

Community Customs Law

A Guide to the Customs Rules on Trade
between the (Enlarged) EU and Third Countries

with Value Added Tax upon Importation and Exportation

by

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Preface

This book deals with Community customs law. As the subtitle of this book reveals, it is meant to be 'a Guide to the customs rules on trade between the (enlarged) EU and third countries.' As much as possible the results of the negotiations on the accession of Austria, Sweden and Finland to the European Union have been included in the text.

This 'Guide' is to serve as a reference book of students, law practitioners and businesses engaged in trade between third countries and the Community. It contains a detailed description of the rules in force, referring to case law, preparatory texts, commentaries and memoranda. The basis of this book is formed by the Community Customs Code which has been referred to by the European Commission as the most far-reaching project of legislative consolidation ever undertaken in a field subject to Community law. This Code containing 253 Articles is accompanied by an implementing code of more than 900 Articles, 100 Annexes and a separate implementing Regulation on relief from import or export duties. This Guide discusses the Articles of the Code and the implementing provisions in an integrated manner; the implementing provisions are discussed under the main Article of the Code to which they pertain. In the commentaries the Articles of the Code are announced by a heading in bold, the Articles of the implementing code are introduced by a heading in italics. This Guide not only deals with customs rules and the payment of the import or export duties as the ultimate consequence, but also discusses the consequences for VAT purposes of the various customs-approved treatment or uses.

The Guide is divided into 12 Chapters. The first 9 Chapters follow the numbering and subject matters of the IX titles of the Code dealing with the following subjects: (I) 'General provisions,' (II) 'Factors on the basis of which import duties or export duties and the other measures prescribed in respect of trade in goods are applied,' (III) 'Provisions applicable to goods brought into the customs territory of the Community until they are assigned a customs-approved treatment or use,' (IV) – the most extensive Chapter, dubbed by the European Commission 'the core of the Code' – 'Customs-approved treatment or use,' (V) 'Goods leaving the customs territory of the Community,' (VI) 'Privileged operations,' (VII) 'Customs debt,' (VIII) 'Appeals,' (IX) 'Final provisions.' Chapters X to XII offer an introduction to anti-dumping, excises and Value Added Tax. Several Chapters are accompanied by an annex or annexes to the Chapter concerned, providing texts or materials relevant to the particular subject matter. All Annexes to the Code as amended by various Regulations are reprinted at the end of the Guide. The Guide provides for the rules as they stand on 1 April 1995.

Customs rules form the border line between law and detailed formalities. The sheer quantity and degree of details of the formal requirements would make the title 'border lines' equally appropriate to this book, although a more prosaic title like 'broken seals' would also cover part of the content, but fully the intent of this Guide. It is hoped that this Guide breaks the seals to and gives access to a field of Community law which deserves more attention than that of a few experts alone.

Ben Terra
July 1995
Amsterdam

Table of Contents

VOLUME 1

Chapter 0. Introduction	1
0.1. General	3
0.2. Character of levies upon importation	3
0.2.1. Character of customs duties	4
0.2.2. Character of turnover taxes (VAT)	4
0.2.3. Character of excises	5
0.2.4. Character of agricultural levies	5
0.2.5. Character of dumping levies	5
0.3. The framework of the customs union	6
0.3.1. The customs union	6
0.3.2. Abolishment of customs duties between the Member States	7
0.3.3. Indirect taxation	8
0.3.4. Common outer tariff	10
0.3.5. Quantitative restrictions	10
0.3.6. Articles 1 to 37 of the EC Treaty	11
0.4. Preamble to the Customs Code	20
Texts preamble and preambles	20
Commentary	26
0.4.1. Legal basis	26
0.4.2. General comments	27
0.4.3. Recitals	32
0.4.3.1. Recitals of the implementing code	35
0.5. Accession of new Member States as from 1 January 1995	36
 Chapter I. General Provisions	 39
I.1. Scope and basic definitions	41
Texts Arts. 1–4, Arts. 1–1a	41
Commentary	44
I.1.1. General	44
I.1.2. Field of application	44
I.1.3. International conventions	48
I.1.4. Customs territory	49
I.1.4.1. The territory for VAT purposes	50
I.1.4.2. Questions raised by the European Parliament	50
I.1.4.3. Case law	52
I.1.4.4. Court of Auditors	53
I.1.4.5. The customs territory after the accession of the new Member States	53
I.1.5. German trade	53
I.1.6. Definitions	53
I.1.6.1. EcoSoC	61
I.1.6.2. Definitions given elsewhere	61
I.1.6.3. Terms not defined in the Code	61
I.2. Sundry general provisions	63
Texts Arts. 5–19, Arts. 2–15	63
Commentary	69
I.2.1. General	69

