

## CHAPTER 18

### TEMPORARY IMPORTATION (TEMPORARY ADMISSION) RELIEF

#### 18.1 Introduction

In this chapter we are going to look at **Temporary Importation Relief** or **TI** for short. Sometimes it is referred to as 'Temporary Admission Relief'. Throughout this chapter - for the sake of ease - we will refer to it as Temporary Importation Relief or TI. TI gives **duty relief for products that are only temporarily in the EU**.

#### Illustration 1

You are an American film crew and you have been hired to film the sequel to Notting Hill that is going to take place in the UK. You come over with all of your photographic and lighting equipment, but once the filming is over you are going to return back to America taking your equipment with you. Do you have to pay any customs duties when you import your equipment given that it does not permanently stay in the EU? Under normal rules you would have to complete your import entry and pay your duty and import VAT. This is where Temporary Importation relief could help you out.

#### 18.2 Legislation

First, we'll introduce the law. You will find the details of the relief in **Articles 137 to 144 of the Code** and **Articles 553 to 584 of the Implementing Regs.**

[Art 137-144  
2913/92](#)  
[Art 553-584  
2454/93](#)

Article 137 of the Code sets the scene by telling us that TI will either give **total relief** or **partial relief** from customs duties. The types of duties this gives relief for are **customs duties, specific duties** and **anti-dumping duties**. It does **not give relief from excise duties**.

The relief is given for goods that are intended for re-export that have **not undergone any change** whilst being in the EU, **except normal depreciation or repair or maintenance to keep them in good working order**. Like most of the other reliefs that we have already seen, an authorisation is needed. We will come on to the details on this in a minute but just before we do we'll cover one other very important point.

Considering the relief has the word 'temporary' in its title, it seems fair to assume that there is a limit on the amount of time that goods can remain in the EU. The length of time is determined by Customs and is based on how long the goods are needed in the EU for their intended purpose. Usually a **maximum time limit of two years** is set but this can be extended in certain circumstances. All these points are covered in Articles 138 and 140 of the Code.

[Art 138 & 140  
2913/92](#)

### 18.3 Partial Relief

Article 143 of the Code tells us that you **calculate the duty that would have been payable on the goods if they had been released to free circulation** and not to the temporary importation procedure.

[Art 143  
2913/92](#)

#### Illustration 2

Imagine that we import goods into the UK and if we had released them to free circulation, duty of £2,000 would have been payable. Note at this point **import VAT must be paid**. The importer will give **security** for any customs duties due and for **every month or part month the goods remain in the EU 3% of the amount of duty is due** and will be deducted from the security by Customs.

In our illustration if the goods remain in the UK for one month then £60 will be payable.

$$£2,000 \times 3\% \times 1 \text{ month} = £60$$

If our goods remain in the UK for two and a half months, in total we will have paid £180.

$$£2,000 \times 3\% \times 3 = £180$$

Effectively what this means is that if goods stay in the EU for over **thirty-three months**, i.e. two and three quarter years then all the duty will have been paid.

What if they stay in the EU for more than thirty-three months? For example, they are in the UK for thirty-four months. The duty due would be £2,040.

$$£2,000 \times 3\% \times 34 = £2,040$$

We don't have to pay the £2,040. Article 143(2) says that Customs won't charge us any more than the original £2,000 due.

[Art 143\(2\)  
2913/92](#)

Logically, the shorter the amount of time the goods remain in the EU, the lesser the amount of duty that is payable.

**Any goods** qualify for partial relief provided they are **not consumable**.

### 18.4 Total Relief

We'll now look at goods that qualify for total relief. Articles 555 to 578 of the Implementing Regs tell us what type of products will benefit from total relief. Note under total relief, **Import VAT does not need to be paid** at the time of import. The importer will provide security for the duty and VAT due, which will be repaid or cancelled when the goods are re-exported.

[Art 555-578  
2454/93](#)

There are quite a few goods listed in the legislation, look them up as we cover each of them.

- The first product listed is '**pallets**'. This covers the scenario where you are using pallets to transport goods and the pallets are never sold in the EU, but travel back and forth.
- **Containers**. The logic behind this is the same as pallets but there are some extra conditions that must be satisfied. They must show the **identity of the owner**, have **identification marks** on them and also show the **country of origin**;
- **Means of road, rail, air, sea and inland waterway transport** where these are **owned or registered outside the EU**. Again, they are not going to remain in the EU or be sold here so total relief should be granted;
- **Personal effects and goods for use in sporting events**. This is provided that they belong to **travellers not normally resident in the EU**. So when we eventually host the Olympic Games in 2012, we won't impose customs duties on the equipment that the participants bring in!
- **Welfare materials for seafarers**;
- **Disaster relief material**;
- **Medical, surgical and laboratory equipment**;
- **Animals**; and
- **Goods for use in frontier zones**; and
- like the illustration in the first part of the chapter, **sound, image or data carrying media, publicity material, professional equipment, pedagogic material, or scientific equipment**. If you're wondering what pedagogic means it covers teaching materials!

We're only half way through the list but let's try an example:

**Example 1**

Answer the following questions:

	True	False
Consumable goods are ineligible for Temporary Import Relief.		
Partial relief is calculated at ___% of the original duty due for each month the goods remain in the EU.	-	-
Goods can generally undergo processing under Temporary Importation Relief.		
Personal effects of sportsmen are eligible for total relief.		
Goods can generally remain in the EU for a maximum 1 year.		

