

## Foreword

**This notice cancels and replaces Notice 235 (March 2002). Details of any changes to the previous version can be found in paragraph 1.1 of this notice .**

### Further help and advice

If you need general advice or more copies of Customs and Excise notices, please ring the **National Advice Service** on **0845 010 9000**. You can call between **8.00 am and 8.00 pm, Monday to Friday**.

If you have hearing difficulties, please ring the **Textphone** service on **0845 000 0200**.

If you would like to speak to someone in **Welsh**, please ring **0845 010 0300**, between **8.00 am and 6.00 pm, Monday to Friday**.

**All calls are charged at the local rate within the UK. Charges may differ for mobile phones.**

## Other notices on this or related subjects

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## 1. Introduction and overview

### 1.1 What this notice is about

It explains how you may be able to obtain relief from customs duties when you re-import Community goods that have previously been exported from the EC for processing, or for repair using Outward Processing Relief (OPR). This notice explains the conditions under which you can claim the relief.

This notice has been restructured to improve readability and has also been updated. If you operate the simplified repair system you will need to be aware of a change of policy regarding INF2s summarised in JCCC paper (05) 09.

You can access details of any changes to this notice since April 2005 either on our Internet website at [www.hmce.gov.uk](http://www.hmce.gov.uk) or by telephoning the National Advice Service on 0845 0109000.

This notice and others mentioned are available both on paper and on our website.

## 1.2 The purpose of OPR

OPR provides duty relief on imports from third countries of goods which have been produced from previously exported Community goods. It enables businesses to take advantage of cheaper labour costs outside the EC, while encouraging the use of EC produced raw materials to manufacture the finished products. Goods may be also temporarily exported to undergo processes not available within the Community.

The procedure also enables faulty goods to be returned to a third country for repair, or for replacement with equivalent goods under the Standard Exchange System (SES), see paragraph 3.5.2.

## 1.3 The law

The law on OPR and other customs procedures is contained in Council Regulation (EEC) 2913/92 which establishes the Community Customs Code, and in Commission Regulation (EEC) 2454/93, which lays down the provisions for its implementation.

This notice is not the law. It is our view of the law, and nothing in this notice takes the place of the law.

Anyone who makes a false declaration, or gives untrue information about goods temporarily exported or re-imported under these arrangements may be liable to penalties under the Customs and Excise Management Act 1979.

Non compliance with the conditions of any authorisations may lead to a Civil Penalty being issued under The Customs (Contravention of a relevant Rule) Regulations 2003(SI2003/3113) or Exports (Penalty) Regulation 2003 (SI2003/3102).

## 1.4 How OPR works

When you import goods from outside the Community you normally have to pay duty on the full customs value of the goods. When Community goods are exported outside the customs territory of the EC see Section 18 they lose their Community status, and if they are later re-imported they are treated in the same way as non-Community goods, and are liable to duty on the full customs value.

When you use the OPR procedure it will enable you to claim relief from duty on the Community goods which have been exported for process, as long as you can show that the exported goods were used to produce, or are incorporated into, the products you are importing. Before you can claim duty relief under OPR, however, you must be authorised to use the arrangements.

## 1.5 Eligible persons

To qualify

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be authorised by us	'natural' person	any person normally resident in one of the Member states
	'legal' person	a business, for example a partnership or limited company, which has a permanent business establishment in the Community
normally be the person arranging the processing operation to be carried out, but see paragraph 3.8 for details of specific authorisations.		
apply in writing to the customs authority in the Member State in which you maintain your main customs records and accounts, or from which the goods are exported. It is not necessary for you to be established in that Member State.		

## 1.6 Eligible goods

To qualify for duty relief under OPR arrangements, the exported goods must be Community goods, or Turkish goods that have free circulation status in the EC. Community goods are goods, which either originate in the EC, or have been imported to free circulation within the Community with all customs formalities completed and customs charges having been paid. You can find more information about using Turkish goods in paragraph 2.2. There are also special arrangements for putting goods held under the Inward Processing Relief (IPR) arrangements, into OPR (see paragraph 2.3).

When you export goods under the OPR arrangements you may not claim any refund or remission of import duties, or any refunds or other financial benefits under the Common Agricultural Policy (CAP). You must also pay any export levies or other amounts in full.

OPR relief does not extend to excise duties. Any excise duty due on OPR compensating products must be paid in full at importation. Agricultural component (EA) additional charges can be relieved under OPR. They are covered by the term 'import duties' under Article 4 (10) of the Customs Code. However anti dumping duties and countervailing duties, whilst not to be included in the notional duty deductible on the exported goods (if using the duty differential method) must be included in any duty calculations if they apply to the compensating products.

## **2. Duty and VAT relief**

### **2.1 Claiming duty relief**

Compensating products or replacements must be entered for free circulation by, or on behalf of, the holder of the authorisation.

You may arrange for another person established in the Community or Turkey, to declare OPR goods to free circulation, and to claim the duty relief using your authorisation number at re-importation. You must give them written authority to do so. However you must keep records of all exports and imports under the authorisation. You will also remain responsible for any customs debts that may arise through the use of an authorisation in these circumstances.

### **2.2 Claiming OPR on Turkish goods**

Most goods in free circulation in the EC are now also treated as being in free circulation in Turkey and vice versa since the EC and Turkey formed a customs union in 1996. You can therefore export Turkish goods under the OPR arrangements, and claim duty relief on them when you re-import the compensating products either to the Community or to Turkey. Turkey is not a Member State of the EC and a separate Turkish OPR authorisation is required to export the goods for process direct from there. We have been advised that authorisation can be granted only to applicants who have a permanent business establishment in Turkey.

If you first bring Turkish goods into the Community and export them from the EC, you can use your normal OPR authorisation, as long as it includes the Member State from which the goods are exported. You can find further useful information in Notice 812 European Community preferences: Trade with Turkey.

## 2.3 Putting IPR goods into OPR

If you have IPR goods in the Community which you need to export temporarily, for further process or for repair, you can obtain duty relief on the costs of the process when you re-import them, by exporting them under the OPR arrangements. However, to be eligible for OPR when you re-import the processed goods, you must put them back into IPR - you may not enter them to free circulation. To do this you will need to be authorised for both OPR and IPR, or hold an integrated authorisation (see paragraph 3.9). There are special CPC's for the export and import of IPR goods under OPR. These are described in Section 17. You can find full details in the Tariff, Volume 3, Appendix E.

Note: If you temporarily export Community goods and some of the resulting compensating products upon return will be exported you cannot enter the goods upon import to CPCs 21 41 15, 21 41 17, 21 51 16 or 21 51 17, neither can you claim IPR at export if you have already claimed OPR relief at import. You may only enter the goods to one of the above 4 CPCs if the goods were originally imported to IPR.

## 2.4 IPR processes

If you are exporting IPR goods for an OPR process other than repair, you must obtain a full UK authorisation (see paragraph 3.5).

When you re-import the compensating products of exported IPR goods, any duty due as a result of the further process carried out outside the EC, will be dealt with as follows:

IPR suspension	IPR drawback
If you re-import OPR goods to IPR suspension arrangements, any duty due on the OPR compensating products will be added to the duty already suspended under IPR arrangements. This will be discharged when you re-export the IPR goods. However, if you divert any of the IPR goods to free circulation, you will have to pay compensatory interest on the additional duty due as a result of the OPR process, as well as on the duty suspended when the goods were originally put into IPR.	If you re-import OPR goods to IPR drawback, you must pay any duty due on the OPR compensating products, but you can reclaim this when the IPR arrangements are discharged.

## 2.5 IPR and Repair

If you have an occasional need to export goods under IPR arrangements for repair, you may use the OPR simplified procedure (see paragraph 3.4). There are special CPC's to enable you to do this, see [section 17](#). The CPC you need to use will depend on whether the IPR goods are under drawback or suspension arrangements.

**Note:** If you use these arrangements for IPR suspension goods and decide at a later stage to divert these goods to free circulation, the time the goods spend under the OPR arrangements will be included in the calculation of the amount of compensatory interest payable on the suspended customs charges. (See also Notice 221 Inward Processing Relief.)

## 2.6 Import and export licensing

OPR goods are subject to the normal import and export prohibitions, restrictions and licensing rules. Documentary proof of origin may also be required for certain re-imported textile and clothing products. Information on these can be obtained from Volume 1 parts 3 and 4 of the Tariff.

## 2.7 VAT relief

OPR is a customs procedure that relieves re-imported goods only from customs duty. You may be able to pay VAT on a reduced value for goods that you have previously exported if you can satisfy the conditions for this. If the exported goods are normally free of duty, you do not need to use the OPR arrangements, but you may still be able to claim relief from VAT by using CPCs 22 00 00 on export and 40 00 65 on re-import (see section 17).

Providing ownership of the goods was not transferred to any other person when they were exported, or during the time they were outside EC territory VAT is due on the following value at the time of re-importation to the UK:

- the price charged to you for the process, repair or services including any charge made for parts and materials plus
- any freight and other charges, except insurance, you have to pay for the transport of the goods to and from the processor's premises plus
- any customs or excise duty or other import charges payable in the UK.

If the process has been carried out free of charge, for example because the goods are covered by a warranty, guarantee or service agreement, no VAT is due on re-importation. If the repair was carried out under a service contract agreement see paragraph 2.7.

All replacements are regarded as importations of new goods and are chargeable with VAT in accordance with the normal valuation rules. This applies whether or not any duty relief can be claimed.

You can find full guidance in Notice 702 Imports about paying VAT on a reduced value for goods imported after process or repair.

## **2.8 Outward Processing Trade (OPT)**

Outward Processing Trade in textiles (OPT) allows fabric of EC origin to be exported for processing into garments, and for the finished products to be re-imported into the EC without the need for a specific import licence. In order to use OPT you must be a manufacturer in the EC, producing garments similar to those you wish to import.

If you wish to use OPT you must apply to the DTI for authorisation and you can obtain further information from:

Department of Trade and Industry  
Import Licensing Branch  
Queensway House  
West Precinct  
Billingham  
TS23 2NF

Tel: (01642) 364343 or Fax: (01642) 364269

e-mail address: [enquiries.ilb@dti.gov.uk](mailto:enquiries.ilb@dti.gov.uk).

Authorisation to use OPT cannot be granted retrospectively. If it is your intention to claim duty relief as well then a separate authorisation is required under OPR.

## **2.9 Where can I get more information**

This notice sets out the general principles of OPR. It does not attempt to explain every aspect in detail. You can get more information by phoning our National Advice Service (0845 010 9000). If you have access to the Internet, you can find details of current developments on our web site at [www.hmce.gov.uk](http://www.hmce.gov.uk).

## **2.10 Other duty relief's**

If you re-import goods in the same state as they were exported, or they undergo only unforeseen minor treatment outside the Community, for example, to keep them in working order, they may be eligible for Returned Goods Relief (RGR). You can find information about this in Notice 236 Importing returned goods free of duty and tax.

If you find that goods you import are defective, or not in accordance with contract, you may be able to claim relief under the terms of Notice 266 Rejected imports: repayment or remission of duty and VAT.

You can get copies of these notices from our National Advice Service. Most notices are also available on our website.

## 3. Authorisation

### 3.1 Applying for authorisation

This section explains the different types of authorisation, and how and where you should apply.

It is important that you apply for authorisation at the correct time and in the correct Member State. If you do not hold an authorisation valid for the Member State from which you are exporting goods, you will not be allowed duty relief when you re-import your compensating products. If you do not have the appropriate authorisation, you may experience delays in clearing your goods and you may have to pay more import duties than necessary.

### 3.2 Types of OPR authorisation

There are six types of authorisation:

Type of authorisation...	which can be used for goods...
non-commercial "authorisation"	which are your own personal property, or the property of members of your family. If you have sent such goods outside the EC for repair, you can apply for authorisation when you re-import the repaired items or replacements. You may use this facility only when no commercial purpose is intended for the goods.
simplified authorisation (repairs only)	exported for repair. You apply for authorisation at the time of export. This type of authorisation is available for people who only occasionally need to use OPR arrangements.
full UK authorisation single or "Community" authorisation specific authorisation integrated authorisation	exported for any kind of process or repair but you must apply for authorisation before you export the goods. The type of authorisation you need depends on the type of process you wish to carry out and the Member State(s) from which you export them, see paragraphs 3.5, 3.6, 3.7, 3.8, 3.9, sections 15 and 16.

### 3.3 Non-commercial authorisation

#### 3.3.1 Using the non-commercial procedure



You must be able to prove that the goods are your own personal property, or the property of other members of your immediate family. You may not use this type of authorisation for goods intended for use in any business, and VAT certificates will not be issued for importations under this procedure.

### 3.3.2 What if the process changes the appearance of the goods?

If the process on the goods changes their appearance, for example, remodelling of jewellery, you must be able to provide evidence of the identity of the goods you exported. You could, for example, provide photographs of the stones in their settings before export, and an assay certificate for the weight of precious metal in the old jewellery.

### 3.3.3 What if the exported goods cannot be repaired?

If the exported goods cannot be repaired or are under guarantee, you may import replacement goods using the non-commercial procedure, providing the replacement goods are equivalent to the exported goods.

### 3.3.4 Do I need to supply evidence of export?

You must provide evidence of export of the goods, for example a copy of the export declaration, or a certificate of overseas posting (Form C&E 132) when you claim the relief. You can find more information about exporting and importing goods by post in paragraphs 6.8, 6.9 and 7.3.

### 3.3.5 What documents should I use?

Providing that you can meet all the conditions, you can obtain authorisation when you re-import the processed or repaired goods, or replacements. To use the procedure you must complete an import declaration Form C 88 (SAD), entering the customs procedure code (CPC) 61 21 05 in Box 37. You must present this to us along with payment of any duty and VAT due on any charges made for the repair, or replacement. If we accept the import declaration this will constitute your authorisation.