I.2.2.	Right of representation	69
I.2.2.1.	Proposed amendment	72
I.2.2.2.	The right of representation and VAT & Excises	72
I.2.3.	Decisions	73
I.2.3.1.	Legal effect; proposal	74
I.2.3.2.	Legal effect; adopted text	75
I.2.3.3.	Data-processing techniques	76
I.2.4.	Information	77
I.2.4.1.	Information in general	77
I.2.4.2.	Binding Tariff Information	78
I.2.4.3.	BTI and the implementing code	80
I.2.4.4.	BTI and VAT	85
I.2.5.	Other provisions	85

Annex to Chapter I.

Special report of the Court of Auditors on the customs territory of the Community and relating trading arrangements accompanied by the replies of the Commission	89
1. Introduction	
Description of the customs territory	
The Court's enquiry	
2. The 'Reimbursement Territories'	
The Isle of Man	
Andorra	
The Austrian territory of Jungholz	
The Austrian territory of Mittelberg	
The Principality of Monaco	
The Republic of San Marino	
The Channel Islands	
A comparison of the reimbursement systems	
3. The 'Territorial Free Zones'	
Gex and Haute Savoie	
Gorizia	
The Municipality of Livigno	
The Valle d'Aosta	
Conclusions	
4. The Special Trading Arrangements	
The Alto Adige/Tyrol Trade	
Denmark/Faeroe Islands and Greenland Trade	
Trading arrangements between the French Republic and the Maghreb countries (Morocco, Tunisia and Algeria)	
Former German Internal Trade	
The Protocol on the tariff quotas for imports of bananas to the Federal Republic of Germany	
German Comecon Trade	
The Canary Islands' trade with mainland Spain	
Ceuta and Melilla trade with mainland Spain	
The United Kingdom/New Zealand butter trade	
Conclusions	
5. The Territorial Seas, Internal Waters and Airspace	
Ships	
Aircraft	
Conclusions	
6. Other European Territories, Enclaves, States, and Member State Overseas Territories	
The German territory of Büsingen	
The Commune of Campione d'Italia	
The French Overseas Department (DOM)	
Mayotte, St. Pierre et Miquelon, and the French Overseas Territories (TOM)	
The German Island of Heligoland	
Gibraltar	
Mount Athos	
The Vatican State	
7. Final conclusions and recommendations	
Annex I: List of Member States overseas countries and territories	
Annex II: A comparison of customs duties and levies per head of population – Isle of Man, Monaco, Mittelberg, San Marino and Andorra	
Commission's replies	

