STATUTORY INSTRUMENTS

1977 No. 1404

CUSTOMS AND EXCISE

The Customs Duties and Agricultural Levies (Goods for Free Circulation) Regulations 1977

Made - - - -	12*th August* 1977
Laid before Parliament	22*nd August* 1977
Coming into Operation	12*th September* 1977

The Commissioners of Customs and Excise, in pursuance of the powers conferred upon them by section 10 of the Finance Act 1977 (**a**) and of all other powers enabling them in that behalf, hereby make the following Regulations:—

1. These Regulations may be cited as the Customs Duties and Agricultural Levies (Goods for Free Circulation) Regulations 1977. They shall come into operation on 12th September 1977 and have effect in relation to goods imported into the United Kingdom on or after 1st July 1977.

2.—(1) In these Regulations—

"Community transit external procedure" means the procedure for external Community transit laid down by Regulation (EEC) 222/77 (**b**);

"outside the Community" means outside the Customs territory of the European Economic Community (**c**), or in the case of goods covered by the ECSC Treaty or the Euratom Treaty, outside the territories to which the Treaty constituting the Community in question applies (**d**), as the case may be.

(2) The Interpretation Act 1889 (**e**) shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

3. These Regulations shall apply to goods not in free circulation and in respect of which inward processing relief had been granted by the competent authorities of another member State, and which were imported into the United Kingdom from that or another member State with a view to exportation outside the Community, whether or not any further processing was to take place in the United Kingdom, and which

(a) were entered in the United Kingdom for—

(i) inward processing, or

(**a**) 1977 c. 36.

(**b**) O.J. No. L38, 9.2.1977, p. 1.

(**c**) *See* Regulation (EEC) 1496/68 (O.J. No. L238, 28.9.68, p. 1 (O.J./SE 1968 (II), p. 436)), and Annex I to the Treaty concerning United Kingdom accession to the Community, as adjusted by Council Decision of 1.1.73 (O.J. No. L2, 1.1.73, p. 1).

(**d**) *See* Article 79 (ECSC Treaty) and 198 (Euratom Treaty).

(**e**) 1889 c. 63.

(ii) warehousing, or

(iii) transit or transhipment, or

(b) remained under the Community transit external procedure,

and which are subsequently allowed by the Commissioners to be put on the market in the United Kingdom or destroyed, or otherwise cease to be subject to special arrangements involving the suspension of, or the giving of relief from, customs duties or agricultural levies in another member State.

4. Duties of customs and levies shall be chargeable on goods to which these Regulations apply and the amounts thereof shall be calculated by reference to either—

(a) the duties and levies from which inward processing relief was granted in another member State; or

(b) in the case of goods specified in Regulation 3(a)(ii), (iii) and (b) and which are removed from warehouse in the United Kingdom or withdrawn from exportation, the rates applicable to those goods at the time they are put on the market or destroyed, provided that the Commissioners are satisfied that the amount thereof is at least equal to the amount ascertained in accordance with paragraph (a) hereof.

5. In the case of goods described in Regulation 3(a)(i) the provisions of the Inward Processing Relief Regulations 1977 (**a**) shall apply, except that for the basis of calculation set out in Regulation 5(2) of those Regulations and any references thereto there shall be substituted the basis set out in Regulation 4(a) of these Regulations.

6. Where at any time any goods to which these Regulations apply are not produced or accounted for to the Commissioners on request, duties of customs and levies in respect of the goods shall be payable in accordance with these Regulations as if they had been put on the market.

7. Notwithstanding the previous provisions of these Regulations, where goods to which these Regulations apply are destroyed with the permission of the Commissioners, or are in their opinion destroyed accidentally or by force majeure, and are deprived of all value, no duties of customs or levies shall be charged.

H. F. Christopherson,

Commissioner of Customs and Excise.

12th August 1977.

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(a) S.I. 1977/910 (1977 II, p. 2539).

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations come into operation on 12th September 1977. They apply to goods, not in free circulation in another member State, on which the customs duties and agricultural levies had been suspended under inward processing relief arrangements. When such goods are imported into the United Kingdom and are intended for exportation outside the Community, but instead of being exported are put on the market within the United Kingdom or destroyed, the suspended duty becomes payable in the United Kingdom.

The Regulations implement in United Kingdom law Articles 14, 15 and 16 of Council Directive No. 69/73/EEC on "the harmonisation of provisions laid down by law, regulation or administrative action in respect of inward processing" (O.J. No. L58, 8.3.69, p. 1 (O.J./SE 1969 (1) p. 75)) and Directive 73/95/EEC (O.J. No. L120, 7.5.73, p. 17) as last amended by Directive 75/681/EEC (O.J. No. L301, 20.11.75, p. 1).

Regulation 1 provides for the Regulations to apply to goods imported into the United Kingdom on or after 1st July 1977.

Regulation 2 defines terms used in these Regulations.

Regulation 3 sets out the goods to which the Regulations apply.

Regulation 4 is the charging provision and sets out the basis for calculating duties of customs and levies on the goods as *either* the duties or levies originally suspended in another member State, *or*, for goods entered for warehousing, or in transit or transhipment, the duties or levies applicable to those goods at the time of diversion to the market within the United Kingdom, provided that the amount thereof is at least equal to the suspended duties or levies.

Regulation 5 applies the provisions of the Inward Processing Relief Regulations 1977 to goods covered by these Regulations which are entered for inward processing in the United Kingdom with the modification that the basis for calculating the amount chargeable shall be the duties or levies relieved in another member State instead of the duties or levies relieved in the United Kingdom.

Regulation 6 provides that where the goods are not accounted for, duties and levies are payable as if they had been put on the market.

Regulation 7 enables the Commissioners to remit duties or levies when goods are destroyed with their permission, accidentally or by force majeure and have no value.

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