### 3.3.6 When is VAT due?

VAT is due on the full value of any replacement goods whether or not they were provided free of charge. You may, however, be able to reclaim VAT paid on replacement goods under the EC 6th VAT Directive. For further information on this see Notice 266 which can be seen on our web site or contact the National Advice Service for a copy and form C&E 1179.

## 3.4 Simplified authorisation for repairs

### 3.4.1 Using the simplified authorisation procedure

If you only occasionally need to export goods for repair, you may use the simplified OPR procedure. This procedure may only be used for the repair of faulty goods, not for any other type of process. Your application to be authorised is made when you declare the goods for export under the CPC's listed below.

For...	you should enter procedure code (CPC)...	on the C88, box...
Community goods	21 00 03	37
export of IPR goods under OPR	21 41 15 (drawback) or 21 51 16 (suspension)	37

**Note:** you cannot use simplified declarations (LCP and SDP at export or CFSP at re import) for declarations made under this simplified authorisation procedure.

**You should ensure that you or your agent complete the export declaration in full with special attention being paid to box 31 (Marks, Numbers and description). Failure to do so could lead to the relief of duty at re-import being disallowed.**

**The throughput period (see paragraph 4.3) and rate of yield (see paragraph 4.5) must also be entered in Box 44.**

#### 3.4.2 What should I do when the repaired goods are returned?

When the repaired goods are returned, you must complete an import declaration using the CPC 61 21 08 in Box 37 of the SAD. (If exported using 21 41 15 or 21 51 16 use 41 21 01 or 51 21 01 respectively). Present this to us along with a copy of the export entry and / or copy of the departure message which your agent should have forwarded to you when the export took place. If you do not import all the repaired goods in a single consignment you can present an INF 2 (C&E1155). We will note on the reverse of the INF 2 the quantity of goods imported and the quantity remaining, and return the form to you for presentation when the next consignment is imported. You can find full details of how to use form INF2 for split consignments in paragraphs 9.2 and 9.3.

#### 3.4.3 What if I re-import the goods to another Member State?

If you do this ("triangulation" - see paragraph 3.6), you can do so using the INF 2 as proof that the goods were declared to the OPR arrangements at the time of export from the UK. You can find full details of how to use Form INF 2 for triangulation in paragraph 9.4.

#### 3.4.4 What if the goods cannot be repaired?

If, after export, the repairer decides to replace the faulty goods instead of repairing them, you may import equivalent replacement goods under this procedure. You should advise us that this is the case when you import the replacements. Remember that import VAT is due on the full value of all replacements.

## 3.5 UK authorisation

### 3.5.1 Obtaining a UK authorisation

If the UK is the only Member State from which you export goods for process, this is the normal type of authorisation.

You can use a UK authorisation for any specified type of process or repair operation, and in addition you can apply for authorisation to use one or both of the following special methods:

- Standard Exchange System (SES) without prior importation or
- SES with prior importation.

You should ask our National Advice Service for a Form C&E 1153 and to which office you should return the completed form. **Do not send your completed form to the address on the inside cover of this notice. This office does not issue authorisations and may result in your application being delayed.** Complete the form using the guidance at [section 15](#). If your application is acceptable, we will issue an authorisation number and a letter detailing the conditions and requirements of your authorisation. The customs office responsible for your authorisation will be your supervising office.

Section 5 contains further details about when to apply for authorisation and how we will handle your application.

If, exceptionally, you wish to export goods to OPR before the result of your application for authorisation is known, consult your supervising office for advice.

### 3.5.2 Using the Standard Exchange System

You can use SES to import replacements for goods that you have exported for repair.

**Note:** If you need the replacement goods, for example, machinery, only for a short period while your own goods are repaired and returned to you, it may be more convenient for you to use the Temporary Importation (TI) - replacement means of production - arrangements. (See Notice 200 Temporary importations).

You may need to import replacements before you export the faulty goods. This is called "prior importation". If you want to use SES with prior importation, customs will ask you to provide security to cover the potential duties due on the goods you import (see paragraph 4.7).

### 3.5.3 When must the goods be exported under SES with prior importation?

You must normally export faulty goods within two months of importing their replacements. In exceptional circumstances customs can extend the period within reasonable limits. If you need such an extension you should contact your supervising office as soon as possible. If you want to discharge the security arrangements by assigning the faulty goods to a customs approved treatment, or to a use other than export, for example by entering them to a customs warehouse or free zone, or destroying them you must contact us to make the appropriate arrangements.

#### 3.5.4 Requirements for replacement goods?

Replacements imported under the SES arrangements must fall within the same sub-heading (eight-digit code) of the Tariff, be of the same commercial quality and have the same technical characteristics as the exported goods after repair.

If the faulty goods have been in use for some time, then the replacements must also be previously used goods, and may not be new products. This condition will not apply if a replacement is supplied free of charge because the faulty goods are covered by a guarantee or warranty, or because of a manufacturing defect. You may not use SES specifically to obtain upgraded equipment, but, for goods under warranty, if a supplier is unable to provide an exact replacement (for example because the faulty goods have become obsolete) you may import the closest equivalent.

You may not use SES for CAP goods.

## 3.6 Triangulation

Triangulation is the term used when an export declaration for goods is presented at one of our offices, and the corresponding re-import declaration is presented at a different office, or another member state (see paragraph 9.4). In order to certify authorisation to use OPR and track the movement of the goods, the information sheet INF 2 is used. This is not always required, if the movement begins and ends in the same Member State, but evidence of export under the procedure will be required.

## 3.7 Exports from more than one Member State

Single 'community' authorisation

If you export goods for process from more than one Member State, you can apply for a single authorisation to cover all your exports under the OPR arrangements from the EC Member States included in the authorisation. In the UK we call this a "Community" authorisation.

Application should normally be made in the Member State where your main accounts are held and where at least part of the temporary export operations will be carried out. However, if this does not suit your business, for example, because accounts are held in a different Member State from the temporary export operations, you may apply to the customs authorities in either Member State.

As the application has to be considered by each Member State involved, you should apply at least two months before the first intended entry. You will not be able to export goods from other Member States until your authorisation has been approved.

If you apply in the UK you should submit your application using the model form available on our website at <http://www.hmce.gov.uk>, Import & Export, Forms or in hard copy format from our National Advice Service. You must include in your application:

- a list of the Member States from which goods will be exported on your behalf and
- the addresses of the customs offices in each Member State where you intend to have export and/or import declarations presented.

Addresses of customs offices in other Member States may be obtained from our web site at [www.hmce.gov.uk](http://www.hmce.gov.uk).

Normally other Member States will accept applications in English, but we may have to ask you to provide a translation of your application, or parts of it, in the language of the other Member State(s) involved.

## 3.8 Specific authorisation

### 3.8.1 Obtaining a specific authorisation

In some cases, the exporter of goods for process may not be the person arranging for the process to be carried out. In these circumstances, it may still be possible to obtain OPR authorisation if the availability of duty relief would encourage the sale of EC goods without adversely affecting the essential economic interests of other Community processors. For example, if you export vehicle parts, which are fitted to cars manufactured in a non-EC country, you may apply for a specific authorisation to enable the importers of the vehicles to claim duty relief on the EC manufactured parts.

### 3.8.2 How do I apply for authorisation?

You should complete Form C&E 1153, see [sections 15](#) and [16](#), as for a UK authorisation indicating in box 1a, that you are not the person arranging the process, and send it to us along with a separate letter giving details of the processes, and the reasons for requiring the authorisation. For specific authorisations a test of the economic conditions is required. This will be conducted by the DTI who may require further information for this purpose.

## 3.9 Integrated authorisation

If you need an authorisation to include use of other customs procedures (for example IPR) as well as OPR, you can apply for an integrated authorisation.

If the application mainly covers OPR you should use Form C&E 1153 Depending on the goods, processes and locations involved, follow the guidance for a UK or specific authorisation in paragraphs 3.5 and 3.8 above. For each type of goods detailed in boxes 7 and 8 you must indicate under which procedure the goods will be placed. You must also describe the processing operations, and include details of any proposed transfer between procedures in boxes 9 and 15. Any additional requirements of the other procedures applied for should be entered in box 16.

If the main customs procedure required is not OPR, for example IPR, you should complete the application using the appropriate form for that procedure (C&E 810) with any additional requirements for OPR added.

If you wish to apply for an integrated Community authorisation, you must use the model format indicated in paragraph 3.7.

## **4. OPR conditions**

### **4.1 Identification of the exported goods**

Unless the Standard Exchange System is being used, to be eligible for duty relief under OPR, it must normally be possible to identify the exported goods in the compensating products when these are imported. You may use commercial documents for example invoices and correspondence, serial numbers and other distinguishing marks, samples, illustrations etc to identify the exported goods. You must specify the means of identification to be used in your application.

If identification will be difficult, you may be able to use the International Information Document (Form C 1055), but, unfortunately, very few third countries recognise this document. Those that do, are listed at [section 12](#). You can find more details on information documents in [section 9](#).

If you are using triangulation, you should ask us to certify a Form INF 2 (Information Document C&E 1155) at the time of export.

### **4.2 Equivalence**

In some circumstances it may not be possible for you to prove that the actual goods you exported were used in the process. In such cases, you may claim duty relief on the quantity of equivalent goods used to produce the compensating products. The equivalent goods used must be of the same 8-digit tariff commodity code as the exported goods, and must have the same technical characteristics and commercial quality and origin. If you intend to use equivalent goods, you must specify this on your application.

An example, where use of equivalent goods would be acceptable, is where chemicals exported for process are placed in common bulk storage tanks at the processor's premises before manufacture of the product, and it is not therefore possible to guarantee that the actual goods exported have been used.

## **4.3 The throughput period**

The length of time required to export goods under OPR, process them and declare the compensating products to free circulation is known as the "throughput period".

Although for relief purposes there is no restriction on the length of time allowed for processing, when you apply for authorisation you are asked to give an estimate of the time required to process a batch of exported goods. This information is useful to us when carrying out visits to examine your export and import records.

## **4.4 When does the throughput period begin?**

It begins when you export the goods and your OPR authorisation must be valid at this time if you wish to claim relief on the products. Products re-imported after expiry of your authorisation will still be eligible for relief as long as they are re-imported within the authorised throughput period.

If there has been a delay in re-importing the products, you may apply for an extension of the throughput period, even if the originally agreed period has expired. Provided you can explain the delay, produce evidence of export under OPR, and the exported goods can be satisfactorily identified, we will normally grant an extension.

## **4.5 The "rate of yield"**

The rate of yield is the quantity of compensating product produced from a given quantity of exported goods. It is used to calculate the amount of duty relief you can claim when you import your compensating products. The expected rate of yield, or the method by which it is to be calculated must be specified in your application. This must be expressed clearly, for example 1 for 1, or 1 dress per 3 metres. The rate of yield must not be expressed as a percentage, as wastage in production is included in the calculation of the quantity of exported goods used.

If you import several different types of product, or the products you import are made up from several different types of goods, it will help to clear your goods quickly, and possibly more cheaply, if you provide a costed list, or "bill of materials" for each product. The bill of materials should show the quantity of each type of exported goods used to produce one unit of each type of compensating product. This will make it simpler for your agent, and customs, to calculate the amount of duty relief available, and will also enable customs audit staff to check your records more quickly and accurately.

In cases where the rate of yield is not known at the time of application, or the rate may vary, you should record on your application that you intend to use production records as the basis for establishing it. If you have entered the rate of yield on your application/authorisation form and the rate changes or is incorrect, you must inform your supervising office immediately.

## 4.6 The "economic test"

EC law provides for an examination of the economic conditions to establish, 'whether carrying out processing outside the Community is likely to cause serious disadvantages for Community processors'. Unless there is evidence that this is likely to be the case, we will consider the economic conditions are satisfied and an economic test will not normally be required, unless the application is for a "specific authorisation" (see paragraph 3.8).

## 4.7 Security

Normally, there are only two situations when we will require security for OPR goods. These are:

- when you are authorised to use the Standard Exchange System with prior importation (explained in paragraph 3.5.2) or
- when you need your goods cleared quickly by us but you are unable to present the documentation necessary to support your claim for duty relief.

In these circumstances, you will have to provide security to cover all the potential customs charges on the imported goods. This may be either by means of a cash deposit, or a guarantee from a recognised provider such as a bank.

For SES with prior importation, we will discharge the security when you produce a copy of the export declaration and / or copy of the departure message, (or evidence that the goods being replaced have been put to another customs approved treatment or use) to the customs office holding the security, and pay any charges due on the replacement goods. In other situations, security will be discharged when you produce the appropriate documentation.

## 4.8 Authorising a third party to act on your behalf

You can use a third party e.g. an agent or freight forwarder to complete entries on your behalf but you must ensure that you give **clear written instructions to your agent about** the goods to be exported and re-imported.

- **Direct representation** – the third party makes an entry in your name and on your behalf but you are still responsible for any customs debt that may arise if an entry is incorrectly made.
- **Indirect representation** – the third party makes an entry in their own name and they are jointly and severally liable with you for any customs debt that may arise if an entry is incorrectly made.



- A representative must state that he is acting on behalf of the person represented, specify whether the representation is direct or indirect and be empowered to act as a representative.
- A person who fails to state that he is acting in the name of or on behalf of another person or who states that he is acting in the name of or on behalf of another person without being empowered to do so shall be deemed to be acting in his own name and on his own behalf.
- We may require any person stating that he is acting in the name of or on behalf of another person to produce evidence of his powers to act as a representative.