Chapter II. Factors on the Basis of which Import Duties or Export Duties and the Other Measures Prescribed in Respect of Trade in Goods Are Applied	115
II.1. Tariff	118
Texts Arts. 20–21, Arts. 16–34	118
Commentary	122
II.1.1. Customs tariff of the EC and tariff classification of goods	122
II.1.1.1. Modification of the GSP	126
II.1.2. Favourable tariff treatment by reason of the nature of the goods	129
II.1.2.1. Goods subject to the condition that they be denatured	129
II.1.2.2. Conditions for tariff classification of certain types of seed	132
II.1.2.3. Conditions for tariff classification of bolting cloth as piece goods	135
II.1.2.4. Goods for which a certificate of authenticity or quality, or other certificate, must be presented	135
II.1.3. Favourable tariff treatment by reason of their end-use	142
II.1.4. Other provisions regarding favourable tariff treatment	142
II.2. Origin of goods	144
Texts Arts. 22–27, Arts. 35–140	144
Commentary	168
II.2.1. Non-preferential origin	168
II.2.1.1. Working or processing conferring origin	171
II.2.1.1.1. Textiles and textile articles falling within section XI of the CN	172
II.2.1.1.2. Products other than textiles and textile articles falling within section XI of the CN	172
II.2.1.2. Implementing provisions relating to spare parts	173
II.2.1.3. Certificates of origin	174
II.2.1.3.1. Provisions relating to universal certificates of origin	174
II.2.1.3.2. Certificates of origin for certain agricultural products subject to special import arrangements	176
II.2.2. Preferential origin	178
II.2.2.1. Uruguay Round, agreement on rules of origin	179
II.2.2.2. Implementing rules preferential origin	179
II.2.2.2.1. Definition of the concept of originating products	180
II.2.2.2.2. Proof of origin	191
II.2.2.2.3. Methods of administrative cooperation	206
II.2.2.2.4. Ceuta and Melilla	210
II.2.2.2.5. Final provisions	212
II.3. Value of goods for customs purposes	213
Texts Arts. 28–36, Arts. 141–181a	213
Commentary	225
II.3.1. Method 1: the transaction value, that is, the price actually paid or payable	228
II.3.1.1. Elements to be included in the price	236
II.3.1.2. Elements not to be included in the price	245
II.3.2. Other methods to determine the customs value	247
II.3.2.1. Method 2: the transaction value of identical goods	248
II.3.2.2. Method 3: the transaction value of similar goods	250
II.3.2.3. Method 4: the unit price or deductive method	251
II.3.2.4. Method 5: the computed value	254
II.3.2.5. Method 6: reasonable means or fall back method	256
II.3.3. Valuation of certain carrier media for use in ADP equipment	257
II.3.4. Provisions concerning rates of exchange	258
II.3.5. Goods released for free circulation after being assigned a different customs-approved treatment or use; simplified procedures for certain perishable goods	259
II.3.5.1. Simplified procedures for certain perishable goods	260
II.3.6. Declarations of particulars and documents to be furnished	262
II.3.7. Customs value and VAT	264
II.3.7.1. Taxable amount for importations	265
II.3.7.1.1. Importation of software	267
II.3.7.2. Inclusions	267

II.3.7.3.	Exclusions	267
II.3.7.4.	Customs value	268
II.3.7.4.1.	First place of destination	268
II.3.7.4.2.	Importation of works of art, collectors' items or antiques	270
II.3.7.5.	Case law with regard to VAT on importation	271
Annex 1 to Chapter II		
Integrated tariff of the European Communities		273
Foreword		
Introduction		
– Part One:	Brief outline	
– Section I:	Structure and content of Taric	
– Section II:	Coding of goods	
– Section III:	General rules	
– Section IV:	Special provisions	
– Part Two :	Detailed description of Taric	
– Section I:	Layout	
– Section II :	Even-numbered (left-hand) pages	
– Section III :	Odd-numbered (right-hand) pages	
– Section IV:	Additional codes	
– Section V:	Footnotes	
– Section VI:	Abbreviations	
Annex 2 to Chapter II		
Article VII GATT and related documents		291
– Article VII of the General Agreement on Tariffs and Trade		
– Interpretative notes ad Article VII		
– Council Decision of 10 December 1979 concerning the conclusion of the Multi-lateral Agreements resulting from the 1973 to 1979 trade negotiations		
– Agreement on implementation of Article VII of the GATT		
– Annex I. Interpretative notes		
– Annex II. Technical Committee on customs valuation		
– Annex III. 'Ad hoc' panels		
– Protocol to the Agreement on implementation of Article VII of the GATT		
 Chapter III. Provisions Applicable to Goods Brought into the Customs Territory of the Community until They Are Assigned a Customs-approved Treatment or Use		
		311
Texts Arts. 37–57, Arts. 182–197		313
Commentary		320
III.1.	General	320
III.2.	Entry of goods into the customs territory of the Community	320
III.2.1.	VAT and goods brought into the customs territory of the Community until they are assigned a customs-approved treatment or use	323
III.3.	Presentation of goods to customs	324
III.3.1.	Special provisions applicable to goods consigned by sea or air	325
III.3.2.	Case law with regard to goods carried by travellers	328
III.3.3.	Examination of the goods and taking of examples	330
III.4.	Summary declaration and unloading of goods presented to customs	331
III.5.	Obligation to assign goods presented to customs a customs-approved treatment or use	333
III.6.	Temporary storage of goods	333
III.7.	Provisions applicable to non-Community goods which have moved under a transit procedure	336
III.8.	Other provisions	336

