

# SPECIFICS OF CUSTOMS PROCEDURES FOR COUNTRIES OUTSIDE THE EUROPEAN UNION

Svetlana Chuchutova – Lubos Socha

The following article analyzes the specific features of customs procedures applicable to countries outside the European union. It is focused on customs clearance and the process for importing an aircraft as viewed by a customs declarant who follows the process procedures. These goods are classified under customs tariff allowing goods released for free circulation at reduced or zero rate because of their end use.

**K e y w o r d s:** customs, customs procedures, import, third country, the declaration, declarant

## 1 INTRODUCTION

Customs procedures is defined as a statutory procedure aimed at the release of the goods, imported, exported or transported across the territory of the Slovak republic into a proposed customs regime or assign it to other proposed customs approved treatment or use.

Within the European union, legislation of the customs procedures is not complete. Therefore legislation of some issues (tasks) is left to the discretion of particular member countries. In Slovakia, the issues are regulated by Customs Law and the Administrative Law. The Customs Law defines the purpose of the customs procedures as a decision made whether whether and under what conditions the goods are imported, exported and transported through the territory of Slovakia, released into the proposed customs regime or are assigned to other customs approved treatment or use.

Within the framework of customs procedures the certain rights and obligations of participants are the decisions made by the customs authorities. The participants of procedures have some rights and obligations as well. The whole customs procedures results in the decision issued.

## 2 CUSTOMS DECLARATION PROCEDURE

The declaration procedure is a procedure before the customs authorities and takes place in successive stages as defined by the law, involving the beginning of customs procedures, through searching documentation for the decision to the issuance of the decision. The customs declaration procedure, as defined by the Administrative Law starts either by the proposal of proceeding participants or on the initiative of an administrative authority. Also, the beginning of the customs procedures is bound by procedural and substantive effects.

The customs procedures starts with submitting a written custom declaration. According to the custom code, the custom declaration is an act where a person expresses in a prescribed form and manner a wish to subject goods to a given custom procedure. It can take a written form, using a data processing equipment, oral or any other form. The most frequent and typical form is the written one using the documentation form of Administrative Custom Document or Administrative Custom Document Supplementary.

The administration of the customs declaration is also related to a summary customs declaration. It is for goods transported to the custom territory and it is administered through data processing equipment of the custom office of entry. Customs declaration is given by a person who transports or is responsible for the goods transported.

Customs procedures can be performed according to standard or simplified procedures where the custom office allows exclusion of certain formalities. Instead of declaration one can present business and official document with a request for release so that the customs authorities can allow goods by proposed customs regime, when the custom declaration is made actually by registering them in the records. Simplified custom declaration, business document, official document or registration in the records must contain data necessary for goods identification.

The whole customs clearance can be defined as a period of time lasting from the moment of beginning of the procedure till decision made on the part of the customs authorities. During it, there occur various situation both side, declarant and the of custom office, and, all of these situations can affect the beginning, performing realisation and completion of the custom proceeding.

Customs clearances are held in the customs territory, but under the certain conditions declarant can apply for the other place of the customs proceeding in a written form.

Control in the customs clearance is based on matching the data contained in documents with those of the actual product. Customs authorities can focus only on the correctness of the documents. They also can perform random or complete physical checks of the goods. The declarant has the right to be present during when the goods are checked and samples are taken.

For the purposes of determining the customs duty an integrated rate is used. The result of verifying the declaration is then a prerequisite for the use of customs regulations that affects the procedures of goods release. In some more difficult cases, when the declarant is not quite sure about the part of tariff of goods coming, or if there are reasonable doubts about the origin of goods, he may ask the customs authorities to issue a mandatory information concerning the tariff classification or origin of goods.

Decision in the customs clearance has to be issued according to the rules or regulations of the customs office, based on reliable facts and must meet the regulatory requirements. When all the conditions are met, the customs authorities can release the goods as soon as all data are verified by a declaration or when accepted without verification. Decision of the customs authorities is issued to physical or legal person and it decides on the release of goods to the suggested customs regime, rejection of the proposal on its release or allocation of the proposed customs-approved treatment and use.

Decision must have its proper formal and content sides. Customs law does not define clearly formal and content documentation of decision, it just deals with its contents. The formal side of decision during the customs proceeding should concern code the customs office issuing the decision, date of receipt of the draft and reference number of the decision, date of issuing the decision, precise designation of declarant, identification or description of goods, amount of import or export duties, customs procedure, name, surname, function, signature, customs officer stamp and data sheet codes (while sending the decision through computer). The contentual sides of decision in the customs proceeding depend on law according to the decision. But if the decision is made according to Administrative law, it includes a statement, justification and instruction on corrective measures.