The third party must quote your OPR authorisation number on the export and import C 88 (SAD) declaration forms. You must also make sure that your third party uses the agreed rate of yield for your compensating products, or uses the method agreed with us to calculate it.

Always make sure that your third party sends you copies of the customs declarations for your records, and check that the correct CPC has been used and that the duty calculations are correct.

A third party may not enter goods on your behalf using the Customs Freight Simplified Procedures (CFSP) unless the third party and use of the simplified procedures are included in your authorisation.

When you renew your authorisation, remember to tell the third party your new number. If you do not do this, your imports may be delayed, or we may require security for the release of the goods.

**Note:** Third parties who enter to OPR without written authority of the person in whose name entries are made, will be liable for any customs debt incurred.

See Notice 199 Imported goods: customs procedures and customs debt.

## 4.9 Keeping records

As authorisation holder, you must keep records of all goods you export under the OPR arrangements. These must show:

- what the goods were
- when and to where you exported them
- what processes were carried out on them
- what the compensating products were
- the rate of yield

- the information necessary to calculate the duty relief and
- and when and where they were re-imported.

You can normally use your commercial records, although we may ask you to adapt them to show the information you need to claim the relief.

If you do not re-import the finished goods yourself, or they are not re-imported by another person acting on your behalf, you must still keep records which show what happened to the goods up to the point where they passed out of your control.

If you intend to keep your records on a computer, you must advise us when you apply for authorisation, so that we can check that the records meet the requirements of OPR. You must also provide any technical information and assistance we need to carry out these checks.

You must keep all records for four years after the expiry of your authorisation and make them available to our officers on request.

## **5. Applying for authorisation**

### **5.1 When to apply for authorisation**

Normally you must apply for authorisation at least one month before you are going to **export** your first consignment. Exceptions to this are:

- SES with prior importation a full UK or "Community" authorisation is required. Normally you should apply before you import the replacements (see paragraph 3.5.2) but if this has not been possible you may apply at the time of importing the replacement goods and
- non-commercial goods - authorisation is not required before you export the goods. You need to apply only when the repaired or replacement goods are imported (see paragraph 3.3)
- Simplified authorisations, which are applied for at export (see paragraph 3.4).

### **5.2 What happens after you apply**

If you have supplied all the information necessary for us to make a decision on your application, we will write to notify you of your authorisation number and any special conditions relating to its use. We will contact you if we need further information in order to process your application.

Our staff may visit you to check that your records and systems are adequate for audit purposes, and to find out more about your exports and processes. During your period of authorisation we may make further visits to inspect your records, and to make sure that you are complying with the conditions of the authorisation and claiming the correct amount of duty relief.

We are required by EC legislation to make a decision on your application within 30 days of receiving all the information needed to process it.

## **5.3 Period of authorisation**

The length of an authorisation will be determined by the needs of the applicant. Authorisation will normally be issued for a period not exceeding three years, unless you have reasonable grounds for needing it for a longer initial period, for example, long-term contractual arrangements. When the authorisation expires, you must apply for it to be renewed (see paragraph 5.6) if you have a continuing need to use the arrangements.

You should bear in mind that you must keep all records relating to your claims under OPR arrangements for four years after your authorisation expires. You may, therefore, want to apply for a shorter period and renew your authorisation as required in order to limit the amount of historical records you have to keep.

## **5.4 Altering or amending an authorisation**

When the circumstances under which an authorisation was issued have changed, or you wish to alter the details in any way, you must notify the changes in writing to the customs office where it was issued. As the authorisation holder, you must ensure that all the details in the authorisation remain current and correct. Amendments to the types of goods for process will take effect only from the date on which customs authorise the requested changes, so you must notify them before you export the goods.

If you have a single "Community" authorisation, and wish to add other places of export, we may have to consult the other Member States involved.

## **5.5 Changes to business name or legal status**

If you change the name of your business without changing its legal status, you should tell the customs office that issued your authorisation. Your authorisation can be amended to show the new business name. If you change the legal status of the business, for example by becoming a limited company, or you take over a business which already holds an authorisation, you will need to apply for authorisation for the new legal entity if you intend to continue using OPR.

## 5.6 How to renew an authorisation

If you wish to renew an authorisation, you should apply in writing to the issuing office, no later than one month before expiry of your current authorisation. In your letter you must advise us if any of the relevant facts in your original application have changed.

**Note.** As the authorisation holder, it is your responsibility to apply for renewal if you still require it. We do not issue reminders. If you do not hold a valid authorisation when you export your goods you may have to pay duty when you import your compensating products, which you may not be able to recover at a later stage.

## 5.7 Retrospective authorisation

In certain circumstances, we may be able to grant a retrospective authorisation, but this will not be allowed as a regular means of approval. An example of when retrospection may be granted is when a preference claim is subsequently found to be incorrect due to a misunderstanding of the origin rules and the operator could have been entitled to use OPR instead of preference. Application should be made on Form C&E 1153 stating the reasons why it is required. You will have to provide records to prove export, and that the exported goods were eligible for relief. Retrospective authorisation may not extend to a period of more than a year before the application is made. **Retrospection can only be considered when an application is made on form C&E 1153.**

## 5.8 Cancelling an authorisation

If you no longer need your authorisation, you should write and tell the customs office that issued it. In your letter you should confirm the date from which cancellation is requested.

We may annul or revoke an authorisation if they find that it has been issued on the basis of incorrect or incomplete information, or when the conditions of OPR have not been met. If this happens you will be informed in writing.

# 6. Exporting OPR goods

## 6.1 Declaring goods for export under OPR

Customs have developed New Export Procedures (NES) for both inland and frontier clearance, enabling exporters and agents to lodge electronic declarations with the Customs Handling of Import and Export Freight (CHIEF) for goods at approved premises, ports and airports. The declaration is validated before clearance is given and the cargo can be shipped.

Further information on NES can be found in Notices 275 and 276.

There are two types of simplified procedure;

- Simplified Declaration Procedure (SDP) which can be used at an ICD, a DEP or at the UK frontier
- Local Clearance Procedure (LCP), which can only be used at an approved inland location eg an OPR authorisation holders premises.

You cannot use the simplified repair procedure in conjunction with LCP/SDP.

When using SDP/LCP, you (or your agent) sends us electronically, a pre-shipment advice (PSA) containing a minimum of information. If this is accepted, a permission to proceed message (P2P) is sent to you. This allows you to progress to the UK frontier and to export the goods. There is no requirement to use CT to move to the frontier as the goods enter the OPR procedure, not the export procedure. You will need to provide a guarantee, whichever procedure you are using to enter the goods if those goods are listed in Annex 44C of EC Regulation 2454/93. Acceptance of the PSA constitutes entry to the Outward Processing procedure and, in most cases, together with the P2P, will be your evidence of entry to the OPR procedure.

A more detailed supplementary declaration is made within 14 days of the date of the PSA.

Following export, a departure message is issued which confirms your goods have left. In some circumstances, this message will be part of your evidence of export under the OPR procedure.

As an alternative to the simplified procedures you can continue to make a full declaration on a SAD (C88) to be made either at the UK frontier, at an Inland Clearance Depot, at a Designated Export Place (DEP) or at your premises.

**Whichever procedure you use you must pre enter goods to OPR. Under LCP/SDP this is met by the submission of the PSA.**

You must have prior approval to use LCP/SDP. This is done by contacting the NAS and requesting Form C&E 42. Alternatively, you can use an agent who has NES authorisation.

Once this has been done, you must write to your supervising office and ask for your OPR authorisation to be amended to include the use of the simplified procedures or, where applicable, details of the agent and their NES authorisation. No amendment is required if you intend to use the full declaration procedure.

## 6.2 Type of goods

You may only export the goods you are authorised for under OPR. The commodity code declared in box 33 of the export SAD must be one of the codes shown in the "export goods" section of your OPR authorisation. If you need to export goods with tariff commodity codes different from those authorised, you should contact the customs office which issued your authorisation and ask them to amend it to include the new codes.

## 6.3 Completion of the export SAD

In addition to the normal details of the goods for export you must ensure that the following information is also shown on the export SAD:

Box No	Details
<b>Marks, Numbers and description 31</b>	All marks and numbers should be shown to aid identification of the goods on return. Failure to do so could lead to the relief of duty at re-import being disallowed. <b>This is particularly important for simplified OPR users.</b> If this box is not completed in sufficient detail you may not be able to claim relief upon return.
<b>CPC37</b>	For normal Community goods you must quote the customs procedure code (CPC) 21 00 01. If you are temporarily exporting IPR goods under the OPR arrangements you must use the code 21 41 17 for goods under drawback arrangements, or 21 51 18 if the goods are under suspension arrangements. (See Section 17 for details of the CPC's to be used at export). Other CPC's are available for textiles exported under OPT, or other combined OPT/OPR arrangements and other fiscal controls. You can find full details in the Tariff, Volume 3, Appendix E1.
<b>additional Information 44</b>	<p>You must quote your OPR authorisation number. If you are exporting IPR goods you must also enter your IPR authorisation number. You must also indicate how the exported goods will be identified in the imported compensating products. If you employ a shipping agent to present your customs declarations, you must ensure that the agent knows your current OPR authorisation number. If your number changes when it is renewed you must advise your agent. Failure to do this may delay clearance of your imported products, or mean that you have to provide security in order to clear them quickly through customs.</p> <p>If you have an integrated authorisation (see paragraph 3.9) and you wish to enter goods to OPR, you must give your authorisation number using the prefix "OP".</p> <p>Simplified Authorisation for repair (see paragraph 3.4) (POD) indicating the period of discharge and RoY rate of yield should be completed.</p>

## **6.4 Triangulation**

If you intend to import your compensating products to another Member State, you must complete both parts of Form INF 2 (C&E 1155) and present it to us at the place of export for certification. You must attach evidence of the value of the exported goods to your export declaration. You must allow sufficient time for us to examine the goods if we wish to do so. If the goods are not leaving the Community direct from the Member State of export, the office of entry to the export procedure should check the form is completed correctly and stamp up box 16 and return it to the declarant, who should produce it to the Office of exit to complete box 17 and return it for presentation with the import entry (See paragraph 9.4 for full details of the use of INF 2s).

## **6.5 International Information Document**

If you are using Form C 1055 as a means of identification you must present it along with the export SAD. (See paragraph 9.7 for full details of its use).

## **6.6 Selling the temporarily exported goods**

To obtain authorisation for OPR you do not necessarily have to own the exported goods, you need only be the person arranging for the process to be carried out. You may arrange to have goods exported from the Community by another person, without taking ownership of them first. If you do own the temporarily exported goods, you may sell them to the processor if you wish to. You can buy back and re-import the compensating products, and still claim relief from duty on the exported goods. The exported goods may also be transferred between several processors in different countries abroad, provided that they can still be identified when the compensating products are re-imported.

## **6.7 Can I sell the exported goods to another person in the EC?**

You may sell the exported goods to another person established in the Community, provided that:

- the compensating products are entered for free circulation by, or on behalf of, the authorisation holder, or with the holder's consent by another person established in the Community and
- the conditions of the authorisation are fulfilled.

If you do not own the temporarily exported goods, or ownership of them passes to someone else before re-import, you must account for import VAT on the full customs value of the compensating products you import. (VAT Regulations 1995, Regulation 126).

To enable the goods to receive the relief of duty under OPR the exporter should submit an INF2 at export. After validation by Customs it will be returned to the declarant who should forward it to the importer for production when he presents his import entry.

## 6.8 Export by post

Goods may be exported for processing, repair or replacement under OPR using the postal service. Before export you must complete an export C 88 (SAD) and take or send it to your supervising office in sufficient time for them to examine the goods if necessary, prior to export.

If you are not sure where your supervising office is situated contact the National Advice Service on 0845 010 9000.

You must also complete Form C&E 132 (Certificate of Overseas Posting). You should enter your authorisation number in the "Customs and Excise reference number" box on the form. Take the goods and the Form C&E 132 to the Post Office who will certify it when they accept the goods.

You must return the certified Form C&E 132 to the customs office which authorised the export, together with copy 2 of the C 88. The C&E 132 will be returned to you so that it can be presented at re-importation of the compensating product.

If the goods are to be returned by post, see paragraph 7.3.

You will still require prior authorisation to send goods by post unless you are using the non-commercial procedure or the simplified repair procedure where authorisation is granted at the time of export / import, see paragraphs 3.3 and 3.4.

## 6.9 Export by post for the Simplified (repair) procedure and non-commercial goods

For the simplified repair procedure, in paragraph 3.4, follow the procedure described in paragraph 3.4.

For non-commercial goods it is not necessary to complete an export declaration Form C 88 but you should obtain a certificate of posting (C&E 132), to present along with the import Form C 88 when you re-import the goods.

**Note:** If the compensating products or replacements are to be returned also by post, you should instruct the processor to mark the parcel "Goods returned after process/repair" or "Replacements under Standard Exchange". If goods are repaired or replaced free of charge this too should be indicated on the parcel.



## 6.10 Evidence of export

Generally, you should ensure you retain or your agent supplies you with a copy of the export entry and / or copy of the departure message clearly showing the Declaration unique consignment reference (DUCR) number to prove the goods were entered to the procedure at export. This should be presented with your import entry. If you intend to re-import the goods in split consignments (see paragraph 9.2-) you will also need to present a completed INF2 at the same time as you make your first import entry. When you subsequently re-import the balance remaining on the INF2 you should present the certified INF2 in lieu of the other export documents.

**If you enter the OPR procedure inland**, using LCP or SDP you should ensure you retain the PSA, P2P and goods departure message, clearly showing the Declaration unique consignment reference (DUCR), or commercial equivalent in your records as part of the audit trail. For indirect exports you should ensure you retain the PSA, P2P and a SAD copy 3 from the office of exit.