Chapter IV. Customs-approved Treatment or Use	337
IV.1. General	341
Text Art. 58	341
Commentary	342
IV.2. Customs procedures	344
IV.2.1. Placing of goods under a customs procedure	344
Texts Arts. 59–78, Arts. 198–253a	344
Commentary	359
IV.2.1.1. Declarations in writing, normal procedure	360
IV.2.1.2. Declarations in writing, simplified procedures	381
IV.2.1.2.1. Act of Accession	384
IV.2.1.3. Other declarations	384
IV.2.1.4. Post-clearance examination of declarations	393
IV.2.2. Release for free circulation	395
Texts Arts. 79–83, Arts. 254–308	395
Commentary	405
IV.2.2.1. Effects of release for free circulation	405
IV.2.2.2. Declarations and procedures	407
IV.2.2.3. Conditional end-use	418
IV.2.2.4. Loss of customs status as Community goods	426
IV.2.2.5. Release for free circulation and VAT	426
IV.2.3. Provisions common to several procedures	434
Texts Arts. 84–90, Arts. 496–502	434
Commentary	437
IV.2.3.1. Suspensive arrangements and customs procedures with economic impact; provisions common to several procedures	437
IV.2.4. Transit	445
IV.2.4.1. External transit	446
Texts Arts. 91–97, Arts. 309–495	446
Commentary	487
IV.2.4.1.1. Transit, definitions, scope and Community status of goods	491
IV.2.4.1.2. External Community transit procedure	504
IV.2.4.1.3. External Community transit guarantees	510
IV.2.4.1.4. External Community transit irregularities	518
IV.2.4.1.5. Simplifications	519
IV.2.4.1.6. Special provisions applicable to certain modes of transport	536
IV.2.4.1.7. Transport under the TIR or ATA carnet or under the form 302 procedure	543
IV.2.4.1.8. Restricted goods or goods prohibited from export	547
IV.2.4.1.9. Control copy T5, controls on the use and/or destination of goods	550
IV.2.4.2. Internal transit	558
Texts Arts. 163–165, Art. 381	558
Commentary	559
IV.2.4.2.1. Provisions common to external and internal Community transit	561
IV.2.4.3. VAT and transit	563
IV.2.5. Customs warehouses	566
Texts Arts. 98–113, Arts. 268–274, 503–548	566
Commentary	579
IV.2.5.1. The customs warehousing procedure	579
IV.2.5.2. Entry of goods for the customs warehousing procedure	599
IV.2.5.3. Use of a customs warehouse without entry of goods for the procedure	604
IV.2.5.4. Use of a customs warehouse and VAT	608
IV.2.6. Inward processing	613
Texts Arts. 114–129, Arts. 549–649	613
Commentary	638
IV.2.6.1. The general provisions	639
IV.2.6.2. Entry and discharge of the procedure (suspension system)	665
IV.2.6.3. Triangular traffic	673
IV.2.6.4. Transfer of goods	677

IV.2.6.5.	Processing operations outside the customs territory of the Community	679
IV.2.6.6.	Special provisions relating to the drawback system	680
IV.2.6.7.	Use of a customs warehouse without entry of non-Community goods for the procedure	690
IV.2.6.8.	VAT and inward processing	691
Annex to Chapter IV.2.6. Rules for application of the compensatory interest		693
Commission communication concerning the rules for application of the compensa- tory interest in cases where goods are further processed outside the Community		
I. Introduction		
II. Possible cases		
IV.2.7.	Processing under customs control	698
Texts Arts. 130–136, Arts. 275–276, 278, 650–669		698
Commentary		704
IV.2.7.1.	The scope of processing under customs control	704
IV.2.7.2.	Entry of goods for the procedure for processing under customs control	705
IV.2.7.3.	Authorization for processing under customs control	707
IV.2.7.4.	Ending the procedure	711
IV.2.7.5.	Use of a customs warehouse without entry of non-Community goods for the procedure	714
IV.2.7.6.	Processing under customs control and VAT	717
IV.2.8.	Temporary importation	718
Texts Arts. 137–144, Arts. 275–276, 278, 670–747		718
Commentary		738
IV.2.8.1.	Temporary importation rules of the Code	739
IV.2.8.2.	Temporary importation implementing rules	741
IV.2.8.2.1.	Definitions	741
IV.2.8.2.2.	Temporary importation with total relief of goods other than means of transport	743
IV.2.8.2.3.	Temporary importation with total relief of means of transport	750
IV.2.8.2.4.	Temporary importation with partial relief	758
IV.2.8.2.5.	Authorization of the procedure	759
IV.2.8.2.6.	Entry and discharge of the procedure	767
IV.2.8.2.7.	Determination of customs debt	775
IV.2.8.3.	VAT and temporary importation	776
IV.2.9.	Outward processing	778
Texts Arts. 145–160, Arts. 277, 748–787		778
Commentary		790
IV.2.9.1.	The scope of the outward processing procedure	790
IV.2.9.2.	Grant of the authorization	794
IV.2.9.3.	Operation of the procedure	802
IV.2.9.4.	Standard exchange system	815
IV.2.9.4.1.	Triangular traffic	818
IV.2.9.5.	Outward processing and VAT	821
IV.2.10.	Export	822
Texts Arts. 161–162, Arts. 279–289, 788–798		822
Commentary		828
IV.2.10.1.	The export procedure	829
IV.2.10.2.	Implementing provisions relating to permanent exportation	830
IV.2.10.3.	Simplified procedures	835
IV.2.10.4.	Temporary exportation using an ATA carnet	840
IV.2.10.5.	VAT exemptions of exports from the Community and international trans- port	841
IV.2.10.5.1.	Introductory paragraph	841
IV.2.10.5.2.	Destination outside the territory	842
IV.2.10.5.3.	Inward processing	844
IV.2.10.5.4.	Vessels	845
IV.2.10.5.5.	Aircraft	847
IV.2.10.5.6.	Diplomatic and consular exemptions	848
IV.2.10.5.7.	Exports as part of humanitarian, charitable or teaching activities	849