Back to our list of items that can benefit from total relief:

- **Packings that are intended for re-exportation;**
- **Moulds, dies, drawings, checking and testing instruments, which are owned by people outside the community and used to manufacture community goods of which at least 75% are exported;**
- **Special tools and instruments that are owned by a person outside the community that are provided free of charge to a person inside the community in order to manufacture goods of which 100% are exported;**
- **Samples that are imported in reasonable quantities in order to demonstrate goods;**
- **Goods to be exhibited or used at a public event that is not purely organised for the sale of goods;**
- **Works of art, imported for the purposes of exhibition, with a view to a possible sale; and finally**
- **Spare parts, accessories etc used to repair or maintain other goods that have already been entered to the temporary importation regime. For instance, in our illustration with the film crew, if some of the lights get broken, we may need to import specialist parts to repair them.**

If the goods you are importing don't fall within this list then they may still benefit from total relief if they are imported occasionally for a **maximum of 3 months** or have no 'economic effect'. This is interpreted by UK Customs as goods that have a maximum value of **10,000 Euros**.

[Art 578  
2454/93](#)

## 18.5 Authorisations

Now we have looked at the items that qualify for total relief, let's look at how a person becomes authorised.

The authorisation can be made in a number of ways.

## 18.6 Declaration by any other act

The first type of authorisation is a '**declaration by any other act**'. This is not really an application because you do not need to fill anything in. It is simply made by a person walking through the **green channel**. Because this is the most simple it can only be used for some of the goods that we have seen already. For example, **personal effects and goods for sporting purposes** that have a maximum value of 10,000 Euros.

## 18.7 Oral authorisation

The second type of authorisation is an **oral authorisation**. Although it is called an oral declaration Customs still need a form to be completed! In the UK this form is the **C108**. It is a very simple form which provides a **written inventory** of the articles being imported. The type of goods that can be imported using an oral authorisation include **broadcasting equipment**.

## 18.8 Simplified authorisation

The third type of authorisation is the **simplified authorisation**. This is **applied for at the time of import**, when the C88 is completed for the goods. You do not need to apply for it in advance. Completing the C88 with the correct CPC code constitutes the application. Customs will ask you to provide **security** for any duties that may be payable, which will be refunded or cancelled when the goods are re-exported. One important point is that this simplified authorisation **cannot be used if you are claiming partial relief** as opposed to total relief.

## 18.9 Simplified single community authorisation

The fourth type of authorisation is the **simplified single community authorisation**, which has essentially the same features as the simplified one that we have just mentioned. An additional benefit is that it will allow you to **transfer goods to other member states**. At the time of import the importer needs to complete an information sheet form called an **INF6** that accompanies the goods and is presented at the customs office of export.

### 18.10 Full authorisation

The next type of authorisation is the **full authorisation**, which covers a **series** of imports. It needs to be applied for in advance and an application is made in the UK on **Form C&E 1331**. Customs have **30 days** to either **accept** or **reject** the authorisation, and like most other authorisations we have seen already it will last for a **maximum 3 year** period. The authorisation number is quoted on the C88 when goods are imported to the temporary importation regime.

### 18.11 Single Community authorisation

The **single community authorisation** is really a **mixture of the simplified single community authorisation and a full one**. Application is made in advance on the form in Annex 67 of the Implementing Regs. Because transfers to other member states could occur then the other member states have **30 days** in which to object to the authorisation being granted.

[Annex 67](#)  
[2454/93](#)

### 18.12 Integrated authorisation

The final, perhaps most complex of all the authorisations, is an integrated authorisation which we have mentioned in previous chapters. This simply means that we are **combining temporary importation with another customs procedure**, for example customs warehousing, inward processing relief etc.

### 18.13 Record keeping requirements

Like any relief that is operated, the importer must keep sufficient records in order that Customs can ensure that the temporary importation procedure has been carried out correctly. These records have to be kept for a **4 year period** for customs duty purposes. The records should ideally show the following information:

- the **goods** that have been **entered** to temporary importation;
- the amount of any **security** that has been provided;
- **when and where the goods were first entered** to the procedure;
- where the goods are **located** at any given time;
- the **locations where the goods will be used**;
- **how the goods are identified**, for instance **marks** and **serial numbers**;
- and
- **when and where the goods are going to be exported**.

This enables Customs to ensure that the procedure is carried out correctly.

**Example 2**

There are seven types of authorisation. There is a list in front of you of the seven types but they are missing words or letters.

Declaration by \_\_\_\_\_ act

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S \_ \_ p \_ \_ \_ \_ \_      S \_ \_ \_ \_ \_      C \_ \_ \_ \_ \_

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I \_ \_ \_ \_ \_ \_ \_

**Answer 1**

	<b>True</b>	<b>False</b>
Consumable goods are ineligible for Temporary Import Relief.	✓	
Partial relief is calculated at <b>3%</b> of the original duty due for each month the goods remain in the EU.	-	-
Goods can generally undergo processing under Temporary Importation relief.		✓
Personal effects of sportsmen are eligible for total relief.	✓	
Goods can generally remain in the EU for a maximum 1 year.		✓

**Answer 2**

The authorisations are:

Declaration by **any other** act

Oral

Simplified

Simplified Single Community

Full

Single Community

Integrated