**If you enter the OPR procedure at the frontier** using either SDP or full declaration procedures you should ensure you retain or your agent supplies you with a copy of the export entry and / or copy of the departure message clearly showing the Declaration unique consignment reference (DUCR) number to prove the goods were entered to the procedure at export. For indirect exports you should ensure you obtain a stamped SAD copy 3 from the Member State of export and commercial documentation proving export from the EU.

## 6.11 Use of commercial documents as evidence of export

If you wish to use commercial documents as your proof of export you must apply to us and request this simplification entering the details in Box 14 of Form C&E 1153. To use this simplification a number of conditions apply;

- you must have prior approval
- the operations must be in a single Member State or if more than one Member State is involved it must be approved by all Member States
- the commercial document must identify the goods as OPR and be endorsed 'simplified export' along with your authorisation number and export CPC (see paragraph 6.2)
- the commercial document must indicate how the exported goods will be identified in the imported compensating products and
- if you are using the simplified repair procedure you cannot use this simplification.

Our officer may visit you to ensure your records are adequate for this purpose. You should ensure if you are approved that your instructions to your agents are clear and you have an adequate audit trail showing the details above.

The goods departed message (GMD), or commercial documentation carrying equivalent information must contain sufficient information to permit an audit trail back to the declaration.

However, the production of a GMD or equivalent commercial documentation by itself is not sufficient evidence to prove that the authorisation holder has satisfactorily complied with all the obligations and conditions of the relief. It merely provides customs with the start of the audit trail needed to carry out checks to satisfy us that there has been compliance with the requirements.

## 6.12 Sending goods to the Channel Islands.

The movement of outward processing goods to the Channel Islands and other special territories of the EC listed in paragraph 18.2 does not, in itself constitute an export from the customs territory of the EC. NES can, therefore, only be used if the movement to the Channel Islands or other special territory of the EC is part of an indirect export from the EC.

## 7. Importing OPR products

This section explains what to do when you import compensating products using OPR.

### 7.1 Re-importing goods after process

When you import compensating products produced from Community (or Turkish) goods which have previously been exported under the OPR arrangements, you must present an import declaration to us on Form C 88 (SAD). You may claim relief only for compensating products falling under Tariff commodity codes for which you hold an OPR authorisation.

In addition to the normal details of the imported goods you must ensure that the following information is provided:

Box No	Description
37 (procedure code)	The CPC's appropriate to OPR imports are listed at section 17 and you can find complete details in the Tariff, Volume 3 Appendix E2. If you do not use the correct customs procedure code, you may delay the clearance of your goods and you may also have to pay duty.
44	If you hold a UK authorisation or a single "Community" authorisation issued in the UK, you must enter the authorisation number in this box. Imports using the

	Simplified authorisation for repairs (see paragraph 3.4) should show OP/9999/001/99 together with the Declaration unique consignment reference (DUCR) number relating to the export declaration.
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If you use CFSP to declare the goods on re-import, the goods discharge the OPR procedure when the supplementary declaration is accepted. You should make an initial declaration to a CPC in the CFSP 01 series and your supplementary declaration to free circulation using a CPC in the 61 series. For more details on the use of CFSP see Notice 760.

You cannot use CFSP with the simplified repair procedure.

## 7.2 Other documents

You must present sufficient documentation to prove that the goods being imported were exported under the OPR arrangements, and to allow customs to identify the exported goods and check the rate of yield and your duty calculations. The following documents may be required as appropriate:

Form	Details
A copy of the export declaration and / or a copy of the departure message	To prove that the goods for process were exported under the OPR arrangements you should present a copy of the export declaration(s). If you export using an agent you should ask them to give you a copy of the export declaration and / or copy of the departure message.
C&E 1154	This form is always required when OPR products are imported. It is used to make a declaration as to the exact status of the re-imported goods. It may also be used to show the calculation of the relief claimed and the net duty payable. You can find further information about the completion of Form C&E 1154 in paragraph 7.9 and some examples of duty calculations are given in Section 14.
Split Consignments and Triangulation Information Sheet INF 2 C & E 1155	When you use triangulation, that is when you import goods which were exported from another Member State, the information sheet INF 2 proves that you were authorised for OPR in the Member State of export. It specifies the type and quantity of the exported goods and contains information on the rate of yield. You can find full details of the use of the INF 2 in paragraph 9.4. If your compensating products are being imported in multiple "split" consignments, you will also need to present forms INF 2 covering the exported goods. We will certify these as a replacement for the export declaration. You can find more information on handling of split consignments and using INF 2 documents in paragraph 9.3.

International Information Document C1055	You can use this form to identify the exported goods in the compensating products when the standard methods of identification are not enough, such as chemicals, for example, which may be difficult to identify after processing. It requires customs in the country where the processing is done, to certify that your compensating products were produced from the actual goods you imported to the processing country, paragraph 9.7 explains how to use the form. The number of countries which recognise this document is, however, very limited (see Section 12). Difficulties have been reported even in some of the countries which have signed the agreement to recognise it. If you intend to rely on this information document alone to provide identification of the exported goods, you should first check that customs in the processing country would be prepared to accept and complete it.
Guarantee or warranty	If you are claiming total relief from import duties because the exported goods have been repaired or replaced free of charge under a guarantee or warranty, you must provide a copy of the guarantee or warranty document, or other contractual evidence to prove that no charge was, or will be, made for the repair or replacement.
Service contracts or "bought" warranties	Some companies have arrangements with a repairer outside the Community which allow them, for payment of a regular service charge, to send goods for repair. When such goods are returned after repair, the accompanying documentation may not indicate that any payment has been made for the repair facility. However, for our purposes these service charges are regarded as part of the value of the goods when they were originally supplied, and are therefore liable to import duties. Similarly, an extended warranty for which a "one off" payment is made, is liable to duty as the charge for this type of warranty is regarded as part of the original price of the goods. If you have goods repaired under arrangements similar to these, you will not be able to account for the customs charges on individual consignments. You must however, declare to us that you are being charged for the repair facilities, and make arrangements with your supervising office to pay the duty and VAT charges when you make payments to the repairer for the service facilities.
Commercial documents Globalised INF2's	If you have prior approval you may use commercial documents as evidence to support the claim for relief of duty under OPR. See paragraphs 6.11 and 9.6
Other supporting documents	You must also produce any other documents necessary to support your claim to relief for example invoices for processing costs, freight and insurance charges. Full

	details of the documents needed to support the import SAD are given in the Tariff, Volume 3, Part 3.
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## 7.3 Re-importing OPR goods by post

OPR goods may be re-imported using the postal service. You must be authorised for OPR unless you are using the non-commercial procedure when you will obtain authorisation at the time of import and you must declare and enter the goods to the appropriate customs procedure code (see [section 17](#)). When you receive notification that the goods have arrived, you should contact us at the parcel depot and tell them you want to declare the goods under the OPR arrangements.

We will send you a notice and Form C 88 (SAD) for you to complete. You must return the completed SAD and any other documents required (for example C&E 1154), together with payment of any duty and VAT due, to us at the postal depot. The goods will then be delivered to you.

If you have any queries regarding the valuation of your goods or the amount of duty payable, you should contact us at the postal depot. Local Customs offices will not normally be able to help you with this.

## 7.4 Claiming preferential duty rates on OPR goods

If the goods you export satisfy the rules of origin, and there is a preferential duty rate available for the type of products you are importing, you may claim this rate providing you can produce a valid preference certificate(s) issued by the last processing country. You can find more information on claiming preferential duty rates in Notice 826 Tariff Preferences: Imports to Notice 829 EC Export preferences: Rules of origin for export. If you claim the preference rate on your compensating products, and there is also a preference rate available under the same preference arrangements (for example GSP) for goods of the same type as any of the goods you temporarily exported, you may claim duty relief on these goods, only at the applicable preference rate.

## 7.5 Claiming the preference rate

In most cases, you will pay less duty by declaring eligible products under the preference arrangements, but if you choose not to claim the preference rate on the compensating products, then you can claim relief at the full rate on the exported goods, even if a preference rate is available. In some circumstances for example, if the duty rate on the exported goods is higher than the duty rate on the compensating products, this may provide a greater amount of duty relief. You may need to work out both calculations to enable you to decide which procedure gives you the greater benefit.

**Note:** If you are claiming preference on products imported under the Europe preference agreement, you cannot also claim OPR. As eligible goods imported under this agreement are free of duty, OPR would provide no additional benefit. The countries, which are party to this agreement with the EC, are, the EFTA states of:

- Iceland
- Norway
- Switzerland and Liechtenstein and
- the eastern European countries of Bulgaria, Romania.

Further information on Tariff Preferences can be obtained from our National Advice Service.

## 7.6 Claiming end-use relief on OPR products

You may export for processing under OPR arrangements, goods which were previously imported to the Community under the end-use arrangements. You may also re-import compensating products of OPR to free circulation in the Community at a reduced rate of duty if they qualify for end-use after processing. Prior authorisation to use the end-use arrangements is required (see Notice 770 Imported Goods: End-use relief) and certain restrictions may apply to the amount of duty relief which can be claimed under OPR.

If the exported goods were previously imported to the Community at a reduced end-use rate of duty, relief under OPR is restricted to the actual amount of duty paid on them when they were originally imported to end-use.

## 7.7 Exported goods qualifying for end-use

If the exported goods are of a type that could qualify for end-use on release to free circulation in the Community, and the process carried out on them was the same as the process which would qualify them for end-use relief if it had been carried out in the Community, relief is restricted to the reduced rate of duty which would apply to the goods if they were imported under the end-use arrangements. An example of this is:

- a company exports hearing aid parts to Singapore, for manufacture into hearing aids and re-imports the completed aids to the Community. Because manufacture of hearing aids is the approved end use for the exported parts, duty relief on them is restricted to the end-use rate for which they would be eligible if they were imported from a third country for the manufacture of hearing aids in the EC.

**Note:** If you are able to claim end-use relief on the compensating products at a "nil" rate of duty, there is no benefit to be gained from using OPR.

## 7.8 Calculating the customs value of OPR goods

You must value the compensating products in the same way as any other imported goods and you must use one of the methods described in Notice 252 Valuation of imported goods for customs purposes, VAT and trade statistics.

For the temporarily exported goods the value is either:

- the value of the exported goods used in the build-up, if the value of the compensating products is based on a built-up value or
- the difference between the value of the compensating products and the processing costs (including the freight costs etc for the re-import of the products), if the value of the compensating products is not based on a built-up value.

If you export goods which you have imported to the Community from a third country, you must include in their value:

- any customs duty and other customs charges paid when you declared them to free circulation.

You must exclude:

- the loading, transport and insurance costs for export to the processing country from the value of the exported goods.

For the imported products, you must include in the import customs value:

- the cost of transport from the last country of process to the place where they enter the Community territory.

You may exclude the cost of transporting the goods across Community territory from the import customs value. This applies even though you do not enter the goods to free circulation until you bring them into the UK. For information on how to calculate this see Notice 252 Valuation of imported goods for customs purposes, VAT and trade statistics.

If you sell the compensating products prior to their entry for free circulation and two different invoices (one for the processing and one for the sale) exist the processing contract / invoice should be the normal method of establishing the customs value. If the processing invoice is not available you may use the sales invoice. If you wish to use the sales invoice for commercial confidentially reasons you may do so.

## 7.9 Claiming the relief

You must complete the additional declaration on the Form C&E 1154 by initialling the statement(s) appropriate to the imported goods. You must present the form to us along with the import SAD. The C&E 1154 is part of your import declaration.

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The reverse of the form is a worksheet, which you may use to show how you have calculated the amount of duty you are declaring. If you are importing two or more types of compensating products resulting from the process, you must show a separate calculation for each type of product. Continuation forms C&E 1154 (cont). are available for this purpose. If it is not convenient to use the reverse of the form itself, you may attach a schedule to it showing your calculations.

To calculate the net duty payable, you should complete Form C&E 1154 as follows:

Box no	showing...
4-8	the compensating product, following the normal rules for goods imported from outside the EC.
9	the commodity (Tariff) code of each type of exported goods used to make the compensating product.
10	enter the agreed rate of yield (see paragraph 4.5) for each type of exported goods used to produce the compensating product, for example fabric, lining material, buttons, zips.
11	calculate the "quantity of exported goods" included in the imported product by applying the rate of yield to the quantity of compensating products for each type of exported goods. Calculate the "value of exported goods" following the guidance in paragraph 7.8.
13	the duty rate must be the rate of duty which applies to each type of exported goods on the date when the compensating products are imported.

If you are using the 'added value' method of calculation you should complete boxes 4-8. Enter the processing, freight and insurance costs in box 6. Complete boxes 10, 11 and 12 if your supporting documentation is not sufficient to show the details required.

The duty due will be the:

- value in box 6 x box 7.

You should transfer that amount to box 8 and enter the figure in box 8 in box 16.

Complete the other boxes as necessary.



## 8. Calculating the duty relief

### 8.1 Goods exported for repair

If you are charged for the repair, customs duty is calculated on the charge made for the repair or replacement, **plus** any inward freight and insurance charges made for the return of the repaired goods or replacements. VAT is charged on the repair costs, **plus** outward and inward freight charges, **plus** duty, but excluding insurance charges. These duty and VAT charges are conditional on the repair or replacement costs not being influenced by any relationship between you and the repairer. If there is such a relationship you should consult Notice 252 Valuation of imported goods for customs purposes, VAT and trade statistics.

### 8.2 Goods repaired free of charge

When faulty goods are repaired free of charge under a guarantee or warranty, or because of a manufacturing defect, you can claim total relief from import duty and VAT. You must provide evidence to support the claim for example a guarantee or warranty document, or contractual evidence that the repair was free of all charges. If the repair is carried out under a service contract, or an extended warranty, which you have purchased along with the goods or at a later stage, you must account for duty on the cost of the warranty arrangements (see paragraph 7.2).

