

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 682 final.

Brussels, 19 December 1977.

RECOMMENDATION FOR

A COUNCIL DECISION

accepting on behalf of the Community three
Annexes to the International Convention on
the simplification and harmonization of cus-
toms procedures

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

In the International Convention on the simplification and harmonization of customs procedures (Kyoto Convention), which was drawn up by the Customs Cooperation Council (CCC) and to which the Community is a Contracting Party¹, provision is made for a number of Annexes, each of which is to have the effect of an agreement and each of which may be accepted separately.

In view of their purpose, which is to facilitate international trade in goods, the various Annexes, each of which deals with a particular sector of customs legislation, are of immediate relevance to the operation of the Customs Union and hence to the implementation of Community commercial policy. A further nine Annexes have recently been approved by the CCC, and the Community, as a Contracting Party to the Kyoto Convention, must accordingly take up a position on them by accepting them as they stand, by accepting them subject to certain reservations or by rejecting them altogether.

The Annexes in question concern the following areas :

- A.1* : Customs formalities prior to the lodgement of the goods declaration
- A.2* : Temporary storage of goods
- C.1* : Outright exportation
- E.2* : Transshipment
- F.1* : Free zones
- F.3* : Customs facilities applicable to travellers
- F.4* : Customs formalities in respect of postal traffic
- F.5* : Urgent consignments
- F.6* : Repayment of import duties and taxes

The appropriate Commission departments and representatives of the Member States have examined these Annexes in detail.

Their conclusions suggest that Annexes A.1, A.2 and F.1 may be accepted subject to the following reservations :

.../...

1) Council Decision of 18 March 1975 (OJ No L 100, 21.4.1975, p. 1

*) CCC Code numbers

(A) Annex A.1

Standard 11

According to Article 3(2) of Council Directive 68/312/EEC of 30 July 1968 on customs treatment and temporary storage of goods the declaration lodged must include information as to the place at which the goods were loaded onto the means of transport. Information to this effect is not required to be included in the document to be presented to the customs under standard 11.

(B) Annex A.2

Standard 2

This standard is incompatible with Article 1(1) of Council Directive 68/312/EEC of 30 July 1968 on customs treatment and temporary storage of goods since it stipulates that Contracting Parties must use the temporary storage system. Within the Community this system is optional.

Recommended practice 13

Under Article 5 of Council Directive 68/312/EEC of 30 July 1968 goods in temporary storage may be handled only to the extent that is usual for preserving them in their unaltered state. The operations provided for in recommended practice 13 are more far-reaching than just measures for preserving goods in their unaltered state and bear a closer resemblance to operations generally carried out in bonded warehouses.

(C) Annex F.1

Standard 7

This standard is contrary to the Community provisions (see Article 2(3) of Directive 69/75/EEC and Article 13 of Directive 69/73/EEC), under which inward processing arrangements and consequently relief from import duties may be authorized only when goods are placed in a free zone with a view to their being subsequently exported.

.../...

-
- (1) O.J. No L 194, 6.8.1968, p. 13
(2) O.J. No L 58, 8.3.1969, p. 11
(3) O.J. No L 58, 8.3.1969, p. 14

Standards 7 and 8

In as far as refunds at exportation would be considered as coming within the field of application of standard (exemption from or repayment of import duties and taxes) or of standard 8 (exemption from or repayment of internal duties), these standards would be at variance with the provisions of the common agricultural policy in force, whereby refunds at exportation are granted only when the goods leave the geographical territory of the Community.

Standard 17

This standard permits inward processing but, unlike Article 4(2) of Directive 69/75/EEC, does not make it subject to the rules applying to inward processing, particularly the rules relating to the economic conditions to be met before the system may be applied. On this point the footnote to standard 17 is enlightening : it states that the right to undertake processing operations may be subject to economic criteria. Community legislation, on the other hand, stipulates that such criteria must be applied. This makes Community legislation more restrictive than standard 17.

Standard 21

This standard does not provide for the possibility of limiting the periods for which goods may remain in free zones.

Article 6 of Directive 69/75/EEC, on the other hand, does allow for such an eventuality.

The Community cannot at present accept Annexes C.1, E.2, F.3, F.4, F.5 and F.6 since there are no Community rules on those subjects. The Commission will make a proposal with regard to these Annexes once the Council has approved rules covering the areas in question.

.../...

CONCLUSION

In accordance with Article 113 of the Treaty the Commission recommends that the Council :

(1) accept, subject to the reservations set out in Article 1 of this Decision, Annex A.1 concerning customs formalities prior to the lodgement of the goods declaration, Annex A.2 concerning the temporary storage of goods and Annex F.1 concerning free zones.

(2) does not accept the following Annexes to the Kyoto Convention :

Annex C.1 concerning outright exportation

Annex E.2 concerning transshipment

Annex F.3 concerning customs facilities applicable to travellers

Annex F.4 concerning formalities in respect of postal traffic

Annex F.5 concerning urgent consignments

Annex F.6 concerning the repayment of import duties and taxes.

RECOMMENDATION FOR

A COUNCIL DECISION

accepting on behalf of the Community three Annexes to the International Convention on the simplification and harmonization of customs procedures

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the recommendation from the Commission,

Whereas, in accordance with Council Decision of 18 March 1975¹, the Community is a party to the International Convention on the simplification and harmonization of customs procedures ;

Whereas the Annexes to the said Convention concerning customs formalities prior to the lodgement of the goods declaration, the temporary storage of goods and free zones are acceptable to the Community ;

Whereas it is nevertheless advisable to make such acceptance of these Annexes subject to certain reservations in order to take account of the special requirements of the customs union,

HAS DECIDED :

Article 1

The following Annexes to the International Convention on the simplification and harmonization of customs procedures are accepted on behalf of the Community :

- Annex A.1 concerning customs formalities prior to the lodgement of the goods declaration, except for standard 11,

.../...

(1) O.J. No L 100, 21.4.1975, p. 1

- Annex A.2 concerning the temporary storage of goods, except for standard 2 and recommended practice 13,
- Annex F.1 concerning free zones, except for standards 7, 8, 17 and 21.

The texts of the above Annexes are given in Annex I hereto.

Article 2

The Commission shall inform the Secretariat-General of the Customs Cooperation Council of the acceptance of the Annexes referred to in Article 1 subject to the reservations therein mentioned.

Done at Brussels,

For the Council,

The President