

CHAPTER 16

END USE

16.1 Introduction

In this chapter we're going to have a look at **End Use**. End Use is a regime that **allows an importer to pay either a reduced or zero rate of duty on certain imported products. This is provided that they are put to a specific use or "end use" as we call it, after importation.** The purpose behind the relief is to promote certain EU industries and trades.

16.2 Legislation

The legislation is contained in **Articles 291 to 300** of the Implementing Regs. and **Statutory Instrument 1977/2042** the "**End Use Regulations**". Only certain products and uses qualify for these preferential measures and they are generally detailed in the Tariff. An example is parts used in the production of civil aircraft.

[Art 291-300
2454/93](#)

[SI 1977/2042](#)

Illustration 1

If you manufacture civil aircraft and import screws and metal parts for incorporation into them, without any special reliefs you would pay the full rate of duty. We will imagine that this is 5%. If you are authorised for End Use however, provided the parts are incorporated into the civil aircraft you can import them free of duty. **End use does not give relief from import VAT, excise duties or anti-dumping duties.**

16.3 Tariff Suspensions

Sometimes an importer will not need to use End Use, as the same goods might benefit from a temporary tariff suspension, and this could be **regardless as to the final use** of the product. This means the product can be **imported free of customs duties**. Suspensions are implemented to assist EU manufacturing industries and enable them to compete on an equal footing with overseas manufacturers. They generally last for **6 or 12 months** and come into effect from **1st January or 1st July**. The Tariff shows which goods benefit from a suspension. **Sometimes the suspensions require that the goods be put to a specified end use.** Where this happens, the importer will still need to comply with the End Use procedure, in order to import his goods duty free.

16.4 Authorisation

In order to operate End Use you must be authorised. There are four types of authorisation. They are:

- A **single authorisation** where operations are going to be carried out in more than one member state;
- the **C1317**, which is used if you **only import into the UK** but do so on a **regular basis**. We will look at this in more detail in a minute;
- the **simplified authorisation** which is suitable for **occasional imports only**; and
- the **integrated authorisation**, which is where a person **uses End Use and another customs procedure**, for instance customs warehousing. Application is made on the same form as for the regular importer.

We will now look at the authorisation process in more detail.

16.5 The C1317 authorisation

We have already mentioned that for **regular imports into one member state only**, the C1317 authorisation is required. This is the name of the application form in the UK, which replicates the model set out in Annex 67 of the Implementing Regs.

[Annex 67
2454/93](#)

This type of authorisation is suitable if the imports are regular and the type of information that is required on the application form includes the following:

[Art 293\(3\)
2454/93](#)

- the **activities** envisaged on the goods,
- the **commodity code** that is applicable to the goods, and
- the **period** in which those goods will have been assigned their specified End Use. Usually this is **within 12 months**.

Although the application form has a number of boxes, not all of them need completing for each application. For example, for civil aircraft, Customs may not require the commodity code.

The customs authorities must **accept or reject** the application to operate End Use **within 30 days** of receipt, and it will be issued for a **maximum 3 years**. On an exceptional basis they may issue a **retroactive** authorisation. This may go back to the date the application was lodged with them, or up to a **maximum 1 year** prior to this date. This is provided that there has been **no deception or obvious negligence** on the importer's behalf, and the importer's records show that all End Use requirements have been met.

16.6 The simplified authorisation

If **occasional imports** are envisaged, a simplified authorisation might be more appropriate. This used to require completion of a C100 form at the time of each import which was attached to the C88. From 1st April 2009 the C100 is no longer required. Instead the importer **completes box 44 on the C88** with sufficient detail for Customs to authorise the operations. For instance, the type of detail required is: the specific end use the goods will be put to, a description of the goods and the period that the importer envisages it will take to assign them to their specified use.

[Art 292\(3\)&\(4\)
2454/93](#)

16.7 Importing End Use goods

Illustration 2

Continuing with illustration 1...

We have our parts that are being imported into the UK. In order to import to End Use, the correct **Customs Procedure Code** must be **quoted on the C88**. In addition, the **End Use authorisation number** must also be detailed. After importation, provided the parts are affixed to the civil aircraft and the aircraft is then registered in the public records, then no duty will become payable on those parts, as they will have satisfied their 'end use'. Customs may require the goods to be kept under their **supervision for 2 years**, if they feel that the rules could be manipulated.

For example, if you import parts, attach them to the civil aircraft, and the aircraft is then registered in the public records, you appear to have satisfied End Use. What if the parts are then removed 1 day later and sold to someone who uses them in a different industry? This is clearly manipulation of the rules and duty free admission would not be allowed under End Use. A person carrying out such operations could also be convicted of fraud.

16.8 Transferring End Use goods

Once the End Use goods have been imported they can be **transferred between two authorisation holders**. If these holders are in different member states, a "T5" procedure is used. The T5 procedure consists of a C88 type document in triplicate that accompanies the goods to their intended destination.

Once the goods have arrived safely, the document is stamped and the original and first copy are returned by the authorities in the member state of destination. **Upon receipt of the stamped document the sender's obligations under End Use are discharged**, and it is now the responsibility of the recipient to put the goods to the required use, otherwise he will be required to pay any duties due.

[Art 296 &
Annex 63
2454/93](#)

The legislation allows the Customs authorities to grant **simplified procedures** for transfers. For instance instead of the T5 document, a declaration can be made on the trader's own commercial documents, and this is used to transfer the goods to the recipient. These procedures are usually detailed on the End Use authorisation.

16.9 Records

The authorised End User needs to keep records to the satisfaction of Customs that the End Use procedures have been discharged properly. Statutory Instrument 1977/2042 talks about these records in more detail. We will go through the general requirements that an importer must comply with. However, like we saw with transferring goods, he can agree simplified procedures with his local customs officer.

[SI 1977/2042](#)

Regs 4-9 of the statutory instrument state that the authorised person must do the following:

- allocate a **serial number** to the consignments as they arrive;
- keep records showing the **importation, receipt, disposal** and **use** of the goods;
- keep the **records for 1 year** after the goods have been put to their end use (we've already seen in previous chapters that customs legislation requires records relating to imports generally to be kept for **4 years**, so records should be kept for this longer period);
- allow Customs to **examine** the goods at any reasonable time;
- **notify** Customs the date of arrival of the goods and the particulars of any goods lost or damaged in transit; and finally
- each year carry out a **stock take** and furnish the details in a return to Customs.

16.10 Special Procedures

To finish off this chapter we're going to have a brief look at a special procedure. We've talked about civil aircraft throughout this lecture in our explanation of the End Use regime. However, persons involved with the importation of parts for the manufacture of civil aircraft can use something called the 'Airworthiness Certificate Scheme', instead of being authorised for End-Use. This reduces the administrative burden on importers as they don't need to apply for an authorisation from Customs. Presentation of the airworthiness certificate at the time of importation allows the parts to be imported duty free.

Example 1

Which of the following is the correct statement?

- A End use provides relief from Customs duty and VAT
- B End Use provides relief from Customs duty only
- C End Use provides relief from Customs duties, including anti-dumping duties
- D End Use does not provide relief from VAT but does provide relief from Customs and Excise duties.

Example 2

- A An End Use authorisation can never be retroactive
- B Authorisations can generally be granted for up to 2 years
- C A C100 is used by regular importers, or
- D Authorisations can generally be granted for up to 3 years.

Answer 1

The correct answer was B - it only provides relief from Customs duties.

Answer 2

The correct answer was D - authorisations can generally be granted for up to 3 years.