Decision in the customs clearance must be issued to the declarant as soon as possible. The right to hearing we can find in the Constitution of Slovak Republic. Customs code indirectly determines two periods for issuing the decision in customs proceeding. The two periods deal only with goods that have been subjected to customs declaration in advance. One is a period of 45 days, valid for goods transported through water ways and the other is a period of 20 days, valid for goods transported through other than water ways. However, in formalities to customs approved treatment or use have to be met.

### **3 AIRCRAFT IMPORT FROM COUNTRIES OUTSIDE THE EUROPEAN UNION**

The customs code includes the exact instructions of import. Customs procedure is not only about duty but it must be in line with all business-political measures and those applying to safety of goods movement across the borders.

Goods crossing the outer border of the EU are entering the customs territory of the Community. From this moment on, they fall under customs control. Customs control through the customs authorities is performed in keeping with the customs rules and regulations, and the goods can be inspected, too. Goods can be treated so that their physical properties remain unchanged until being allocated a customs approved designation. The main responsibility of the person who

imports the goods on the territory of EU countries is to transport it to the local customs office and have materials prepared for customs authorities. Mostly it is a customs office on the entry. The person importing the goods is required to give customs declaration in advance for the purpose of goods identification. From the presentation of the goods till the moment of assignment customs approved designation, the goods become temporary storage goods. The declarant must present a customs declaration to release goods into the customs approved conditions.

When importing aircraft, it is necessary to follow the legal procedures where the goods are classified by tariff and which allows goods to be released for free circulation at reduced or zero rate of duty, owing to their final use, as they remain under the custom supervision. The custom supervision is finished once the conditions made for the tariff reduction or zero-rated tariff cease, which is the moment when the goods are taken abroad or destroyed or at the moment when it is allowed to use the goods for the different purposes than stated in the application for the tariff reduction or zero-tariff and the outstanding duties are paid. The customs authorities can influence goods released to free circulation with favorable tariff treatment by reason of their end-use provision of the customs debt, which may arise in this product, or at any time thereafter. The duty that has been or may be incurred will be paid in due time.

In case that customs authorities require guarantee of customs debt, then the debtor has to provide this guarantee. Customs authorities can demand one guarantee per one debt. According to Article 133 of the Customs Code, the guarantee can be provided by a guarantor or as a cash deposit. Guarantee is released as soon as the customs debt is settled or no longer exists.

#### **Import of an aircraft Hawker 900XP**

In connection with the intended import of a Hawker 900XP, the declarant must ask the customs office for customs procedures applicable to final consumption, goods can be released into suggested customs regime can be made only on permission.

The office issues a permit on the request specifying the conditions for authorization of the final use of the clearance, by which the goods are released for free circulation with favorable tariff treatment. According to Paragraph 293 of Commission Regulation (EHS) no. 2454/1993, the period of authorization is no longer than three years from the date on which the authorization takes effect, unless stipulated otherwise.

When importing goods the holder will follow the rules governing the declaration – the normal procedure. He will submit a written declaration with the permit and other documents required. It must be made on a form called the Administration Document, which corresponds to the official sample. It must be signed and should contain all the particulars in compliance with the rules governing the suggested customs regime. The method of

filling the forms is stipulated in Annex 2 to the Ministry of Finance Decree no. 419/2006. At such imports, attention should be paid especially to the completion of the lines:

1 DEKLARÁCIA	
IM	A
3 Tlačivo	4 Ložná hlava
1	1

Fig. 1 [Article. no. 1 – Declaration]

In the first subsection of the line, the IM character is used – declaration that is made on goods imported under the customs territory of any customs procedure ( other than trade with EZVO) or the declaration, which is made on goods imported into the customs territory of the Community in connection with trade between the two member countries. In the second subsection, code A was used – for standard customs declaration.

8 Prijemca Firma S.CH., s.r.o. Svinica 66 Bidovce 04445	9 Osoba zodpovedná za platobný 10 Prvá tr. ur. / Pos. kr. ods. 11 Kraj. obch. výj.
---	--

Fig. 2 [Article. no. 8 – Recipient]

This line sets out the name and the address, or name, surname and the permanent address and identification number of the consignee. The recipient is a person established or resident in the EU customs territory, which is contractor to a commercial contract for importing the goods. If a party is not known at the time of declaration or the recipient is a person lives resides outside the customs territory of the EU states, the destination address within the customs territory of the EU is given. As an identification number, the number of EORI is given or for persons-nonentrepreneurs, the personal identification number is stated.

14 Deklarant/zástupca Firma S.CH., s.r.o. Svinica 66 /1/ 04445 Bidovce	15 Krajina odoslania/vývozu 16 Krajina pôvodu
---	--

Fig. 3 [Article. no. 14 – Declarant/Representative]

This line states the business name and address or name, surname and permanent address and identification number of the declarant or his representative. As an identification number the EORI number is given, and for private persons, non-entrepreneurs, the personal identification number is stated. If the payer of value added tax on imported goods is not consistent with the declarant's person, under the identification number of the declarant the taxpayer's the identification number for value added tax shall be included.

