New regulations in the field of customs procedure and simplifications

The Union Customs Code at a glance

The new regulations according to the Union Customs Code (UCC) contain a variety of new rules in the field of customs procedures and the application of customs simplifications.

What is changing?

The following list (non-exhaustive) provides an overview of the new regulations effective 1 May 2016:

- Changes in the field of temporary admission (e.g. guarantee for goods in temporary admission; formal approval of storage facilities; storage duration up to 90 days; cross-border redistribution for AEO-C)
- Several changes with respect to special customs procedures (e.g. abolition of type D and E customs warehouses and therefore higher customs value when transferring the goods into free circulation), inward processing (e.g. abolition of the drawback method, integration of the processing under customs control and destruction) and outward processing (e.g. abolition of the “differential method”; extension of the standard exchange system and use of replacement products)
- Higher requirements for Authorized Economic Operators (AEO’s) and license holder of simplified procedures; nevertheless, the AEO-status is getting more attractive as numerous simplifications will be granted to AEO’s only (e.g. relief from presentation to customs for simplified customs clearance procedures; cross-border redistribution within temporary admission; relief of guarantee for duty unpaid goods; self-assessment; centralized customs clearance, etc.)

In addition to the procedural changes, companies have to check the expiration of granted license approvals under the current law resp. if and when a reissuance or new application according to the UCC is required.
Who is affected?

The new regulations have an impact on all companies that deal with customs related activities in the European Union and make use of any simplifications or special procedures.

What to do?

There is an immediate need for action for affected companies:

- Detailed assessment of the operative procedures and simplifications
- Evaluation of existing need for adaption and temporal prioritization
- Check if an AEO-C status is required to continue to use the simplifications as before
- If needed, application for new special customs procedures or simplifications