IV.2.10.5.8. Directly linked services	849
IV.2.10.5.9. Services supplied by brokers and other intermediaries	851
IV.3. Free zones and free warehouses	852
Texts Arts. 166–181, Arts. 799–840	852
Commentary	861
IV.3.1. General provisions	862
IV.3.2. Placing of goods in free zones or free warehouses	864
IV.3.3. Operation of free zones and free warehouses	867
IV.3.4. Removal of goods from free zones or free warehouses	872
IV.3.5. Special provisions regarding the CAP, processing and communication of information	874
IV.3.6. VAT and free zones and free warehouses	881
IV.4. Re-exportation	887
Texts Art. 182, Art. 841	887
Commentary	888
IV.4.1. Re-exportation	888
IV.5. Destruction and abandonment	893
Texts Art. 182, Art. 842	893
Commentary	894
IV.5.1. Destruction	894
IV.5.2. Abandonment	896

VOLUME 2

Chapter V. Goods Leaving the Customs Territory of the Community	899
Texts Art. 183, Art. 843	901
Commentary	902
Chapter VI. Privileged Operations	905
Texts Arts. 184–188, Arts. 844–856	907
Commentary	912
VI.1. General	912
VI.2. Reliefs from customs duty	913
VI.2.1. The proposals on reliefs from import duties or export duties	915
VI.2.2. The purpose of the new Regulation	915
VI.2.3. The background of the new Directive	916
VI.2.4. Table of contents at Chapter level	917
VI.2.5. Details of the amendments to the Sixth Directive	919
VI.2.6. Text of the proposed new Regulation	922
VI.3. Returned goods	947
VI.3.1. Returned goods and VAT	953
VI.4. Products of sea-fishing and other products taken from the sea	954
VI.4.1. Products of sea-fishing and other products taken from the sea and VAT	955
Chapter VII. Customs Debt	957
Texts Arts. 189–242, Arts. 857–912	959
Commentary	981
VII.1. General	981
VII.1.1. Act of Accession	982
VII.2. Security to cover a customs debt	983
VII.2.1. General	983
VII.2.2. Types of security	985
VII.3. Incurrence of a customs debt	987

