
Changes to legislation: *There are currently no known outstanding effects for the Council Decision of 6 June 1978 accepting on behalf of the Community three Annexes to the International Convention on the simplification and harmonization of customs procedures (78/528/EEC), ANNEX. (See end of Document for details)*

ANNEX

INTERNATIONAL CONVENTION ON THE SIMPLIFICATION AND HARMONIZATION OF CUSTOMS PROCEDURES

Annexes A.1, A.2 and F.1

Changes to legislation: There are currently no known outstanding effects for the Council Decision of 6 June 1978 accepting on behalf of the Community three Annexes to the International Convention on the simplification and harmonization of customs procedures (78/528/EEC), ANNEX. (See end of Document for details)

ANNEX A.1

ANNEX CONCERNING CUSTOMS FORMALITIES PRIOR TO THE LODGEMENT OF THE GOODS DECLARATION

INTRODUCTION

Goods may be introduced into a country by many different modes of transport. In order to safeguard the revenue and ensure compliance with national legislation, the carrier having introduced goods into the customs territory must produce them, and the means of transport by which they are carried, to the customs authorities at the earliest possible time. The provisions necessary to control the introduction of goods into the customs territory depend, to a large extent, upon the geography of the country and other circumstances such as the principal modes of transport bringing goods into the country.

In many cases the customs office at which the goods are to be produced and the goods declaration is to be lodged is situated at the place where the goods are introduced into the customs territory; however, in other cases, this customs office is situated some distance from that place. It is essential that the customs authorities be in a position to control the conveyance of goods to the customs office at which the goods are to be produced to the customs.

The interests of the customs may be safeguarded by placing obligations on the carrier through regulations and by means of physical surveillance by the customs of means of transport and goods introduced into the customs territory.

It is important that these measures cause a minimum of inconvenience to international trade. To this end all formalities to be accomplished by the carrier should be as simple as possible and information concerning them should be readily available to all interested persons.

This Annex does not cover goods which arrive under a customs procedure, e.g. international customs transit, goods carried by post or in travellers' baggage or the temporary storage of goods, nor does it cover certain other formalities which may be applicable in the case of particular modes of transport, e.g. presentation of a report on the arrival of a ship.

DEFINITIONS

For the purposes of this Annex:

- (a) the term 'customs formalities prior to the lodgement of the goods declaration' means all the operations to be carried out by the person concerned and by the customs from the time goods are introduced into the customs territory to the placing of the goods under a customs procedure;

Note:

Temporary storage may be considered as a customs procedure.

- (b) the term 'customs territory' means the territory in which the customs law of a State applies in full;
- (c) the term 'carrier' means the person actually transporting goods or in charge of or responsible for the operation of the means of transport;
- (d) the term 'import duties and taxes' means customs duties and all other duties, taxes, fees or other charges which are collected on or in connection with the importation of goods, but not including fees and charges which are limited in amount to the approximate cost of services rendered;

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- (e) the term 'goods declaration' means a statement made in the form prescribed by the customs, by which the persons interested indicate the particular customs procedure to be applied to the goods and furnish the particulars which the customs require to be declared for the application of that procedure;
- (f) the term 'customs control' means measures applied to ensure compliance with the laws and regulations which the customs are responsible for enforcing;
- (g) the term 'person' means both natural and legal persons unless the context otherwise requires.

PRINCIPLES

1. **Standard**

Customs formalities prior to the lodgement of the goods declaration shall be governed by the provisions of this Annex.

2. **Standard**

National legislation shall specify the conditions to be fulfilled and the formalities to be accomplished in respect of goods which are introduced into the customs territory.

3. **Standard**

All goods which are introduced into the customs territory, regardless of whether they are liable to import duties and taxes, shall be subject to customs control.

4. **Standard**

Customs formalities prior to the lodgement of the goods declaration shall be reduced to the minimum necessary to ensure compliance with the laws and regulations which the customs are responsible for enforcing.

5. **Standard**

Customs formalities prior to the lodgement of the goods declaration shall apply equally, regardless of the country of origin of the goods or the country whence they arrived.