If the exported goods are replaced, VAT is due on the full customs value, whether or not the replacement goods are supplied free of charge.

### 8.3 Goods exported for process

For processes other than repairs, there are two options for calculating the duty payable on OPR products. The amount of duty relief you can claim will depend on which calculation method you use, and the rates of duty which apply to the exported goods and the compensating products. Subject to certain conditions importers can use whichever method provides the greater amount of duty relief.

#### 8.3.1 Added value method

Under this method duty is charged on the costs of processing the exported goods, and transporting the compensating products back to the EC. The duty rate applicable is the rate which applies to the compensating products. To apply this method you must:

- calculate the customs value of the imported products using one of the normal valuation methods
- deduct from this the value of the exported goods used in the manufacture of the compensating products, applying the agreed rate of yield as appropriate

- account for duty on the difference between the two values, at the rate which applies to the compensating products.

In most cases, where the exported goods are liable to a positive rate of duty, using this method will provide maximum duty relief. You can find an example of the duty calculation at [section 13](#).

The value added method cannot be used where, prior to their entry to OPR the temporary export goods have been released to free circulation at a zero rate of duty and are not of Community origin. Zero rate of duty includes non-Community goods released for free circulation at a zero rate prior to their temporary export such as in the framework of a free trade agreement, GSP or an autonomous tariff suspension. If any of the goods you export for processing carry a 'zero rate' of duty, you will need to show that these goods are of Community **origin** (or are non-commercial goods-see paragraph 3.3) in order for the compensating products to benefit from relief using this method. To prove origin (as defined under the "non-preferential" rules) you will need to produce:

- a non-preferential Certificate of Origin or Binding Origin Information. Certificates of Origin are available from the local Chamber of Commerce or:
- any form EUR1 which may have covered the zero rated goods and which declares that they are of Community Origin (Note: A form EUR1 can be issued only where the EC has a preferential trade arrangement with the overseas country concerned and the exported goods are covered by its provisions):

If the compensating products do not qualify for the '**added value**' method, you must use the alternative '**duty differential**' method.

### 8.3.2 Duty differential method

This method provides relief based on the notional amount of duty which would have been due on the exported goods. To apply this method you must calculate the import duty:

- due on the full customs value of the compensating products less
- the amount which would have been payable on the exported goods, if they had been imported at the same time and from the same country as the compensating products.

For example:

If you export 5,000 metres of fabric to Sri Lanka, and it is all used to make men's suits which you re-import:

- (a) calculate the duty due on the quantity of suits at the rate which applies for Sri Lanka

- (b) calculate the quantity of the exported goods used to produce the number of suits you are importing by reference to the agreed rate of yield (see paragraph 4.5)
- (c) calculate the amount of customs duty that would have been due on the goods at (b) above as if they had been imported from Sri Lanka on the same day as the suits
- (d) the duty due will be (a) minus (c).

You must calculate the customs value of the compensating products at (a) above using the normal rules for goods imported from outside the EC (see paragraph 7.8). In some cases, if the duty rate on the goods you export is higher than the rate on the compensating products this may mean that you pay no duty at all. If the amount deductible on the exported goods is greater than that due on the products, you cannot claim a refund.

The following charges, which might normally apply to the temporarily exported goods if they had been imported from the country where the last process took place, should not be included:

- anti-dumping duties and
- countervailing duties.

If, however, such charges apply to the compensating products, they must be included in the duty calculations.

You can find examples of these calculations at [section 14](#).

In some circumstances, for example if the duty rate on the exported goods is higher than the duty rate on the compensating products, using this method may provide a greater amount of duty relief than using the "**added value**" method. You may need to work out the duty using both methods, to establish which provides the greater benefit.

## 8.4 Producing more than one type of compensating product

If you use the exported goods to produce more than one kind of product there are two ways of working out the duty due. These are:

- the quantitative scale method and
- the value scale method.

You can find examples of these methods at section 14.

If you are able to use the "**added value**" method, and the costs of process are shown separately for each product, you need only apportion the freight and insurance charges using the above methods and apply the appropriate duty rate to each amount.

## **8.5 Using an average rate of duty to calculate duty relief**

If you hold a UK authorisation and regularly carry out processing operations under OPR you can apply to your supervising office to use an average rate of duty to calculate the duty due on your compensating products.

The average rate is calculated as a percentage of the processing costs, and will take account of the normal amounts of relief which you are able to claim.

You will normally be authorised to use the agreed rate for a period of not more than twelve months at a time. As duty rates often change on 1 January, it is probably most convenient to use calendar years as the basis for periods of authorisation.

At the end of an authorised period, you must perform the normal duty calculations using the total quantities of goods exported and imported in the period. Any difference between the duty paid using the average rate and the correct amount due, should be paid, or reclaimed, at this time. If necessary, a new average rate should be calculated, and agreed with customs for use over the next period.

## **9. Using information documents**

### **9.1 Information documents**

An information document is a type of passport for the exported goods. It is a form on which you enter full details of the goods you are exporting, quantity, description, identifying numbers etc and the means that we can use to identify the exported goods when you re-import the compensating products. It must also state the rate of yield which you expect to obtain from the exported goods (see paragraph 4.5).

The INF 2 is a Community document you must always complete in duplicate when you are using triangulation to import your compensating products to another Member State. You will need to complete the INF2 and provide a copy to us. We will certify the INF 2 as proof that you are authorised to export goods under the OPR arrangements from the issuing Member State. The UK version is Form C&E 1155.

The International Information Document is another type of identifying document, the use of which has been agreed by some of the member countries of the World Customs Organisation to assist in the identification of temporarily exported goods. It can be used in addition to the INF 2 in cases where it may be difficult to identify the exported goods in the compensating products. The UK version is Form C 1055 (see paragraph 9.7).

## 9.2 Importing OPR products in split consignments

If you export goods for processing or making up outside the EC often the compensating products are re-imported in more than one consignment, sometimes at different locations. This can pose problems for both us and for importers in keeping track of the exported goods in the imported products.

We have to ensure that OPR is granted only on eligible goods, which have been previously exported from the Community. For this purpose, in order to prove export under our control, importers are normally required to produce a copy of the export declaration and / or a copy of the departure message. When the products are re-imported, we must check that the correct amount of duty is declared and that the re-imported goods are deducted or "exhausted" from the quantity exported.

If compensating products are re-imported in more than one consignment, a balance of exported goods will remain on the export SAD(s) after the initial consignment is cleared. We need to retain unexhausted "copy of the export declaration" to prevent ineligible goods being imported, which could lead to importers incurring an unexpected customs debt.

## 9.3 Certification of INF2s for split consignments

When the first import consignment is declared to us the importer or agent must present, along with the copy of the export declaration and/or departure message, a completed Form INF2 for the balance of the exported goods remaining to be imported. Separate forms are required for each commodity code on which relief is claimed. We will confirm the export details and certify the INF 2(s) in box 16. We will cancel the export declaration and retain it attached to the import declaration.

We will note the quantity of goods included in the import consignment in box 20 of the INF 2, certify the quantity remaining to be re-imported at a later stage and return the certified form to the you (or your agent). For later shipments the INF 2 replaces the requirement for an export SAD. If all four sections of box 20 have been used, the importer must transfer any un-exhausted balance of goods to a new Form INF 2, complete box 16 of the form with the original export details, and present it along with the exhausted form for certification by us. We will keep exhausted INF 2s. The flow diagram at Section 11 may help you to understand the procedure.

**Note:** Separate self certification arrangements are in place for authorised CFSP traders using OPR, who must retain exhausted INF 2s with their own records for customs audit purposes.

## 9.4 Triangulation and INF 2's

If you know in advance that your products will be re-imported into another member state, you should ask us to certify INF 2s covering the export consignment at the time you export them. Separate forms are required for each commodity code exported, but any number of forms may be used to cover the exported quantity.

You must describe the agreed means of identifying the exported goods in box 16 of the forms and supply an attached sheet with full details if there is insufficient space. If the means of identification is stated as "Serial Numbers" they must be listed in box 16, or this box must refer to a separate list, a copy of which must be attached to each part of the INF 2 and presented to customs for certification along with the document itself. If identification is by means of samples (for example swatches of fabric) you should present them in an open, seal able envelope, with the serial number of the INF 2 written on it. We will date stamp the sealed envelope, attach it to the INF 2 and return it to the exporter for presentation along with the import declaration.

## 9.5 Simplified arrangements-globalised INF2s

OPR users who import split consignments on a regular basis may agree simplified arrangements with their supervising office. To take advantage of these procedures you must be able to provide adequate documentary evidence to show that the goods you export are the ones actually used to produce the compensating products. You must also be able to maintain accurate tracking of the exported goods and a satisfactory exhaustion account for each commodity code on which you claim duty relief. If you are able to do this, we can authorise the use of a "globalised" INF 2 procedure, rather than the use of separate forms for each consignment. If this simplification is approved you will not be required to submit the INF2 at export.

## 9.6 Applying for approval to use a Globalised INF2

**To use this simplification you must be authorised to do so by your supervising office.**

You will need to complete a single "pro-forma" INF 2 giving your authorisation details, omitting the quantity and commodity codes of the exported goods. To support the application you should provide the means of identifying the goods and the precise method by which the declared rate of yield and duty calculations can be checked for example, a schedule or a "bill of materials" which may include agreed unit prices of export goods, or the agreed amounts of duty deductible per unit quantity of compensating product. As rates of duty are subject to change, particularly at the beginning of a calendar year, bills of material prepared for these purposes must be reviewed regularly (at least annually), to ensure that the unit duty relief calculated remains accurate. If you use the Added value method you should ensure that any make up cost such as the Cut Make and Trim cost in the clothing industry is accurate.

If you can comply with the need to have accurate records and provide the evidence to enable us to check the rates of yield and the calculation on the C&E 1154 are correct, we will issue you with an authorisation letter and stamp up the INF2 and all the supporting evidence. Which should be produce with your import entries.

After clearance of your products the pro-forma INF 2, supporting documents and letter of authorisation will be returned to you for presentation with the next consignment.

**Note:** Because INF 2s are control documents, photocopies and fax copies of the form are not acceptable by customs, and the originals must always be presented.

If similar simplified arrangements are needed for imports to other Member States their agreement must be obtained before the procedure can be used.

## 9.7 Using the International Information Document (C 1055)

You must present it to us at export along with the export declaration, and you must then send it to the processor in the country where the process is to take place. The processor, or their agent, must present the document along with the import declaration for the goods for process.

If the processing country is a member of the World Customs Organisation that recognises the document, (see the list at Section 12) customs there will certify the import of your goods for processing.

When the processing is complete, the processor or exporter must again present the document to customs, for certification that your goods have been used to produce the compensating products. The form will be returned to the exporter, who must return it to you for presentation along with your import declaration when you re-import the products to the EC.

We will record details of any examinations of the goods, on the C 1055.

### 9.7.1 Products imported by more than one importer

When you know that the processed goods will be re-imported by more than one importer, whether in the same Member State or different Member States, you must present a separate C 1055 for the quantity of goods intended for each importer.

### 9.7.2 Split consignments

You must have a duplicate C 1055 with Part I completed covering all the exported goods to be re-imported.

When customs have certified Part I, you should forward the original to the importer in the country where the processing takes place. The importer will have Part II of the original certified by their customs authority. Part III and additional copies (C 1055A) will also be certified by the processor's customs authority before re-export, and sent to the re-importer of each split consignment.

When each consignment arrives in the EC you must present the additional Part III (C 1055A) received with the goods, and the duplicate of the C 1055 to customs so they can be checked against each other.

The last consignment must be accompanied by the original C 1055 completed at Parts I, II and III, including Box G, which you must present to customs together with the duplicate C 1055 held by you (see note 3 on the C 1055).

#### 9.7.3 Action by the processor

You should make sure that the processor has the Form C 1055 certified by their customs authority after completion of the process. They must then forward it to the person who will be re-importing the goods into the Community.

The processor should complete sections A, B and C of Part II after receiving the goods, and arrange for their customs authority to complete Sections D, E and F of Part III. When processing of the goods is finished, the processor must complete sections A, B, C and G (if applicable) of Part III. The processor must then send the form to the importer of the compensating products.

#### 9.7.4 Action by the importer

You must ensure that Parts I, II and III of the C 1055 have been completed and present the form to us along with the import SAD.

## 10. Appeals

### 10.1 Appealing against a Customs decision

There is an independent appeals mechanism for most Excise and Customs decisions. This involves a two-stage process.

- (a) the first stage is an independent Departmental review by us.
- (b) the second stage, if required, provides for an appeal to an independent VAT and duties tribunal.

