



Customs Flash Belgium

Union Customs Code – new provisions on Inward Processing

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The Union Customs Code (UCC) changes the legislation on the Inward Processing Procedure (IPP) in the sense that the intention to re-export the goods is no longer necessary. Therefore, the Inward Processing Suspension Procedure is merged with Processing under Customs Control and the Inward Processing Drawback Procedure is abandoned.

When, after inward processing, the goods are declared for free circulation, the customs debt is calculated on the basis of processed products. Upon specific request by the declarant, the customs debt can be calculated based on tariff classification, customs value, quantity, nature and origin of goods placed under the IPP at the time of acceptance of the customs declaration relating to those goods.

In specific cases however, the customs debt will always have to be calculated on the basis of the goods placed under IPP. This is, among others, the case when the goods, at the time of their placing under IPP, have been subject to a commercial or agricultural policy measure or an anti-dumping duty, countervailing duty, safeguard duty or retaliation duty, had they been released for free circulation at that time.

Consequently, the use of Equivalent Goods will not be authorised where the goods placed under special procedure would be subject to, for example, anti-dumping duties resulting from a suspension of concessions if they were declared for release for free circulation.

What does it mean for you?

The UCC and the new provisions on Inward Processing, as well as the abandoning of Processing under Customs Control, will possibly drastically change related activities and may also have an impact on the sourcing of goods to be placed under the IPP.

What to do?

Importers who currently have an authorisation for Inward Processing Suspension and/or Drawback or Processing under Customs Control in place, will have to urgently review their activities in that respect and prepare for the new provisions' entry into force as from 1 May 2016. They should specifically investigate (1) where the impact would be in case of declaration for free circulation following the IPP, (2) the calculation of customs duties under the new rules and (3) how to deal with equivalent goods that may be subject to, among others, anti-dumping duties.

If you have any questions concerning this alert, please contact your usual tax consultant at our Deloitte office in Belgium or:

- Fernand Rutten, frutten@deloitte.com, + 32 2 600 66 06
- Nick Moris, nmoris@deloitte.com, + 32 2 600 66 03
- Julien Pauwels, jpauwels@deloitte.com, +32 2 600 66 25
- Tom Verbrugge, tverbrugge@deloitte.com, + 32 2 600 66 20
- Klaas Winters, klwinters@deloitte.nl, +31 (0)88 288 2125
- Johan Hollebeek, jhollebeek@deloitte.nl, +31 (0)88 288 1992

For general inquiries, please contact:

bedeloittetax@deloitte.com, + 32 2 600 60 00

Be sure to visit us at our website: <http://www.deloitte.com/be/tax>



[Deloitte Belgium](#)

Berkenlaan 8A, 8B, 8C
1831 Diegem
Belgium

[Deloitte Netherlands](#)

Wilhelminakade 1
3072 AP Rotterdam
Netherlands

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