INTRODUCTION OF GOODS INTO THE CUSTOMS TERRITORY

Places at which goods may be introduced into the customs territory

6. **Standard**

National legislation shall specify the places at which goods may be introduced into the customs territory. In determining these places the factors to be taken into account shall include the particular requirements of trade, industry and transport.

Note:

Countries may specify for this purpose the customs routes, that is to say, the roads, railways, waterways and any other routes (pipelines, etc.) which must be used for the importation of goods.

Obligations of the carrier

7. **Standard**

The fact of having introduced goods into the customs territory shall carry with it the obligation upon the carrier to convey them directly to a designated customs office or other place specified by the customs authorities without altering their nature or their packaging.

8. **Standard**

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Where the conveyance of the goods from the place of their introduction into the customs territory to a designated customs office or other specified place is interrupted by accident or *force majeure*, the carrier shall be required to take precautions to prevent the goods from entering into unauthorized circulation and to advise the customs or other competent authorities of the nature of the accident or other circumstance which has interrupted the journey.

Customs control

9. Standard

Customs control in respect of imported goods shall be reduced to the minimum.

Notes:

1. Customs control may include the boarding and searching of means of transport.
2. The customs authorities may have the power to take special control measures which are applied only in specified areas, for example, in the frontier zone.
3. As a rule it is not necessary to take control measures which involve unloading goods, affixing seals or identification marks to means of transport or goods or conveyance of goods under customs escort. However, where the customs authorities consider such control measures to be indispensable, they would apply those which would cause the least inconvenience to both the customs and the carrier while still providing adequate safeguards. Customs seals and identification marks affixed by foreign customs authorities would normally be accepted unless they were considered not to be sufficient or secure.

PRODUCTION OF GOODS TO THE CUSTOMS

Documentation

10. Recommended practice

Where the customs office at which the goods are to be produced is not located at the place where the goods are introduced into the customs territory, no document should be required to be lodged with the customs authorities at that place.

Note:

For the purpose of identifying the goods, the customs authorities may require the presentation of commercial, transport or other accompanying documents.

11. Standard

Where the customs authorities require documentation in respect of the production of the goods to the customs, this shall not be required to contain more than the information necessary to identify the goods and the means of transport.

Note:

The information is normally obtained from commercial and transport documents, the contents of which may vary from one mode of transport to another. The customs authorities would not normally require any more than a description of the goods and of the packages (marks and numbers, number and kind, weight) and identification of the means of transport. Some international agreements lay down the maximum information which may be required (e.g. the country may be a Contracting Party to Annex 9 to the Convention on International Civil Aviation or the Convention on Facilitation of International Maritime Traffic).

12. Recommended practice

Where the documents produced to the customs are made out in a language which is not specified for this purpose or in a language which is not a language of the country into which the goods

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are introduced, a translation of the particulars given in those documents should not be required as a matter of course.

Competence and hours of business of customs offices

13. Standard

The customs authorities shall designate the customs offices at which goods may be produced to the customs. In determining the competence of these offices and their hours of business, the factors to be taken into account shall include the particular requirements of trade and industry and transport.

Notes:

1. In some countries the competence of the customs offices is determined with reference to the customs routes and their importance.
2. Where necessary the competence of certain customs offices may be restricted to certain modes of transport or to certain categories of goods or to goods consigned to specified areas (e.g. the frontier zone or an industrial zone).

14. Recommended practice

Where corresponding customs offices are located on a common frontier, the customs authorities of the two countries concerned should correlate the business hours and the competence of those offices.

Note:

In some cases joint controls have been established at common frontiers with customs offices of the two countries installed at the same place and sometimes in the same building.

Arrival outside working hours

15. Standard

The customs authorities shall specify the precautions to be taken by the carrier to prevent the goods from entering into unauthorized circulation in the customs territory when they arrive at a customs office outside working hours.

Note:

The carrier may be required to keep the goods at a specific place at or in the vicinity of the customs office.

16. Recommended practice

At the request of the carrier, and for reasons deemed valid by the customs authorities, the latter should, so far as possible, allow the customs formalities prior to the lodgement of the goods declaration to be accomplished outside the business hours of the customs office; any expenses which this entails may be charged to the carrier.

UNLOADING

Places of unloading

17. Standard

National legislation shall specify the places which are approved for unloading.