The following time limits apply:

- you have 45 days from the date of the written notification of the decision by us to ask for a formal Departmental review
- we then have 45 days from receipt of your letter in which to carry out the review and notify the outcome and

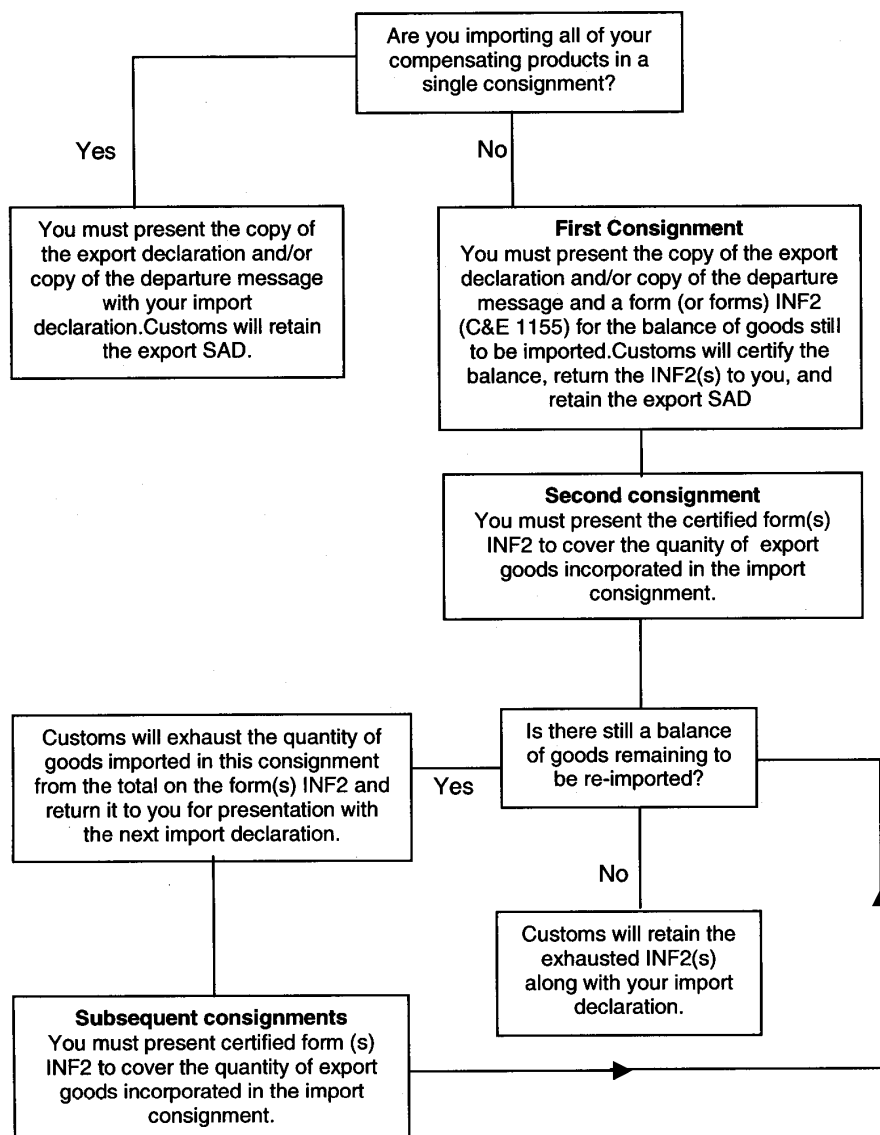


- if following the formal review you still wish to pursue the matter, you have 30 days to lodge your appeal with the tribunal.

You can find full details in Notice 990 Excise and Customs Appeals, which is available through our National Advice Service or on our website: [www.hmce.gov.uk](http://www.hmce.gov.uk).

## 11. INF 2 procedure

### 11.1 Importing OPR compensating products in split consignments



## 12. Countries which recognise the international information document

The only countries, (other than EC Member States), that recognise the International Information Document are:

Algeria, Bulgaria, Canada, Israel, Morocco, New Zealand, South Africa, Switzerland, United States of America.

## 13. 'Added value' duty relief calculations

referred to in paragraph 8.3.1.

### 13.1 Example of 'added value' duty relief calculation

All the exported goods, woven woollen cloth, are used to produce one type of compensating product, men's suits (liable to a 13% rate of customs duty) which are all re-imported into the Community at the same time. The value of the compensating product is based on the built-up method of valuation.

"Added value" method of calculating duty

Customs value of compensating products based on the built up value:

The same figures are used in Example 1 of Section 14 for purposes of comparison of the amounts payable using the different methods of duty calculation.

Value of the exported cloth	£5,000.00
Cost of process	£2,400.00
Freight and insurance (from the Processing country to the EC)	£484.62
<b>Total customs value of the suits</b>	<b>= £7,884.62</b>
Less: Value of exported cloth	→ £5,000.00
<b>"Added Value" on which duty is due</b>	<b>= £2,884.62</b>
<b>Duty due at 13%</b>	<b>= £375.00</b>

## 14. Examples of differential duty relief calculations

Referred to in paragraphs 8.1 and 8.3.

## 14.1 Examples of "differential duty" relief calculations

**Example 1.** All the exported goods, (woven woollen cloth - duty rate 10.5%), are used to produce one type of compensating product, (men's suits - duty rate 13%) which are all re-imported into the Community at the same time. The value of the compensating product is based on the built-up method of valuation.

Duty on the built up value of the compensating product:			
Value of the exported cloth		£5,000.00	
Cost of process		£2,400.00	
Freight and insurance (from the processing country to the EC)		£484.62	
Total customs value of the suits		£7,884.62	
Duty on total customs value of products at 13%	(a)		£1,025.00
Duty applicable to the exported cloth:			
Value of the exported cloth		£5,000.00	
Duty deductible on exported cloth at 10.5%	(b)		£525.00
Net duty payable	(a-b)		£500.00

**Note:** Duty relief is calculated on the total value of the exported goods, as losses arising from the process are ignored.

**Example 2.** In this example you re-import only part of the compensating product. The value is again based on the built-up method.

You export 5,000 metres of fabric from Italy, to be made into men's suits. The fabric costs £3.00 per metre and the rate of yield is 3.5 metres of fabric per suit. You import 1,000 suits to the UK.

You apply the rate of yield to the quantity of compensating product actually re-imported, in order to calculate the quantity of exported goods used to produce the suits.

Duty on the built up value of the compensating product:			
Value of the exported goods used:		£10,500.00	
1,000 suits @ 3.5m/suit = 3,500m @			

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£3.00/metre			
Cost of process		£10,000.00	
Freight and Insurance		£900.00	
Total customs value of suits		£21,400.00	
Duty on compensating products at 13%	(a)		£2,782.00
Duty applicable to the exported goods:			
Value of the exported goods		£10,500.00	
Duty deductible on exported goods at 10.5%	(b)		£1,102.50
Net duty payable	(a-b)		£1,679.50

Note: that in this case you have only imported 3,500 metres of the exported fabric. We will deduct this quantity from the 5,000 metres covered by your INF 2, and return this to you showing that 1,500 metres remain to be imported. This will enable you to claim relief on a further 428 suits when you import these. You can find full details of how to use Form INF 2, in paragraph 9.4.

**Example 3.** Two types of exported goods, suit fabric and lining materials, are used to produce one type compensating product, men's suits, which are all re-imported into the Community at the same time.

Duty on the built up value of the compensating product:			
Value of the exported suit fabric		£8,000.00	
Value of the exported lining material		£2,500.00	
Cost of process		£10,000.00	
Freight and insurance (from the processing country)		£1,000.00	
Total customs value of suits		£21,500.00	
Duty on compensating products at 13%	(a)		£2,795.00
Duty applicable to the exported goods:			
Duty on suit fabric at 10.5%	(b)	£840.00	
Duty on lining material at 8%	(c)	£200.00	
Total duty deductible on exported goods	(b+c)		£1,040.00

Net duty payable	(a-(b+c))		£1,755.00
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Note: If only part of the compensating product is re-imported, the rates of yield are applied as in the previous example, to reduce the calculations proportionately.

**Example 4.** This example demonstrates the difference between the quantitative and value scale methods.

(a) Quantitative scale method. The exported goods are used to produce two different types of compensating product which are both wholly re-imported into the Community. This method is used (as in the earlier examples) to determine the amount of relief due on each compensating product. Of the total quantity of goods exported, 60% is used to make product A which carries a duty rate of 10%, and the remaining 40% is used to make product B which has a duty rate of 13%. The exported goods are valued at £10,000 and carry a duty rate of 8%.

Duty on product A			
Value of the exported goods (60% of £10,000.00)		£6,000.00	
Cost of process		£9,000.00	
Inward freight and insurance		£1,200.00	
Total customs value of product A		£16,200.00	
Duty at 10%	(a)		£1,620.00
Duty deductible on exported goods			
8% of £6,000.00	(b)		£480.00
Net duty payable on product A	(a-b)		£1,140.00
Duty on product B			
Value of the exported goods (40% of £10,000.00)		£4,000.00	
Cost of process		£5,000.00	
Inward freight and insurance		£800.00	
Total customs value of product B		£9,800.00	
Duty at 13%	(c)		£1,274.00
Duty deductible on exported goods			
8% of £4,000.00	(d)		£320.00

Net duty payable on product B	(c-d)		£954.00
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**(b) Value scale method.** If you are unable to apply the method in paragraph (a) you must use the "value scale" method to determine the amount of relief applicable to each compensating product. This method works in a similar way to the "quantitative scale" method but calculates the value of the exported goods included in each of the products, by using the customs values of the compensating products, instead of the quantities.

The formula is:

Customs value of Product A x Value of exported goods

Total customs value of (product A + product B)

We will use the same figures used in the example at paragraph (a) on the previous page:

#### For product A

$$\text{Value of exported goods} = \frac{£16,200}{(16,200 + 9,800)} \times £10,000 = £6,230$$

Duty at 8% on £6,230.77 = £498.46

**Net duty payable on product A** (1,620.00 - £498.46) = **£1,121.54**

#### For product B

$$\text{Value of exported goods} = \frac{9,800}{(16,200 + 9,800)} \times £10,000 = £3,769.23$$

Duty at 8% on £3,769.23 = £301.54

**Net duty payable on product B** (£1,274.00 - £301.54) = **£972.46**

Although, this method produces amounts of duty for each of the products which are slightly different from those calculated by the "quantitative scale" method, the overall amount of duty due, £2094.00, is the same by both methods.

## 15. C&E 1153

[Form C&E 1153 Application for Outward Processing Relief](#)

## 16. Notes on completion of the application form C&E 1153

(referred to in paragraph 3.2)

The paragraph numbers below relate to the box numbers on the form

Box no	Details
1	<b>applicants name and address.</b> Give full details of the business name, address and post code. If the applicant is not the person arranging for the process to be carried out derogation may be needed under Council Regulation (EEC) 2913/92, Article 147(2). Give full details of the proposed operations in a separate letter.
2	<b>special method(s) required</b> , indicate whether SES with or without prior importation is required (see paragraph 3.5). Leave blank for normal OPR.
3	<b>type of application.</b> Tick as appropriate
4	<b>continuation sheets.</b> If you have provided information on additional sheets please state how many sheets are attached to the application form.
5	<b>records and accounts.</b> Give the address where the main customs accounts and records relating to the procedure will be held, and give a brief description of the system used to record customs transactions. If your records will be maintained on a computer or in electronic format please provide as much information as possible in this box or on a continuation sheet.
6	<b>Period of authorisation</b> , state how long you wish the authorisation to last. If it is required for a period of more than 3 years you should provide evidence to support your application, for example long-term contractual arrangements.
7	<p>details of temporary export of goods:</p> <p>(a) tariff commodity code: give the four digit tariff commodity codes, (or eight digits if the Standard Exchange System is to be used);</p> <p>(b) trade and/or technical description: give as clear and detailed a description as possible of the goods you intend to export, to enable customs to make a decision on your application;</p> <p>(c) estimated quantity: state the quantity of goods you expect to export in a given period for example over 12 months; and</p> <p>(d) estimated value: give the estimated value of the goods you intend to export in the period, stated at (c).</p>

8	<p>compensating products to be re-imported or replacement products to be imported:</p> <p>(a) tariff commodity code: give the four digit tariff commodity codes, (or eight digits if the Standard Exchange System is to be used);</p> <p>(b) trade or technical description: give as clear and detailed a description as possible of the products you will be re-importing; and</p> <p>(c) rate of yield: state the expected rate of yield or suggest how the rate should be established, for example "To be established from production records". If you are exporting several different types of goods and/or making several different products, you can show the rate of yield for each type of product, in the form of a table or "bill of materials" attached to the application (see also paragraph 4.5).</p>
9	<p><b>nature of processing operation:</b> give as much detail as possible to describe the process (es) to be carried out on the exported goods. General terms such as repair, working or processing are sufficient.</p>
10	<p><b>country or countries where the processing operations will be carried out (for the standard exchange system, country from which you will import the replacement products):</b> if your goods will be processed in more than one country please show each of them and if they are moving between countries for processing indicate the sequence of the movement of the exported goods.</p>
11	<p><b>customs offices:</b> give details of the ports/airports through which you intend to export the goods for the process and re-import of the products, and suggest the local Customs &amp; Excise office which you consider would be appropriate to supervise your authorisation:</p> <p><b>(a) probable customs office of export:</b> the port or other place where you expect to present your export documents for goods for process. If you are applying for a single "Community" authorisation you must provide the full addresses of all the customs offices where you expect to present OPR export declarations. For exports from the UK "various UK ports" is sufficient;</p> <p><b>(b) probable customs office of entry:</b> the port or place where you will present the import declarations for your compensating products or replacement goods. For imports to the UK "various UK ports" is sufficient;</p> <p><b>(c) supervising customs office:</b> normally your local EICs office, unless you are applying to customs in another Member State.</p>
12	<p><b>means of identification:</b> suggest the most suitable methods of identifying the temporary export goods when your compensating products are re-imported (see paragraph 4.1).</p>



12a	<b>equivalence:</b> state whether the compensating products will be manufactured from the actual goods exported or whether equivalent goods will (or may) be used.
13	<b>estimated time needed for re-importation of the compensating products or replacement goods:</b> state the throughput period required to process and re-import your goods. (For SES with prior importation the goods being replaced must be exported, or assigned another 'customs approved treatment or use' within 2 months).
14	<b>simplified procedures requested:</b> enter details of any simplified procedures you wish to use, for example CFSP (including authorised agent if used), globalised INF2's
15	<b>transfer of goods for process to another person:</b> state whether you intend to sell the exported goods to the processor, or transfer title to another person while the goods are outside the EC.
16	<b>additional information:</b> give any further information which you consider necessary to support your application.
17	<b>details of existing OPR authorisations for goods identical to those covered by this application:</b> give details of any authorisations already held for identical goods intended to undergo identical processing issued by EC Member States.

