



# KMLZ VAT NEWSLETTER

## Customs law – what 2018 will bring

### 1. New Combined Nomenclature

The new Combined Nomenclature entered into force at the turn of the year (Commission Implementing Regulation (EU) 2017/1925). This has resulted in the EU partially reducing the duty applicable to the importation of non-Union goods. The applicable duty will be reduced for a variety of goods (e.g. consumer electronics or measuring devices). With effect from 01.07.2019, at the very latest, a duty of 0% will apply to these goods. The tariff reduction is being carried out on the basis of the expansion of the Information Technology Agreement (Council Decision (EU) 2016/971).

Further, the importation of civil aircrafts will be simplified. It will no longer be necessary to introduce the civil aircrafts into the end-use procedure in order to benefit from duty-free treatment. Basically, it is sufficient to release the goods for free circulation, where the declarant refers to an aircraft registration certificate issued by a public register in a Member State or third country.

### Customs law – what 2018 will bring

The customs law was slightly amended at the turn of the year. The customs tariff, as well as tariff suspension and tariff quotas were affected by these changes. The amendment to the customs tariff was not only editorial in nature, rather the tariff rates applicable to different products were adjusted/reduced. Further, the formalities for issuing certificates of origin were changed. Both, the APS and CETA now require, in certain cases, the status of a registered exporter (REX).

The new Combined Nomenclature also provides for new tariff positions, such as, for electronic cigarettes. Further, some editorial changes have been made in order to amend obsolete terms and to adjust the different language versions of the Combined Nomenclature.

Economic operators are recommended to check their material master data to ascertain whether there are any relevant changes and to adjust, where necessary.

### 2. New tariff suspension and tariff quotas

The Council Regulation (EU) 2017/2467 concerning autonomous tariff suspensions and the Council Regulation (EU) 2017/2466 concerning tariff quotas will both modify and complement the previous regulation of 2013. It is strongly advised that all of the amendments be checked in order to identify any risk or changes for affected companies.



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### 3. Registered Exporter (REX) in the Generalised System of Preferences

Where goods are exported for cumulation, as from 01.01.2018, only a REX may issue the certificate of origin if the value of the exported originating products exceeds EUR 6,000. It is no longer admissible in this situation for an approved exporter to issue either EUR.1 or an invoice declaration. Where the value of the goods amounts to EUR 6,000 or less, the REX status is no longer required in order to issue the certificate of origin in accordance with Appendix 22-07 UCC-IA.

As from 01.01.2018, a substitute declaration, in accordance with Appendix 22-20 UCC-IA, is required where the goods are re-dispatched from a beneficiary developing country within the EU. This declaration can be issued by the re-sender where the value of the goods is below EUR 6,000. If the total value of the goods exceeds EUR 6,000, only a REX may issue this declaration, or the re-sender if the copy of the original certificate of origin, which was issued in the beneficiary country, is attached.

A substitute certificate of origin, as referred to in Form A, will continue to be required for re-dispatch to Switzerland or Norway. Companies should, where relevant, apply for REX status in order to continue to take advantage of the associated benefits.

### 4. REX in the case of CETA

Since 21.09.2017, the Comprehensive Economic and Trade Agreement (CETA), negotiated between the EU, its Member States and Canada, has been provisionally applicable. To date, the proof of origin of goods could be established by means of an invoice declaration or by another commercial document. In the case of goods with a total value of up to EUR 6,000, any exporter can issue this declaration. Where the total value exceeds EUR 6,000, only a REX can issue this declaration. Approved exporters were only able to issue such declarations until 31.12.2017.

Companies should therefore check whether it is appropriate for them to apply for REX status in order to benefit from the CETA provisions.

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