18. Recommended practice

At the request of the person concerned, and for reasons deemed valid by the customs authorities, the latter should allow goods to be unloaded at a place other than the one approved for unloading; any expenses which this entails may be charged to the person concerned.

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Note:

Goods may be unloaded, according to the circumstances, at the premises of the person concerned, at premises with appropriate equipment or at any place within the customs surveillance zone.

Commencement of unloading

19. Recommended practice

The commencement of unloading should be permitted as soon as possible after the arrival of the means of transport at the place of unloading.

20. Recommended practice

At the request of the person concerned, and for reasons deemed valid by the customs authorities, the latter should, so far as administrative circumstances permit, allow unloading to proceed outside the business hours of the customs office; any expenses which this entails may be charged to the person concerned.

GOODS DAMAGED, DESTROYED OR LOST

21. Standard

Total or partial exemption, as the case may be, from payment of import duties and taxes, shall be granted in respect of goods damaged, destroyed or irrecoverably lost by accident or *force majeure* during the accomplishment of the customs formalities prior to the lodgement of the goods declaration provided that the facts are duly established to the satisfaction of the customs authorities.

Note:

At the request of the person concerned, remnants of goods covered by this standard may be:

- (a) cleared for home use in their existing state as if they had been imported in that state; or
- (b) re-exported; or
- (c) rendered commercially valueless under customs control, without expense to the revenue; or
- (d) with the consent of the customs authorities, abandoned free of all expenses to the revenue.

RESPONSIBILITY FOR THE PAYMENT OF IMPORT DUTIES AND TAXES

22. Standard

National legislation shall specify the person or persons responsible for the payment of any import duties and taxes in respect of goods introduced into the customs territory which have not been produced to the customs in compliance with the conditions and formalities to be fulfilled prior to the lodgement of the goods declaration.

INFORMATION CONCERNING CUSTOMS FORMALITIES PRIOR TO THE LODGEMENT OF THE GOODS DECLARATION

23. Standard

The customs authorities shall ensure that all relevant information regarding customs formalities prior to the lodgement of the goods declaration is readily available to any person interested.

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ANNEX A.2

ANNEX CONCERNING THE TEMPORARY STORAGE OF GOODS

INTRODUCTION

It is important that, on arrival, goods may be permitted to be unloaded from the means of transport as soon as possible. In recognition of this fact customs administrations have introduced arrangements under which the discharge of cargo may commence as soon as possible after arrival with a minimum of formalities subject to the revenue being safeguarded.

For a variety of reasons some time may elapse between the arrival of the goods and the lodgement of the relevant goods declaration. In these circumstances customs authorities require the goods to be kept under customs control and for this purpose they are usually placed in a specified area where they are stored pending lodgement of the goods declaration. Such areas are termed temporary stores and may consist of buildings or may be enclosed or unenclosed spaces.

The provisions of this Annex do not apply to the storage of goods in customs warehouses or in free zones.

DEFINITIONS

For the purposes of this Annex:

- (a) the term 'temporary storage of goods' means the storing of goods under customs control in premises and enclosed or unenclosed spaces specified by the customs (hereinafter called temporary stores) pending lodgement of the goods declaration;
- (b) the term 'import duties and taxes' means customs duties and all other duties, taxes, fees or other charges which are collected on or in connection with the importation of goods, but not including fees and charges which are limited in amount to the approximate cost of services rendered;
- (c) the term 'goods declaration' means a statement made in the form prescribed by the customs, by which the persons interested indicate the customs procedure to be applied to the goods and furnish the particulars which the customs requires to be declared for the application of that procedure;
- (d) the term 'customs control' means measures applied to ensure compliance with the laws and regulations which the customs are responsible for enforcing;
- (e) the term 'security' means that which ensures to the satisfaction of the customs that an obligation to the customs will be fulfilled. Security is described as 'general' when it ensures that the obligations arising from several operations will be fulfilled;
- (f) the term 'person' means both natural and legal persons, unless the context otherwise requires.

PRINCIPLES

1. **Standard**

The temporary storage of goods shall be governed by the provisions of this Annex.

2. **Standard**

National legislation shall specify the conditions to be fulfilled and the formalities to be accomplished in respect of goods placed in temporary store.