## 17. OPR customs procedure codes (CPCs)

(referred to in paragraphs 2.3, 3.4, 6.1, 7.1 and 7.3)

The following CPC's are available for the export and import of goods under OPR arrangements. You must ensure that the correct CPC is used when you export and import OPR goods. Failure to use the correct procedure code may delay customs clearance of your goods, and you may have to pay more duty than necessary.

Full details of export and import CPC's and documentary requirements are given in the Tariff, Volume 3, Appendices E1 and E2 respectively.

The use of an incorrect procedure code may, in some circumstances, be an offence under the Customs and Excise Management Act (CEMA) 1979.

### Export codes

Customs Procedure Codes	Description
10 61 00	Goods eligible for export under outward processing relief being exported under Simplified Declaration Procedure (SDP) by or on behalf of an approved New Export System (NES) operator authorised to use SDP. Supplementary declaration must be made

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	under a CPC in the 21 series. This CPC cannot be used in conjunction with a simplified authorisation for repairs.
10 61 01	Goods eligible for export under outward processing relief being exported under Local Clearance Procedure (LCP) by or on behalf of an approved New Export System (NES) operator authorised to use LCP. Supplementary declaration must be made under a CPC in the 21 series. This CPC cannot be used in conjunction with a simplified authorisation for repairs
21 00 01	Community goods temporarily exported outside the Community for processing, repair or Standard Exchange. (A full UK or "Community" OPR authorisation is required);
21 00 03	Community goods temporarily exported for repair, with the application for OPR being made at the time of lodging the export declaration. (Simplified procedure).
21 00 04	Community goods owned and exported by authorised Government Departments or Agencies, that are VAT paid and have not been subject to any refund of VAT being temporarily exported outside the Community for processing, repair or replacement under the standard exchange system.
21 41 15	Goods held in the Community under IPR drawback arrangements being temporarily exported for repair using the OPR simplified procedure.
21 41 17	Goods held in the Community under IPR drawback arrangements being temporarily exported for process under a full OPR authorisation.
21 51 16	Goods held in the Community under IPR suspension arrangements being temporarily exported for repair using the OPR simplified procedure.
21 51 18	Goods held in the Community under IPR suspension arrangements being temporarily exported under a full OPR authorisation.

**Goods liable to nil rate of duty, where VAT relief is required at re-import**

Customs Procedure Code	Description
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22 00 00	Community goods being temporarily exported for process, repair, adaption, reworking or making up outside the Community where VAT relief only will be claimed when the compensating products are re-imported. (OPR authorisation is not required for use of this CPC).
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**Import codes**

<b>Customs Procedure Code</b>	<b>Description</b>
01 10 61	Goods eligible for paperless release to simplified Outward Processing Relief (OPR) under the Simplified Declaration Procedure (SDP) entered by or on behalf of authorised Customs Freight Simplified Procedure (CFSP) traders.
61 21 00	OPR goods (excluding repairs and replacements) re-imported after having been exported from the EC for process.
61 21 01	OPR goods, re-imported to a customs warehouse after process, and now being entered to free circulation.
61 21 02	OPR goods re-imported after free of charge repair (for example under warranty).
61 21 03	SES replacement goods supplied free of charge (for example under warranty) in exchange for goods exported, or to be exported, from the EC.
61 21 04	OPR goods re-imported after undergoing a chargeable repair, and having previously been exported from the EC; and SES replacement goods for which a charge is being made, imported in exchange for goods exported, or to be exported, from the EC.
61 21 05	Non-commercial repairs or replacements for which application for OPR is being made at importation. Evidence of export is required.
61 21 07	OPR goods, re-imported to a free zone after process or repair, and now being entered to free circulation.
61 21 08	Goods exported for repair under the simplified procedure (CPC 21 00 03) now being re-imported to free circulation.

61 21 09	Goods exported for repair free of charge under warranty under a full OPR authorisation, imported to a customs warehouse and now being entered to free circulation.
61 21 10	As for 61 21 09 - for free of charge replacements imported under the Standard Exchange System.
61 21 11	As for 61 21 09 and 61 21 10 - for goods repaired or replaced in return for payment.
61 21 12	Goods exported for repair under the OPR simplified procedure (CPC 21 00 03), imported to a customs warehouse and now being entered to free circulation.
61 21 13	Goods exported for repair, process or exchange under CPCs 21 00 01, 21 00 03 or 21 00 04 and on which relief is claimed in accordance with Council Regulation 150/2003.
61 24 00	Goods which were exported from another Member State for process or repair, and now being entered to free circulation.
61 24 02	Goods exported from another Member State for process or repair, imported to a customs warehouse and now being entered to free circulation.

#### Re-imports to IPR

Customs Procedure Code	Description
41 21 00	Goods held in the Community under IPR drawback arrangements having been temporarily exported for repair under OPR now being re-imported to IPR drawback.
41 21 01	Goods held in the Community under IPR drawback arrangements temporarily exported for repair using the OPR simplified procedure and now being re-imported to IPR drawback arrangements.
51 21 00	Goods held in the Community under IPR suspension arrangements temporarily exported for repair under OPR and now being re-imported to IPR suspension arrangements.
51 21 01	Goods held in the Community under IPR suspension arrangements temporarily exported for repair using the OPR simplified procedure and now being re-

	imported to IPR suspension arrangements.
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#### **VAT relief only**

<b>Customs Procedure Code</b>	<b>Description</b>
40 00 65	Goods re-imported after process or repair which are liable to a 0% duty rate which are not appropriate to OPR and on which VAT relief only is claimed. (OPR authorisation is not required for use of this CPC).

## **18. Customs and VAT territories of the European Community**

(referred to in paragraph 1.4)

### **18.1 Customs territory of the Community**

The Customs territory of the Community consists of:	
<ul style="list-style-type: none"> <li>• Austria, (including the territories of Jungholz and Mittelburg)</li> <li>• Belgium</li> <li>• Cyprus</li> <li>• Czech Republic</li> <li>• Denmark</li> <li>• Estonia</li> <li>• France, (including the Principality of Monaco)</li> <li>• Finland</li> <li>• Germany</li> <li>• Greece</li> <li>• Hungary</li> <li>• Ireland</li> <li>• Italy</li> </ul>	<ul style="list-style-type: none"> <li>• Latvia</li> <li>• Lithuania</li> <li>• Luxembourg</li> <li>• Malta</li> <li>• Netherlands</li> <li>• Poland</li> <li>• Portugal, (including the islands of the Azores and Madeira)</li> <li>• Slovakia</li> <li>• Slovenia</li> <li>• Spain</li> <li>• Sweden</li> <li>• United Kingdom, (including the Isle of Man)</li> </ul>

### **18.2 Territories included in customs territory of the Community but excluded from the fiscal (VAT) territory**

The following territories are included in the customs territory of the Community, but are excluded from the fiscal (VAT) territory:

- the Åland Islands (Finland)

- the French Overseas Departments of Guadeloupe, French Guiana, Martinique and Réunion
- the Canary Islands (Spain)
- the Channel Islands and
- Mount Athos - also known as Agion Poros (Greece).

## **18.3 Territories excluded from the customs and fiscal territories of the Community**

The following territories are excluded from the customs and fiscal territories of the Community:

- the Faroe Islands and Greenland
- the French overseas territories
- the Islands of Heligoland and the territory of Büsingen
- the Italian communes of Livigno and Campione d'Italia
- the Republic of San Marino
- Lake Lugano
- Ceuta and Melilla and
- the Principality of Andorra

### **Notes**

(a) there is a customs union between Turkey and the EC. Although Turkey is not a Member State, and is outside the customs territory of the EC, most goods in free circulation in the Community are accorded free circulation status in Turkey and vice versa. (See paragraph 2.2 for further details)

(b) there is a customs union between the Republic of San Marino and the EC and

(c) there is a customs union between the Principality of Andorra and the EC for goods in chapters 25 to 97 of the Tariff that is for goods other than CAP goods and tobacco products.

## **19. Glossary**

**C88 (SAD):** Import or export declaration document.

**C1055:** See International Information Document.

**C&E1153:** Application and authorisation form for OPR.

**C&E1154:** Additional declaration required for imports under OPR, also used for calculating duty payable on compensating products.

**C&E1155:** See INF2.

**CHIEF:** Customs Handling of Import & Export Freight. The C&E declaration processing computer system.

**CFSP:** Customs Freight Simplified Procedures (see Notice 760 Customs Freight Simplified Procedures (CFSP))

**Community Goods:**

- (a) Entirely obtained or produced in the customs territory of the Community, without the addition of goods from third countries or territories that are not part of the customs territory of the Community.
- (b) Imported from countries or territories not forming part of the Community which have been released for free circulation in a Member State.
- (c) Obtained or produced in the customs territory of the Community either wholly from those referred to at (b) or partly from (a) and (b).

**Compensating products:** Re-imported products made from the goods you exported for process.

**CPC:** Customs Procedure Code. A six digit code used to import, export and warehousing declarations to identify the type of procedure for which the goods are entered and from which they came. Full details in Volume 3 of the Tariff.

**DEP:** Designated Export Place. A customs approved trader inland premises where goods may be declared to CHIEF using any export procedure except LCP/LEC.

**DTI:** Department of Trade & Industry

**EC:** European Community

**EIC:** Excise & Inland Customs

**End-use:** Arrangements, which allow certain imported goods to be declared to free circulation in the Community at a reduced or "nil" rate of duty, provided they are put to a prescribed use under customs control. (See Notice 770 for full details).

**EPU:** Entry Processing Unit; a customs office where import and export declarations can be accepted.

**Free Circulation:** Goods imported from outside the EC are in free circulation within an EC country when:

- All the import formalities have been complied with; and
- All import duties payable have been paid and have not been fully or partly refunded.

Goods originating in the Community are also in free circulation.

**INF 2:** Information Document 2 – a document used to identify the temporarily exported goods when triangulation procedures are used or goods re imported in split consignments. The UK version is form C&E1155.

**International Information Document:** A document, which may be used when identification of the temporarily exported goods is difficult. The UK version is form C1055.

**IPR:** Inward Processing Relief – a procedure providing import duty relief for goods imported to the EC for process and re-export. (See Notice 221 for full details).

**LCP:** Local Clearance Procedure – Under NES, LCP replaces Local Export Control (LEC). Traders must be authorised to use LCP.

**NES:** New Export System

**POD:** Period of discharge

**Preference:** Arrangements, which allow reduced or nil rates of customs duties to be claimed on eligible goods imported from certain non-Community countries.

**Prior importation:** The importation of replacements before defective goods are exported under the Standard Exchange System.

**Processing:** The working of goods, including erecting or assembling them or fitting them to other goods, the processing of goods, or the repair of goods including restoring them and putting them in order.

**PSA:** Pre-Shipment Advice – a general term encompassing LCP "notifications" and SDP "incomplete declarations" sent to CHIEF under NES simplified procedures.

**Rate of yield (ROY):** The amount of compensating product obtained from the processing a specified quantity of temporarily exported goods.

**SAD:** The "Single Administrative Document" used throughout the EC for making import and export declarations. The UK version is form C88.

**SDP:** Simplified Declaration Procedure – under NES, SDP replaces the Simplified Clearance Procedure (SCP). Traders must be authorised to use SDP.

**Tariff:** The Integrated Tariff of the United Kingdom.

**Triangulation:** Arrangements under which imported products are declared at a customs office different from that of export.

**Third Country:** Any country that is outside the customs territory of the European Community

**VAT:** Value Added Tax



## Do you have any comments?

We would be pleased to receive any comments or suggestions you may have about this notice. Please write to:

**HM Customs and Excise  
Customs and International Trade  
6th Floor South  
Portcullis House  
27 Victoria Avenue  
SOUTHEND ON SEA  
Essex  
SS1 2SZ**

Please note this address is **not for general enquiries**. You should ring our National Advice Service about those.

## If you have a complaint or suggestion

If you have a complaint please try to resolve it on the spot with our officer. If you are unable to do so, or have a suggestion about how we can improve our service, you should contact one of our Regional Complaints Units. You will find the telephone number under 'Customs and Excise - complaints and suggestions' in your local telephone book. Ask for a copy of our code of practice 'Complaints and putting things right' (Notice 1000). You will find further information on our website at <http://www.hmce.gov.uk>.

If we are unable to resolve your complaint to your satisfaction you can ask the Adjudicator to look into it. The Adjudicator, whose services are free, is a fair and unbiased referee whose recommendations are independent of Customs and Excise.

You can contact the Adjudicator at:

**The Adjudicator's Office  
Haymarket House  
28 Haymarket  
LONDON  
SW1Y 4SP**

**Phone: (020) 7930 2292**

**Fax: (020) 7930 2298**

**E-mail: [adjudicators@gtnet.gov.uk](mailto:adjudicators@gtnet.gov.uk)**

**Internet: <http://www.adjudicatorsoffice.gov.uk/>**

## Update 1 issued January 2007

On 1 January 2007 Bulgaria and Romania will join the European Union. The total number of Member States will rise to 27.

This update provides information on the additional countries to be included in section 18.

## Amendment

### 18 Customs and VAT territories of the European Community

#### 18.1 Customs territory of the Community

After the list of EC states *insert*

‘Plus from 1 January 2007, Bulgaria and Romania’

### Update 2 issued November 2007

The main change to this update is the renumbering of CPCs for SAD H and clarification concerning OPR and Anti-dumping duty.