VII.3.1.	The cases in which a debt is incurred	988
VII.3.1.1.	Failures without significant effect	989
VII.3.1.2.	Natural wastage	991
VII.3.1.3.	Customs status of goods in certain irregular situations	991
VII.3.1.4.	Narcotic drugs and counterfeit currency	993
VII.3.2.	The moment when the debt is incurred	998
VII.3.3.	The debtor	999
VII.3.4.	The determination of the customs debt	1001
VII.3.5.	The place where the debt is incurred	1003
VII.4.	Recovery of the amount of a customs debt	1003
VII.4.1.	Entry in the accounts and communication of the amount of duty to the person liable for payment	1004
VII.4.2.	Time limit and procedures for payment of the amount of duty	1008
VII.5.	Extinction of customs debt	1012
VII.6.	Repayment and remission of duty	1014
VII.6.1.	Repayment	1014
VII.6.2.	Remission	1017
VII.6.3.	Implementing provisions on repayment or remission of import or export duties	1019
VII.6.3.1.	Implementing provisions relating to Articles 236 to 239 of the Code	1019
VII.6.3.2.	Specific provisions relating to the application of Article 239 of the Code	1026
Chapter VIII. Appeals		1035
Texts Arts. 243–246		1037
Commentary		1038
VIII.1.	General	1038
VIII.2.	Right of appeal	1039
VIII.3.	Initial stage of the exercise of the right of appeal	1040
VIII.4.	Second stage of the exercise of the right of appeal	1041
VIII.5.	Other provisions relating to the right of appeal	1042
Chapter IX. Final Provisions		1045
Texts Arts. 247–253, Arts. 913–915		1047
Commentary		1054
IX.1.	General	1054
IX.2.	The Customs Code committee	1054
IX.2.1.	Advisory task	1054
IX.2.2.	Power of decision making	1056
IX.2.2.1.	The Customs Code procedure	1057
IX.2.2.2.	The Nomenclature procedure	1058
IX.3.	Legal effects in a Member State of measures taken, documents issued and findings made in another Member State	1059
IX.4.	Other final provisions	1060
IX.4.1.	Regulations and Directives which are totally or partially repealed	1061
IX.4.2.	The Committee on duty-free arrangements	1068
IX.4.3.	Date(s) of application, reports and direct effect	1068
Chapter X. Anti-Dumping		1071
X.1.	General	1073
X.2.	The Community's anti-dumping policy – Legal framework and rationale	1073
X.2.1.	Legal framework	1073
X.2.1.1.	The GATT rules	1073

X.2.1.2.	The Uruguay Round	1075
X.2.1.3.	Community legislation until 1995	1077
X.2.2.	Rationale	1078
X.2.2.1.	Dumping in integrated and international markets	1078
X.2.2.2.	The effects of dumping	1079
X.2.3.	Different dumping strategies	1080
X.3.	Reform of the EC legislation	1081
X.4.	Recent anti-dumping and anti-subsidy cases before the Court of Justice	1082
Chapter XI. Excises		1095
XI.1.	Introduction	1097
XI.2.	The Horizontal Directive	1098
XI.2.1.	Products subject to excise duties	1098
XI.2.2.	Taxable event and chargeability	1098
XI.2.3.	Production	1099
XI.2.4.	Movement of goods	1099
XI.2.5.	Payment of the duty	1100
XI.2.6.	Anti-avoidance provisions	1100
XI.3.	Mineral oils	1101
XI.4.	Alcohol and alcoholic beverages	1102
XI.4.1.	Beer	1103
XI.4.2.	Wine	1103
XI.4.3.	Fermented beverages other than wine and beer	1103
XI.4.4.	Intermediate products	1103
XI.4.5.	Ethyl alcohol	1104
XI.5.	Tobacco	1104
Annex to Chapter XI		
Integrated text horizontal Excise Directive		1106
Chapter XII. Value Added Tax		1119
XII.1.	Introduction	1121
XII.2.	Introductory and expiry dates	1122
XII.3.	Territorial application	1122
XII.4.	Taxable persons	1123
XII.5.	Taxable transactions	1124
XII.5.1.	Means of transport	1126
XII.6.	Place of taxable transactions	1127
XII.6.1.	Distance sales	1128
XII.6.2.	Changes in the place of supply	1129
XII.7.	Chargeable event and chargeability of tax	1131
XII.8.	Taxable amount	1131
XII.9.	Tax rates	1133
XII.9.1.	Zero rates	1134
XII.9.2.	VAT rates after 1992	1134
XII.9.3.	Works of art, collectors' items and antiques	1136
XII.10.	Exemptions	1137
XII.10.1.	Exemptions within the territory of the country	1137
XII.10.2.	Exemptions relating to international transactions	1138
XII.11.	Deductions	1138
XII.11.1.	Deductions and investment goods	1139
XII.12.	Persons liable for payment of the tax	1140

