COMMISSION DIRECTIVE

of 6 September 1979

on goods entered for inward processing which, if imported for release into free circulation, would benefit from a favourable tariff arrangement by reason of their end-use

(79/802/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Directive 69/73/EEC of 4 March on the harmonization of provisions laid down by law, regulation or administrative action in respect of inward processing (1), as last amended by Directive 76/119/EEC (2), and in particular Article 28 thereof,

Whereas, pursuant to Article 16 of Directive 69/73/EEC, the duties to be charged in respect of compensating products, intermediate products or goods in the unaltered state are those appropriate to the goods entered for inward processing according to the rate or amount applicable on the date of acceptance of the relevant customs document by the competent authorities ;

Whereas certain goods, if released into free circulation, may, by reason of their end-use in accordance with the relevant Community provisions, benefit from a favourable tariff arrangement at importation consisting of the application of reduced rates of duty ;

Whereas it should be made clear that, where these same goods are entered for inward processing in order to obtain compensating products representing the end-use referred to above, the rate of the duties to be charged pursuant to Article 16 of Directive 69/73/EEC is that corresponding to the favourable tariff arrangement, in so far as the goods in question have indeed been put to the end-use which allows such arrangement to be granted in accordance with the relevant Community provisions or are made subject to the conditions provided for by the Community for the granting of the said arrangement ;

Whereas this reduced rate must be applicable even where, at the time of their entry for inward processing, the goods were not declared under the tariff subheading which provides for the granting of the favourable tariff arrangement by reason of end-use ;

Whereas it may happen in certain cases that the goods entered for inward processing are not put to the end-use in respect of which a favourable tariff arrangement is provided ; whereas the authorities may therefore require a deposit or security in respect of the full amount of the duties normally chargeable if they authorized the release into free circulation of the compensating products, intermediate products or goods in the unaltered state ;

Whereas the period within which the goods must have been put to the relevant end-use, within the framework of the favourable tariff arrangement, starts to run on the date on which the declaration for release into free circulation is accepted by the competent authorities ; whereas, in the case of inward processing arrangements, such period must consequently start to run at the moment of acceptance by the competent authorities of the customs document relating to the entry of the goods for inward processing ;

Whereas the measures provided for in this Directive are in accordance with the opinion of the Committee for Customs Processing Arrangements,

HAS ADOPTED THIS DIRECTIVE :

Article 1

1. The duties to be charged pursuant to Article 16 of Directive 69/73/EEC on goods which, at the time when they were entered for inward processing, were eligible for a favourable tariff arrangement by reason of their end-use shall be calculated by reference to the rate corresponding to this favourable tariff arrangement in so far as the said goods :

(a) have indeed been put to the end-use which allows such arrangement to be granted in accordance with the relevant Community provisions ;

or

(b) are made subject to the conditions provided for by the Community for the granting of the said arrangement.

(1) OJ No L 58, 8. 3. 1969, p. 1.
(2) OJ No L 24, 30. 1. 1976, p. 58.

2. The provisions of paragraph 1 shall be applicable even where, at the time of their entry for inward processing, the goods were not declared under a tariff subheading which provides for a favourable tariff arrangement to be granted by reason of end-use, provided that the requisite control measures so permit.

3. Where the goods are declared at the time of their entry for inward processing under a tariff subheading which provides for a favourable tariff arrangement to be granted by reason of end-use, the competent authorities may require a deposit or security in respect of the full amount of the duties which would have to be charged if they allowed the compensating products, intermediate products or goods in the unaltered state to be put into free circulation without the goods having been put to the end-use for which the favourable tariff arrangement is provided.

Article 2

1. The provisions of Article 1 (1) shall be applicable only in so far as the goods are put to the end-use prescribed for the granting of the favourable tariff arrangement before the expiry of the period established in this respect in the Regulations which lay down the conditions to which the admission of the said goods to the benefit of the arrangement is subject. This period shall start to run at the time of acceptance by the competent authorities of the customs document relating to the entry of the goods for inward processing.

2. However, the period referred to in paragraph 1 may be extended by the competent authorities if the goods have not been put to the relevant end-use by reason of inevitable accident or *force majeure* or for reasons inherent in the technical requirements for working or processing the goods.

Article 3

1. Member States shall bring into force the provisions required to comply with this Directive not later than 1 January 1980. They shall immediately inform the Commission thereof.

2. The Commission shall forward this information to the other Member States.

Article 4

This Directive is addressed to the Member States.

Done at Brussels, 6 September 1979.

For the Commission

Étienne DAVIGNON

Member of the Commission