SCOPE

Changes to legislation: There are currently no known outstanding effects for the Council Decision of 6 June 1978 accepting on behalf of the Community three Annexes to the International Convention on the simplification and harmonization of customs procedures (78/528/EEC), ANNEX. (See end of Document for details)

3. **Standard**

The customs authorities shall authorize the establishment of temporary stores whenever they deem it necessary to meet the requirements of trade and industry.

Notes:

1. In accordance with the provisions of national legislation, temporary stores may be managed by the customs authorities, by other authorities or by natural or legal persons.
2. Temporary stores may be open to all importers and other persons entitled to dispose of goods being imported, or use of them may be restricted to specified persons.

4. **Standard**

Temporary storage shall be allowed in respect of all kinds of goods irrespective of quantity, country of origin or country whence arrived. However, goods which constitute a hazard, which are likely to affect other goods or which require special installations shall be admitted only into temporary stores specially designed to receive them.

5. **Standard**

The only document to be required when goods are placed in temporary store shall be that used to describe the goods when they are produced to the customs.

MANAGEMENT OF TEMPORARY STORES

6. **Standard**

The requirements as regards the construction, layout and management of temporary stores and the arrangements for the storage of goods, for stock-keeping and accounting and for customs control shall be laid down by the customs authorities.

Notes:

1. For the purposes of control the customs may, in particular:
 - keep, or require to be kept, accounts of goods placed in the temporary store (by using either special registers or the relevant documentation);
 - keep the temporary store under permanent or intermittent supervision;
 - require that the temporary store be double-locked (secured by the lock of the person concerned and by customs lock);
 - take stock of the goods in the temporary store from time to time.
2. Goods are usually required to be stored in locked premises. However, bulky or heavy goods and low-duty goods which constitute little revenue risk are frequently stored in unenclosed spaces under customs supervision.

7. **Standard**

National legislation shall specify the person or persons held responsible for the payment of any import duties and taxes chargeable on goods placed in a temporary store which are not accounted for to the satisfaction of the customs authorities.

8. **Standard**

When security is required from the authority or person managing a temporary store, the customs authorities shall accept a general security.

9. **Recommended practice**

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The amount of any security should be set as low as possible having regard to the import duties and taxes potentially chargeable.

10. **Recommended practice**

The customs authorities, should waive security where the temporary store is under adequate customs supervision, in particular where it is customs locked.

AUTHORIZED OPERATIONS

11. **Standard**

Any person entitled to dispose of goods in temporary stores shall, for the purposes of preparing the goods declaration, be allowed to:

- (a) inspect them;
- (b) weigh them;
- (c) take samples, against payment of the import duties and taxes where appropriate.

12. **Standard**

Goods in temporary store shall be allowed to undergo normal operations necessary for their preservation in their unaltered state.

Note:

The normal operations necessary for the preservation of the goods in their unaltered state may include cleaning, beating, removal of dust, sorting and repair or change of faulty packings.

13. **Recommended practice**

Goods in temporary store should be allowed under such conditions as may be laid down by the customs authorities, to undergo normal operations necessary to facilitate their removal from store and their further transport.

Note:

These operations may include sorting, piling, weighing, marking, labelling. They may also involve the consolidation of different consignments of goods intended for further transport under a single transport document and/or a single customs document (groupage).

DURATION OF TEMPORARY STORAGE

14. **Standard**

Where national legislation lays down a time limit for temporary storage, the time allowed shall be sufficient to enable the importer to complete the necessary formalities to place the goods under a customs procedure.

Note:

The time limit laid down may vary according to the mode of transport used, and in the case of goods imported by sea may well be of considerable duration.

15. **Recommended practice**

At the request of the person concerned, and for reasons deemed valid by the customs authorities, the latter should extend the period initially fixed.

DETERIORATION, DAMAGE, LOSS, DESTRUCTION OR ABANDONMENT OF GOODS

16. **Standard**

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Goods deteriorated, spoiled or damaged by accident or *force majeure* before leaving the temporary store shall be allowed to be cleared as if they had been imported in their deteriorated, spoiled or damaged state.

