*Status: Point in time view as at 23/04/2008.*
*Changes to legislation: There are currently no known outstanding effects for the Regulation (EC) No 450/2008*
*of the European Parliament and of the Council (repealed), Section 3. (See end of Document for details)*

Regulation (EC) No 450/2008 of the European Parliament and
of the Council of 23 April 2008 laying down the Community
Customs Code (Modernised Customs Code) (repealed)

TITLE VII

**SPECIAL PROCEDURES**

CHAPTER 5

**Processing**

Section 3

**Outward processing**

*Article 171*

**Scope**

1        Under the outward-processing procedure Community goods may be temporarily exported from the customs territory of the Community in order to undergo processing operations. The processed products resulting from those goods may be released for free circulation with total or partial relief from import duties at the request of the holder of the authorisation or any other person established in the customs territory of the Community provided that that person has obtained the consent of the holder of the authorisation and the conditions of the authorisation are fulfilled.

2        Outward processing shall not be allowed for the following Community goods:
   a   goods the export of which gives rise to repayment or remission of import duties;
   b   goods which, prior to exportation, were released for free circulation under a duty exemption or at a reduced rate of duty by virtue of their end-use, for as long as the purposes of such end-use have not been fulfilled, unless those goods have to undergo repair operations;
   c   goods the export of which gives rise to the granting of export refunds;
   d   goods in respect of which a financial advantage other than refunds referred to in point (c) is granted under the common agricultural policy by virtue of the exportation of those goods.

3        In cases not covered by Articles 172 and 173 and where *ad valorem* duties are involved, the amount of the import duty shall be calculated on the basis of the cost of the processing operation undertaken outside the customs territory of the Community.

The measures designed to amend non-essential elements of this Regulation, by supplementing it, laying down the rules for such calculation and the rules where specific duties are involved, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 184(4).

4        The customs authorities shall specify the period within which goods temporarily exported must be reimported into the customs territory of the Community in the form of processed products, and placed under release for free circulation, in order to be able to benefit from total or partial relief from import duties. They may, extend that period, for a reasonable duration, on submission of a duly justified request by the holder of the authorisation.

## *Article 172*

### Goods repaired free of charge

1        Where it is established to the satisfaction of the customs authorities that goods have been repaired free of charge, either because of a contractual or statutory obligation arising from a guarantee or because of a manufacturing or material defect, they shall be granted total relief from import duties.

2        Paragraph 1 shall not apply where account was taken of the manufacturing or material defect at the time when the goods in question were first released for free circulation.

## *Article 173*

### Standard exchange system

1        Under the standard exchange system an imported product, hereinafter referred to as a 'replacement product', may, in accordance with paragraphs 2 to 5, replace a processed product.

2        The customs authorities shall authorise the standard exchange system to be used where the processing operation involves the repair of defective Community goods other than those subject to measures laid down under the common agricultural policy or to the specific arrangements applicable to certain goods resulting from the processing of agricultural products.

3        Replacement products shall have the same eight-digit Combined Nomenclature code, the same commercial quality and the same technical characteristics as the defective goods had the latter undergone repair.

4        Where the defective goods have been used before export, the replacement products must also have been used.

The customs authorities shall, however, waive the requirement set out in the first subparagraph if the replacement product has been supplied free of charge, either because of a contractual or statutory obligation arising from a guarantee or because of a material or manufacturing defect.

5        The provisions which would be applicable to the processed products shall apply to the replacement products.

## *Article 174*

### Prior importation of replacement products

1        The customs authorities shall, under the conditions they lay down, and at the request of the person concerned, authorise replacement products to be imported before the defective goods are exported.

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In the event of such prior importation of a replacement product, a guarantee shall be provided covering the amount of the import duty that would be payable should the defective goods not be exported in accordance with paragraph 2.

2       The defective goods shall be exported within a period of two months from the date of acceptance by the customs authorities of the declaration for the release for free circulation of the replacement products.

3       Where, in exceptional circumstances, the defective goods cannot be exported within the period referred to in paragraph 2, the customs authorities may, at the duly justified request of the person concerned, extend that period for a reasonable duration.

**Status:**
Point in time view as at 23/04/2008.

**Changes to legislation:**
There are currently no known outstanding effects for the Regulation (EC) No 450/2008 of the European Parliament and of the Council (repealed), Section 3.