Section	Amendments
Paragraph 2.3	<b>Amend</b> note to read: If you temporarily export Community goods for processing and some of the resulting compensating products upon return will be re-exported, you must enter the goods at export to CPCs 21 41 B51, 21 41 B52, 21 41 000, 21 41 001, 21 41 002, 21 41 003, 21 51 B51, 21 51 B52, 21 51 000, 21 51 001, 21 51 002, 21 51 003 or upon import to CPCs 41 21 000, 41 21 001, 51 21 000, 51 21 001. Neither can you claim IPR at export if you have already claimed OPR relief at import. You may only enter the goods to one of the above CPCs if the goods were originally imported to IPR
Paragraph 2.7	<b>change</b> CPCs in last sentence to read 22 00 000 and 40 00 065
Paragraph 2.8 second sentence	<b>change</b> DTI to BERR and first sentence of address to read Department of Business, Enterprise and Regulatory Reform (BERR)
Paragraph 3.3.5	- 5th line – <b>change</b> CPC to read 61 00 000
Paragraph 3.4.1	<b>change</b> CPCs to read 21 00 004, 21 41 B51, 21 51 B51
Paragraph 3.4.2	<b>Third line – change</b> CPCs to read 61 21 001, 21 41 B51, 21 51 B51, 41 21 001, 51 21 001
Paragraph 3.8.2	<b>Last sentence – Change</b> DTI to BERR
Paragraph 6.3	– <b>box 37 – change</b> CPCs to read 21 00 000, 21 41 B52, 21 41 000, 21 41 001, 21 41 002, 21 41 003, 21 51 B52, 21 51 000, 21

	51 001, 21 51 002, 21 51 003																				
<b>Para 7.8</b>	<p><u>Anti-dumping Duty and Countervailing duty</u></p> <p>If you enter compensating products which are liable to anti-dumping duty and/or countervailing duty, to OPR, the duty is chargeable on the compensating products. However you should not include it in the amount to be deducted in respect of the exported goods. (See Public Notice 376 Anti-dumping and Countervailing duties). A calculation showing the duty differential method including ADD is shown at Section 14.2. If you wish to use the Added value method of calculation you should be aware of Commission Regulation 883/ 2005.</p>																				
<b>Para 14.1</b>	<p><u>Example 5 - Duty Differential method including ADD described in Section 7.8</u></p> <p>Duty on the built up value of the compensating product:</p> <table> <tr> <td>Value of the exported cloth</td><td>£5,000.00</td></tr> <tr> <td>Cost of process</td><td>£2,400.00</td></tr> <tr> <td>Freight and insurance (from the processing country to the EC)</td><td>£484.62</td></tr> <tr> <td>Total customs value of the suits</td><td>£7,884.62</td></tr> <tr> <td>Duty on total customs value of products at 13% (a)</td><td>£1,025.00</td></tr> <tr> <td>Add at 20%</td><td>£1576.92</td></tr> <tr> <td>Duty applicable to the exported cloth: £2601.92 amount (a)</td><td></td></tr> <tr> <td>Value of the exported cloth</td><td>£5,000.00</td></tr> <tr> <td>Duty deductible on exported cloth at 10.5% (b)</td><td>£525.00</td></tr> <tr> <td>Net duty payable (a-b)</td><td>£2076.92</td></tr> </table>	Value of the exported cloth	£5,000.00	Cost of process	£2,400.00	Freight and insurance (from the processing country to the EC)	£484.62	Total customs value of the suits	£7,884.62	Duty on total customs value of products at 13% (a)	£1,025.00	Add at 20%	£1576.92	Duty applicable to the exported cloth: £2601.92 amount (a)		Value of the exported cloth	£5,000.00	Duty deductible on exported cloth at 10.5% (b)	£525.00	Net duty payable (a-b)	£2076.92
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Net duty payable (a-b)	£2076.92																				
<b>Section 17</b>	<p><b>change</b> to read</p> <p><b>Export Codes</b></p> <p>21 00 001 - Goods held under Outward Processing Relief being exported eligible for export under SDP, by or on behalf of an approved NES operator authorised to use SDP. Supplementary declaration to be made using CPC 21 00 003. This CPC cannot be used in conjunction with a simplified authorisation for repair</p>																				

	<p>21 00 002 - Goods held under Outward Processing Relief being exported eligible for export under LCP, by or on behalf of an approved NES operator authorised to use LCP. Supplementary declaration to be made using CPC 21 00 003. This CPC cannot be used in conjunction with a simplified authorisation for repair</p> <p>21 00 000 - Community goods temporarily exported outside the Community for processing, repair or replacement under the standard exchange system</p> <p>21 00 003 - Supplementary declaration for Community goods temporarily exported outside the Community, under Outward Processing Relief (OPR) for repair or replacement under the standard exchange system where CPC 21 00 001 or 21 00 002 was used to pre enter the goods</p> <p>21 00 004 - Community goods temporarily exported outside the Community for repair under Outward Processing Relief (OPR) simplified procedure for repair ,with application for authorisation for OPR being made at the time of lodging the export declaration</p> <p>21 00 005 - Community good owned by authorised Government Departments or Agencies, that are VAT paid and not been subject to any refund of VAT, being exported for repair, or replacement under the standard exchange system</p> <p>21 41 000 - Goods imported to the Community for process, under IPR (Drawback) arrangements, being temporarily exported under the Outward Processing Relief (OPR).</p> <p>21 41 001 - Goods imported to the Community for process, under IPR (Drawback) arrangements, being temporarily exported under the Outward Processing Relief (OPR) eligible for export under SDP, by or on behalf of an approved NES operator authorised to use SDP. Supplementary declaration to be made using CPC 21 41 003.</p> <p>21 41 002 - Goods imported to the Community for process, under IPR (Drawback) arrangements, being temporarily exported under the Outward Processing Relief (OPR) eligible for export under LCP, by or on behalf of an approved NES operator authorised to use LCP. Supplementary declaration to be made using CPC 21 41 003</p> <p>21 41 003 - Supplementary declaration for Community goods temporarily exported outside the Community, under Outward Processing Relief (OPR) for repair or replacement under the standard exchange system where CPC 21 41 001 or 21 41 002 was used to pre enter the goods</p> <p>21 41 B51 - Goods imported to the Community for process, under</p>
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	<p>IPR (Drawback) arrangements, being temporarily exported under the Outward Processing Relief (OPR) simplified procedure for repair, with application for authorisation for OPR being made at the time of lodging the export declaration</p> <p>21 41 B52 - Goods imported to the Community for process, under IPR (Drawback) arrangements, being exported for replacement under guarantee under the Outward Processing Relief (OPR)</p> <p>21 51 000 - Goods imported to the Community for process, under IPR (Suspension) arrangements, being temporarily exported under the Outward Processing Relief (OPR)</p> <p>21 51 001 - Goods imported to the Community for process, under IPR (Suspension) arrangements, being temporarily exported under the Outward Processing Relief (OPR) eligible for export under SDP, by or on behalf of an approved NES operator authorised to use SDP. Supplementary declaration to be made using CPC 21 51 003</p> <p>21 51 002 - Goods imported to the Community for process, under IPR (Suspension) arrangements, being temporarily exported under the Outward Processing Relief (OPR) eligible for export under LCP, by or on behalf of an approved NES operator authorised to use LCP. Supplementary declaration to be made using CPC 21 51 003</p> <p>21 51 003 - Supplementary declaration for Community goods temporarily exported outside the Community, under Outward Processing Relief (OPR) for repair or replacement under the standard exchange system where CPC 21 51 001 or 21 51 002 was used to pre enter the goods.</p> <p>21 51 B51 - Goods imported to the Community for process, under IPR (suspension) arrangements, being temporarily exported under the Outward Processing Relief (OPR) simplified procedure for repair, with application for authorisation for OPR being made at the time of lodging the export declaration</p> <p>21 51 B52 - Goods imported to the Community for process, under IPR (Suspension) arrangements, being temporarily exported under the Outward Processing Relief (OPR) procedure for replacement under guarantee.</p> <p><b>Goods liable to nil rate of duty where VAT relief is required at re-import</b></p> <p>22 00 000 - Community goods being temporary exported for process, repair, adaptation, reworking or making up outside the Community where VAT relief only will be claimed when the compensating products are re-imported. OPR authorisation is not</p>
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	<p>required for use of this CPC.</p> <p><b>Import Codes</b></p> <p>06 10 061 - Goods eligible for release to customs procedures with economic impact (OPR,TI, IPR, PCC) other than customs warehousing and free zones under the simplified declaration procedure (SDP) entered by or on behalf of authorised Customs Freight Simplified Procedures (CFSP) traders</p> <p>06 20 061 - Goods (including third country alcohol and tobacco products) eligible for release to customs procedures with economic impact (OPR,TI, IPR, PCC) other than customs warehousing and free zones under the simplified declaration procedure (SDP) entered by or on behalf of authorised Customs Freight Simplified Procedures (CFSP) traders, that are required to be presented at the frontier for specific pre-clearance / border inspection post (BIP) controls</p> <p>06 30 061 - Commercial drugs eligible for release to customs procedures with economic impact (OPR,TI, IPR, PCC) other than customs warehousing and free zones under the simplified declaration procedure (SDP) entered by or on behalf of authorised Customs Freight Simplified Procedures (CFSP) traders</p> <p>48 00 000 - OPR goods imported under the Standard Exchange System (SES) being free of charge replacements imported in exchange for goods exported, or to be exported, from the EC.</p> <p>48 00 001 - SES replacement goods for which a charge is being made, imported in exchange for goods exported, or to be exported, from the EC</p> <p>48 00 002 - OPR goods imported under the Standard Exchange System (SES) being free of charge replacements imported in exchange for goods exported, or to be exported, from the EC entered to customs warehousing being removed to free circulation (including goods exported from another Member State under an authorisation issued by a Member State other than the UK.</p> <p>48 00 003 - SES replacement goods for which a charge is being made, imported in exchange for goods exported, or to be exported, from the EC entered to customs warehousing being removed to free circulation (including goods exported from another Member State under an authorisation issued by a Member State other than the UK.</p> <p>61 00 000 - Non Commercial repairs or replacements for which application for OPR is being made at importation. Evidence of export is required.</p>
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	<p>61 21 000 - OPR goods (excluding repairs and replacements) imported after having been exported from the EC for process</p> <p>61 21 001 - Goods exported for repair under the simplified repair procedure (21 00 004) now being imported to free circulation</p> <p>61 21 002 - Goods which were exported from another Member State for process or repair, and now being entered to free circulation</p> <p>61 21 003 - Goods which were exported from another Member State for process or repair, and now being entered to free circulation where OPR/OPT is being claimed</p> <p>61 21 004 - OPR goods, imported to a customs warehouse after process, and now being entered to free circulation.</p> <p>61 21 005 - OPR goods, imported to a free zone after process or repair and now being entered to free circulation</p> <p>61 21 006 - Goods exported for repair free of charge under warranty under a full OPR authorisation, imported to a customs warehouse after process, and now being entered to free circulation.</p> <p>61 21 007 - Goods exported for repair under the OPR simplified repair procedure (CPC 21 00 004) imported to a customs warehouse after process, and now being entered to free circulation.</p> <p>61 21 008 - Goods exported from another Member State for process or repair, imported to a customs warehouse after process, and now being entered to free circulation</p> <p>61 21 009 - Goods exported for repair, process or exchange under CPCs 21 00 000, 21 00 004 or 21 00 005 and on which relief is claimed in accordance with Council Regulation 150/2003</p> <p>61 21 B02 - OPR goods imported after free of charge repair (for example under warranty)</p> <p>61 21 B03 - OPR goods imported as replacement goods supplied free of charge. SES goods should be entered to a CPC in the 48 series</p> <p>61 21 B04 - OPR goods, previously imported to end-use relief or qualifying for end-use relief after processing</p> <p>61 22 000 - Goods exported for process and now being entered to free circulation where OPR/OPT is being claimed</p> <p>68 21 000 - OPR goods entered to a tax warehouse now being</p>
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	<p>removed to free circulation</p> <p>71 21 000 - OPR goods re imported after process / repair including those exported under the simplified repair procedure being entered to customs warehousing.</p> <p>78 21 000 - OPR goods re-imported after process / repair including those exported under the simplified repair procedure being entered to a free zone</p> <p><b>Re Imports to IPR</b></p> <p>41 21 000 - Goods held in the Community under IPR drawback arrangements having been temporarily exported for repair under OPR now being re-imported to IPR drawback</p> <p>41 21 001 - Goods held in the Community under IPR drawback arrangements having been temporarily exported for repair under the OPR simplified repair procedure, now being re-imported to IPR drawback</p> <p>51 21 000 - Goods held in the Community under IPR suspension arrangements having been temporarily exported for repair under OPR now being re-imported to IPR suspension</p> <p>51 21 001 - Goods held in the Community under IPR suspension arrangements having been temporarily exported for repair under the OPR simplified repair procedure now being re-imported to IPR suspension</p> <p><b>VAT relief only</b></p> <p>40 00 065 - Goods re-imported after process or repair which are liable to a 0% duty rate which are not appropriate to OPR and on which VAT relief only is claimed. OPR authorisation is not required to use this CPC)</p> <p>40 22 065 - Goods being removed from a customs warehouse, re-imported after process or repair which are liable to a 0% duty rate which are not appropriate to OPR and on which VAT relief only is claimed. OPR authorisation is not required to use this CPC)</p>
<b>Section 19 Glossary</b>	<p><b>CPC - First line</b> –change ‘six’ to seven.</p> <p><b>DTI – change</b> to read BERR –and description - Department of Trade and Industry (DTI) to read Department of Business, Enterprise and Regulatory Reform ( BERR).</p> <p><b>NES – change</b> ‘New’ to read ‘national’</p>