17. Standard

Goods in temporary store which are destroyed or irrecoverably lost by accident or *force majeure* shall not be subjected to import duties and taxes, provided that such destruction or loss is duly established to the satisfaction of the customs authorities.

Any waste or scrap remaining after destruction shall be liable, if taken into home use, to the import duties and taxes that would be applicable to such waste and scrap imported in that state.

18. Standard

At the request of the person entitled to dispose of them, goods in temporary store shall be allowed to be abandoned, in whole or in part, to the revenue or to be destroyed or rendered commercially valueless under customs control, as the customs authorities may decide. Such abandonment or destruction shall not entail any cost to the revenue.

Any waste or scrap remaining after destruction shall be liable, if taken into home use, to the import duties and taxes that would be applicable to such waste and scrap imported in that state.

REMOVAL FROM TEMPORARY STORE

19. Standard

Any person having the right to dispose of the goods shall be entitled to remove them from temporary store subject to compliance with the conditions and formalities in each case.

Note:

The customs authorities may require the person concerned to establish his right to dispose of the goods.

GOODS NOT REMOVED FROM TEMPORARY STORE

20. Standard

National legislation shall specify the procedure to be followed when goods are not removed from temporary store within the period laid down.

21. Recommended practice

When goods not removed from temporary store are sold by the customs, the proceeds of the sale, after deduction of the import duties and taxes and all other charges and expenses incurred, should either be made over to the person(s) entitled to receive them, when this is possible, or be held at their disposal for a specific period.

INFORMATION CONCERNING TEMPORARY STORAGE

22. Standard

The customs authorities shall ensure that all relevant information regarding the temporary storage of goods is readily available to any person interested.

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ANNEX F.1

ANNEX CONCERNING FREE ZONES

INTRODUCTION

Certain States have long considered it necessary to encourage the development of their external trade, and of international commerce in general, by granting indefinite relief from import duties and taxes in respect of goods introduced into a part of their territory where they are generally regarded as being outside the customs territory. Goods so introduced are not subject to the usual customs control.

In the present Annex this part of the territory is referred to as a 'free zone' although in some countries it is also known under various other names, such as 'free port', 'free warehouse'.

A distinction may be made between commercial and industrial free zones. In commercial free zones, the permitted operations are generally limited to those necessary for the preservation of the goods and the usual forms of handling to improve their packaging or marketable quality or to prepare them for shipment. In industrial free zones, processing operations are authorized.

Although goods introduced into free zones are generally regarded, in so far as import duties and taxes are concerned, as being outside the customs territory, certain provisions laid down by the State concerned may remain applicable, e.g. prohibitions and restrictions deriving from national legislation. The customs also carry out certain controls within the free zone to ensure that the operations carried out are in accordance with the requirements laid down.

Goods introduced into a free zone from the customs territory normally qualify for the exemption from or repayment of import duties and taxes or internal duties and taxes granted at exportation.

Where goods which have not been processed in a free zone are allowed to be introduced into the customs territory for home use, they become liable to import duties and taxes, as if they had been imported direct from abroad. However, special assessment rules, laid down in national legislation, are applicable in the case of foreign goods which have been processed in the free zone or where the goods utilized were of national origin or had been imported against payment of import duties and taxes and had been granted exemption from or repayment of duties and taxes when they were introduced into the free zone.

In some countries customs facilities comparable to those characteristics of free zones are granted throughout the territory, in the context of other customs procedures such as customs warehousing, drawback, temporary admission for inward processing or customs transit.

DEFINITIONS

For the purposes of this Annex:

- (a) the term 'free zone' means a part of the territory of a State where any goods introduced are generally regarded, in so far as import duties and taxes are concerned, as being outside the customs territory and are not subject to the usual customs control.

Note:

A distinction may be made between commercial and industrial free zones. In commercial free zones, goods are admitted pending subsequent disposal and processing or manufacture is normally prohibited. Goods admitted to industrial free zones may be subjected to authorized processing operations;

- (b) the term 'customs territory' means the territory in which the customs law of a State applies in full;

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- (c) the term ‘import duties and taxes’ means customs duties and all other duties, taxes, fees or other charges which are collected on or in connection with the importation of goods, but not including fees and charges which are limited in amount to the approximate cost of services rendered;
- (d) the term ‘customs control’ means the measures applied to ensure compliance with the laws and regulations which the customs are responsible for enforcing;
- (e) the term ‘person’ means both natural and legal persons, unless the context otherwise requires.

