



Avoid payment of import duties with tariff quotas or tariff suspensions

Does your company need to import (raw) materials, which are scarce or unavailable in the European Union? Then your company might benefit from obtaining a tariff suspension or tariff quota, allowing for a total or partial waiver of customs duties.

What are tariff suspension measures?

In the European Union goods imported from third countries are subject to customs duties. However, in order to stimulate the manufacturing of end-products in the European Union ('EU') and to improve the position of European manufacturers, the European Commission ('EC') grants tariff suspensions and/or tariff quotas upon importation of certain raw materials and semi-finished products, which are scarce or not available within the EU.

For goods that are not available, a tariff suspension may be granted, which applies for an unlimited amount of materials during a period of, in principle, five years.

Tariff quotas are used for goods, which are available within the EU but not in sufficient amounts to meet the requirements of all relevant manufacturers. The quota is used for a certain amount of products and is, in principle, effective during six to twelve months.

Both tariff suspensions and tariff quotas allow for a total or partial waiver of import duties.

What are the criteria to apply for these measures?

Manufacturers can apply for a suspension or quota with the Member State authorities when the minimal reduction of import duties amounts to € 15,000 per year. (Companies may group together to reach this threshold). In order to prove the eligibility, the application should contain, among others, information on the necessity of importation of the respective (raw) materials into the EU as well as detailed material specific documentation and information, including the tariff classification code (Combined Nomenclature code) of the product.

The application will be evaluated in close cooperation between the EC and the Member States. Once a suspension is granted, normally any operator in any Member State is eligible to benefit from it. This means that your company may already benefit from a suspension measure. We can help you find out.

Why Deloitte?

Deloitte has a large network of firms worldwide with a strong Customs & Global Trade practice. The Customs & Global Trade team of Deloitte in the Netherlands comprises of 25 specialists, with broad experience in tariff classification of various types of products and in dealing with the numerous and often complex EU legislation, procedures and formalities.

These specialist can assist you in assessing the eligibility for a tariff suspension measure as well as in the application process.

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