating to~~ **placing** the processed products obtained from the corresponding equivalent goods **under the export procedure**.

- ~~4. At the request of the holder of the authorisation, the period of 6 months referred to in paragraph 3 may be extended, even after its expiry, provided that the total period does not exceed 12 months.~~

Temporary re-export for further processing

- 1.** Upon application, the customs authorities may authorise some or all of the goods placed under the inward processing procedure, or the processed products, to be temporarily re-exported for the purpose of further processing outside the customs territory of the Union, ~~in accordance with the conditions laid down for the outward processing procedure.~~
- 2.** **The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement this Regulation by determining the conditions for temporarily re-exporting goods for further processing as referred to in paragraph 1.**
- 3.** **The Commission shall specify, by means of implementing acts, the procedural rules for the temporary re-export for further processing referred to in paragraph 1. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 262(4).]**

SECTION 3

OUTWARD PROCESSING

Scope

1. Under the outward processing procedure, Union goods may be temporarily exported from the customs territory of the Union in order to undergo processing operations. The processed products resulting from those goods may be released for free circulation with total or partial relief from import duty upon application by the holder of the authorisation or by any other person established in the customs territory of the Union, provided that that person has obtained the consent of the holder of the authorisation and the conditions of the authorisation are fulfilled.
2. The conditions for placing goods under outward processing shall be the following:

- (a) ~~where required,~~ an authorisation has been granted in accordance with Article 102 and this Article;
- (b) ~~the minimum data has been provided or made available to customs, which must include at least the exporter responsible for the goods, the seller, the buyer, the value, the origin, the tariff classification and a description of the goods~~ **the required data has been provided or made available to the customs authorities;**
- (c) any export duty or other charges due are paid or guaranteed; **and**
- (d) the goods comply with the relevant other legislation applied by the customs authorities;

3. The customs authorities shall not grant an authorization for an outward processing procedure for any of the following Union goods:

- (a) goods the export of which gives rise to repayment or remission of import duty;
- (b) goods which, prior to export, were released for free circulation under a duty exemption or at a reduced rate of duty by virtue of their end-use, for as long as the purposes of such end-use have not been fulfilled, unless those goods have to undergo repair operations;
- ~~(c) goods the export of which gives rise to the granting of export refunds;~~
- (d) goods in respect of which a financial advantage ~~other than refunds as referred to in point (e)~~ is granted under the common agricultural policy by virtue of the export of those goods.

4. The customs authorities shall specify the period within which goods temporarily exported must be re-imported into the customs territory of the Union in the form of processed products, and released for free circulation, in order to be able to benefit from total or partial relief from import duty. They may grant an extension, of reasonable duration, of that period, upon justified application by the holder of the authorisation.

5. The Commission is empowered to adopt delegated acts, in accordance with Article 261, to supplement this Regulation by determining the data to be provided or made

available to the customs authorities for placing goods under the outward processing procedure as referred to in paragraph 2, point (b).

Article 141

Goods repaired or replaced free of charge

1. Where it is established to the satisfaction of the customs authorities that goods have been repaired or replaced free of charge, either because of a contractual or statutory obligation arising from a guarantee or because of a manufacturing or material defect, or because the goods did not meet the specifications requested by the buyer to the seller of the goods, they shall be granted total relief from import duty.
2. Paragraph 1 shall not apply where account was taken of the manufacturing or material defect at the time when the goods in question were first released for free circulation.

Article 142

Goods repaired or altered in the context of international agreements

1. Total relief from import duty shall be granted to processed products resulting from goods placed under the outward processing procedure where it is established to the satisfaction of the customs authorities that:
 - (a) those goods have been repaired or altered in a third country with which the Union has concluded an international agreement providing for such relief; and
 - (b) the conditions for the relief from import duty laid down in the agreement referred to in point (a) are fulfilled.
2. Paragraph 1 shall not apply to processed products resulting from equivalent goods as referred to in Article 109 and to replacement products as referred to in Articles 143 and 144.

Article 143

Standard exchange system

1. Under the standard exchange system an imported product ('replacement product') may, in accordance with paragraphs 2 to 5, replace a processed product.
2. The customs authorities shall, upon application, authorise the standard exchange system to be used where the processing operation involves the repair of defective Union goods other than those subject to measures laid down under the common agricultural policy or to the specific arrangements applicable to certain goods resulting from the processing of agricultural products.
3. Replacement products shall have the same eight-digit Combined Nomenclature code, the same commercial quality and the same technical characteristics as the defective goods had the latter undergone repair.
4. Where the defective goods have been used before export, the replacement products must also have been used.

The customs authorities shall, however, waive the requirement set out in the first subparagraph if the replacement product has been supplied free of charge, either because of a contractual or statutory obligation arising from a guarantee or because of a material or manufacturing defect.

5. The provisions which would be applicable to the processed products shall apply to the replacement products.

Article 144

Prior import of replacement products

1. The customs authorities shall, under the conditions they lay down, upon application by the person concerned, authorise replacement products to be imported before the defective goods are exported.

In the event of such prior import of a replacement product, a guarantee shall be provided, covering the amount of the import duty that would be payable should the defective goods not be exported in accordance with paragraph 2.

2. The defective goods shall be exported within a period of 2 months from the date of ~~acceptance by the customs authorities of the declaration~~ for the release for free circulation of the replacement products.
 3. Where, in exceptional circumstances, the defective goods cannot be exported within the period referred to in paragraph 2, the customs authorities may grant an extension, of reasonable duration, of that period, upon justified application by the holder of the authorisation.
-