PRINCIPLE

1. **Standard**

The customs regulations applicable in free zones shall be governed by the provisions of this Annex.

ESTABLISHMENT OF FREE ZONES

2. **Standard**

National legislation shall specify the requirements relating to the establishment of free zones, the kinds of goods admissible to such zones and the nature of the operations to which goods may be subjected in them.

Notes:

- 1. Free zones are generally established at seaports, river ports, airports, and places with similar geographical advantages.
- 2. In accordance with the provisions of national legislation, free zones may be managed by the customs authorities, by other authorities or by natural or legal persons.

3. **Standard**

The requirements as regards the construction and layout of free zones and the arrangements for customs control shall be laid down by the customs authorities.

Notes:

- 1. The customs authorities may require that free zones be enclosed; they may also impose restrictions on means of access and establish the hours of business.
- 2. For the purpose of control, the customs authorities may, in particular:
 - keep the means of access to the free zone under permanent or intermittent supervision;
 - require persons introducing goods into free zones to keep accounts so that the circulation of the goods can be controlled;
 - make spot checks on the goods admitted to ensure that they have been subjected to authorized operations only and that no unauthorized goods have been introduced.

4. **Standard**

Customs authorities shall have the right to carry out checks at any time of the goods stored on the premises of any person introducing goods into a free zone.

GOODS ADMITTED

5. **Recommended practice**

Admission to a free zone should not be subject to the condition that the goods are introduced into or stored in the zone in specified quantities.

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6. **Standard**

Admission to a free zone shall be authorized not only for goods imported direct from abroad but also for goods brought from the customs territory of the State concerned.

Note:

Goods brought from the customs territory of the State concerned may be goods in free circulation or goods placed under a procedure affording conditional relief from import duties and taxes or a processing procedure.

7. **Standard**

Goods admissible to a free zone which are entitled to exemption from or repayment of import duties and taxes when exported shall qualify for such exemption or repayment immediately after they have been introduced into the free zone.

8. **Standard**

Goods admissible to a free zone which are entitled to exemption from or repayment of internal duties and taxes when exported, shall qualify for such exemption or repayment after they have been introduced into the free zone.

Note:

Exemption or repayment is generally granted immediately after introduction of the goods into the free zone. In special cases, exemption or repayment may be made subject to the exportation of the goods from the national territory. Exceptionally, evidence of arrival of the goods in the country of destination may also be required.

9. **Standard**

Admission to a free zone shall not be refused solely on the grounds of the country of origin of the goods, the country whence they arrived or their country of destination.

10. **Standard**

Admission to a free zone of goods brought from abroad shall not be refused solely on the grounds that the goods are liable to restrictions or prohibitions other than those imposed on grounds of public morality or order, public security, public hygiene or health, or for veterinary or phytopathological considerations, or relating to the protection of patents, trade marks and copyrights.

11. **Recommended practice**

Goods which constitute a hazard, which are likely to affect other goods or which require special installations, should be admitted only to free zones specially designed to receive them.

INTRODUCTION INTO A FREE ZONE

12. **Standard**

Where a document must be presented to the customs in respect of goods introduced into a free zone directly from abroad, without having to cross the customs territory of the State concerned, the customs authorities shall not require more than the production of a commercial or official document (commercial invoice, waybill, dispatch note, etc.) giving the main particulars of the goods concerned.

13. **Recommended practice**

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The admission to a free zone of goods brought from the customs territory of the State concerned or which have crossed that territory in transit should not involve the completion of a document other than the goods declaration normally required in that territory to cover the exportation, re-exportation or transit of goods.

14. Standard

The customs authorities shall not require security for the admission of goods to a free zone.

15. Standard

Where the customs authorities carry out a control of goods intended for introduction into a free zone, they shall take only such action as is deemed essential to ensure compliance with the laws and regulations which the customs are responsible for enforcing.

Note:

In particular, the customs may ensure that the goods are of a kind allowed to be introduced into the free zone and that any relevant prohibitions and restrictions have been complied with.