XII.12.1.	Obligations in respect of imports	1140
XII.13.	Administrative obligations	1140
XII.13.1.	Registration	1140
XII.13.2.	Identification numbers	1141
XII.13.3.	Keeping accounts	1141
XII.13.4.	Keeping a register	1141
XII.13.5.	Issuance of invoices	1141
XII.13.6.	Submitting a return	1142
XII.13.7.	Submitting a statement	1142
XII.13.8.	Submitting a recapitulative statement	1142
XII.14.	Special schemes	1143
XII.15.	Simplification measures	1145
XII.16.	Transitional provisions and arrangements	1145
XII.17.	VAT committee	1146
XII.18.	Miscellaneous	1146
XII.19.	Final provisions	1147
XII.20.	The accession of Austria, Finland and Sweden	1147
Annex to Chapter XII		
	Integrated text of the Sixth VAT Directive	1151
 Annexes to the Integrated Implementing Code		 1195
Index to the Articles		1741
Index to the Keywords		1753

Chapter 0

Introduction

CONTENTS

0.1.	General	3
0.2.	Character of levies upon importation	3
0.2.1.	Character of customs duties	4
0.2.2.	Character of turnover taxes (VAT)	4
0.2.3.	Character of excises	5
0.2.4.	Character of agricultural levies	5
0.2.5.	Character of dumping levies	5
0.3.	The framework of the customs union	6
0.3.1.	The customs union	6
0.3.2.	Abolishment of customs duties between the Member States	7
0.3.3.	Indirect taxation	8
0.3.4.	Common outer tariff	10
0.3.5.	Quantitative restrictions	10
0.3.6.	Articles 1 to 37 of the EC Treaty	11
0.4.	Preamble to the Customs Code	20
	Texts (preambles)	20
	Commentary	26
0.4.1.	Legal basis	26
0.4.2.	General comments	27
0.4.3.	Recitals	32
0.4.3.1.	Recitals of the implementing code	35
0.5.	Accession of new Member States as from 1 January 1995	36

Introduction

0.1. GENERAL

On 28 February 1990 the Commission of the European Community presented a proposal for a Community Customs Code. In the accompanying explanatory memorandum this proposal was described by the Commission as 'the most far-reaching project of legislative consolidation ever undertaken in a field subject to Community law' and it was intended to be applicable from 1 January 1993. The Commission was, however, too optimistic with regard to this date. On 12 October 1992 the Code was adopted. According to Article 253 of the Code it applies from 1 January 1994. The same Article provides that Title VIII does not apply to the United Kingdom until 1 January 1995 and that Article 161 and, in so far as they concern re-exportation, Articles 182 and 183 apply from 1 January 1993. For this purpose a separate (Commission) regulation was adopted, Regulation (EEC) No. 3269/92 which temporarily applied until 1 January 1994. On 11 October 1992 the Commission Regulation (EEC) No. 2454/93 of 2 July 1993 was published, laying down provisions for implementation of the Code, hereinafter referred to as the implementing code. On 21 December 1993 Commission Regulation (EC) No. 3665/93 was adopted amending the implementing code. During 1994 further amendments to the implementing code were adopted.

This book follows the structure of the Code. From the reference to a legislative consolidation in the explanatory memorandum to the proposal for the Code it may be inferred that the Code reflects to a large extent the rules applied before 1994. Thus, where necessary, reference will be made to the case law relating to the (old) body of customs legislation, but we refrain from extensive references to the body of customs legislation as applied before 1994.

Before we turn in this introductory Chapter to the preamble of the Code (and the implementing code) we deal with the character of levies upon importation in section 0.2. below.

The customs union is one of the foundations of the Community. The customs union resulted in the free movement of Community goods within the Community, in which customs controls are removed with the completion of the single market starting 1 January 1993. Therefore, the movement of Community goods falls outside the scope of 'Community Customs law.' However, in order to understand the context of the Code it is necessary to discuss in some detail the provisions and developments with regard to the customs union. In section 0.3. below entitled 'the framework of the customs union' we discuss in more detail the elimination of customs duties between Member States, the developments with regard to the common customs tariff and the elimination of quantitative restrictions and measures with equivalent effect.

Finally, in section 0.4. the preambles and the introductory commentaries on the preambles are discussed.

0.2. CHARACTER OF LEVIES UPON IMPORTATION

Customs borders are present whenever at the moment of, and with regard to, the crossing of a geographical (or political) border certain formalities have to be fulfilled. These border crossings should not be taken too literally; as will be seen later, the release for free