AUTHORIZED OPERATIONS

16. Standard

In addition to loading, unloading, transshipment and storage, goods admitted to a commercial free zone shall be allowed to undergo operations necessary for their preservation and usual forms of handling to improve their packaging or marketable quality or to prepare them for shipment, such as breaking bulk, grouping of packages, sorting and grading, and repacking.

17. Standard

The processing operations to which goods admitted to an industrial free zone may be subjected shall be specified by the competent authorities in general terms and/or in detail in a regulation applicable throughout the free zone or in the authority granted to the enterprise carrying out these operations.

Note:

The right to carry out processing operations may be made subject to the condition that the proposed operations are regarded by the competent authorities as advantageous to the national economy.

GOODS CONSUMED WITHIN THE FREE ZONE

18. Standard

National legislation shall enumerate the cases in which goods to be consumed inside the free zone may be admitted free of duties and taxes and shall lay down the requirements which must be met.

Notes:

1. Free admission may be allowed not only in respect of import duties and taxes but also in respect of internal duties and taxes.
2. Free admission of equipment to be used solely inside the free zone for the transport, storage and processing of goods may also be allowed.

TRANSFER OF OWNERSHIP

19. Standard

The transfer of ownership of goods admitted to a free zone shall be allowed.

Note:

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1. Retail sales within free zones may be prohibited.

2. Goods admitted to free zones may be used for provisioning ships and aircraft.

DESTRUCTION

20. **Standard**

Goods admitted to a free zone shall be allowed to be destroyed or rendered commercially valueless under customs control.

DURATION OF STAY IN FREE ZONE

21. **Standard**

No limits shall be imposed on the duration of the stay of goods in a free zone.

REMOVAL FROM FREE ZONE

22. **Standard**

Where a document must be produced to the customs in respect of goods which on removal from a free zone are sent directly abroad without having to cross the customs territory of the State concerned, the customs authorities shall not require more than the production of a commercial or official document (commercial invoice, waybill, dispatch note, etc.) giving the main particulars of the goods concerned.

23. **Standard**

The only declaration required for goods that are allowed to be introduced into the customs territory of the State concerned on removal from a free zone shall be the goods declaration normally required for the customs procedure to which those goods are assigned.

24. **Recommended practice**

Goods which are allowed to be removed from a free zone to the customs territory of the State concerned should be eligible for the conditional relief or processing procedures in force under the conditions applicable to goods imported direct from abroad.

25. **Standard**

National legislation shall specify the point in time to be taken into consideration for the purpose of determining the value and quantity of goods which may be taken into home use on removal from a free zone and the rates of the import duties and taxes applicable to them.

26. **Standard**

National legislation shall specify the rules applicable for determining the amount of the import duties and taxes chargeable on goods taken into home use after manipulation or processing in a free zone.

Notes:

1. The amount of the import duties and taxes chargeable on goods taken into home use after processing in a free zone may be limited to the amount of the import duties and taxes applicable to the foreign goods utilized, in the state in which they were introduced into the free zone, plus, where goods of national origin or goods imported against payment of import duties and taxes were utilized, the amount of any exemption from or repayment of internal duties or taxes or import duties and taxes granted when those goods were introduced into the free zone.

Changes to legislation: There are currently no known outstanding effects for the Council Decision of 6 June 1978 accepting on behalf of the Community three Annexes to the International Convention on the simplification and harmonization of customs procedures (78/528/EEC), ANNEX. (See end of Document for details)

2. A special assessment procedure may be laid down where equipment which has been used to process goods in a free zone was admitted free of import duties and taxes.

ABOLITION OF A FREE ZONE

27. **Standard**

In the event of the abolition of a free zone, the persons concerned shall be given sufficient time to arrange for the disposal of their goods.

INFORMATION CONCERNING FREE ZONES

28. **Standard**

The customs authorities shall ensure that all relevant information regarding the customs regulations applicable to free zones is readily available to any person interested.

Changes to legislation:

There are currently no known outstanding effects for the Council Decision of 6 June 1978 accepting on behalf of the Community three Annexes to the International Convention on the simplification and harmonization of customs procedures (78/528/EEC), ANNEX.