15 Krajina odoslania/vývozu	15 Kód kraj. odosl./vývozu	17 Kód kraj. určenia
16 Krajina pôvodu	a) US b) SK	a) SK b) 8
	17 Krajina určenia	

Fig. 4 [Article. no. 15a – Code of the country/export]

This line shall be filled with the customs regime of free circulation, inward processing, temporary admission and re-processing under customs control.

15 Krajina odoslania/vývozu	15 Kód kraj. odosl./vývozu	17 Kód kraj. určenia
16 Krajina pôvodu	a) US b) SK	a) SK b) 8
	17 Krajina určenia	

Fig. 5 [Article. no. 17 – Code of the destination country]

Line 17a states the code of destination and section 17 b states the code of the region where the goods are consumed or where the goods fall under the customs procedure. These codes are listed in Annex 3.

18 Evid. údaj a štát registr. dopr. prostriedku pri odchode/prichode letecky Hawker 900XP	19 Kont. 0	20 Dodacie podmienky EXW Arkansas
21 Evid. údaj a štát registr. aktívneho dopr. prostriedku prekračujúceho hranice	22 Mena a celková fakturovaná suma US USD	22 Mena a celková fakturovaná suma USD 146670

Fig. 6 [Article. no. 18 – Registration number of the vehicle at departure / arrival]

Vehicle registration number is stated in the customs regime of free circulation, inward processing, temporary admission and reprocessing under customs control.

19 Kont. 0	20 Dodacie podmienky EXW Arkansas	22 Mena a celková fakturovaná suma US USD	23 Prepočítavaci kurz 1,323	24 Druh obchodu 1 1
---------------	--------------------------------------	--	--------------------------------	------------------------

Fig. 7 [Articles. no. 20 – Terms of delivery]

Delivery condition should always be specified in the invoice.

19 Kont. 0	20 Dodacie podmienky EXW Arkansas	22 Mena a celková fakturovaná suma US USD	23 Prepočítavaci kurz 1,323	24 Druh obchodu 1 1
---------------	--------------------------------------	--	--------------------------------	------------------------

Fig. 8 [Article. no. 22 –Currency and total invoiced price]

25 Druh dopravy na hranici 4	26 Druh dopravy vo vnútri 4	27 Miesto naloženia/vyloženia
29 Výstupný/vstupný colný úrad	30 Umiestnenie tovaru	

Fig. 9 [Article. no. 25 – Type of transport at border]

Single or double digit codes are used. Single digit codes are mandatory. The list of codes are in Annex 38 of Commission Regulation ( EHS ) 2454/1993- For air transport we used code 4.

25 Druh dopravy na hranici 4	26 Druh dopravy vo vnútri 4	27 Miesto naloženia/vyloženia
29 Výstupný/vstupný colný úrad	30 Umiestnenie tovaru	

Fig. 10 [Article. no. 26 – Type of transport inland]

Codes are used as in Line 25.

31 Náklad, kusy a opis tovaru	32 Č. pos. 1
-------------------------------	--------------

1 MF  
lietadlo Hawker 900XP  
ser.č. 9/N: MD1234  
v.č. MD-1234  
v.č. motora-L: S123456  
P: S123457

Fig. 11 [Article. no. 31 – packages and goods description]

The line states the number and type of goods, marks and numbers of the packages and exact description of goods, including their business name and specifications required for classification of goods in the Combined

Nomenclature subheading, i.e. technical description, chemical symbols, registration and serial number. The type of packaging is indicated in accordance with Commission Regulation ( EHS ) no. 2454/1993. Code NF is a non-packed, prepared, single unit.

32 Č. pol.	33 Kód tovaru	34 Kód kraj. pôvodu	35 Hrubá hmotnosť (kg)	36 Preferencia
1	88023000	US	12700	140

Fig. 12 [Article. no. 33 – Code of the goods]

In this line we fill 8 digits in accordance with the Combined Nomenclature, common customs tariff. The second subsection – 2 digits – we fill with accordance with national user tariff and customs code, according to the TARIC.

34 Kód kraj. pôvodu	35 Hrubá hmotnosť (kg)	36 Preferencia
US	12700	140

Fig. 13 [Article. no. 34 – Code of origin country]

The origin of goods provided for basic product information ( Made in ... ). The origin of goods is determined by the rules of origin. Preferential or not preferential rules of origin is the purpose of its use. Preferential rules can help determine specific treatment or not. In all other situation non- preferential rules of origin are applied.

34 Kód kraj. pôvodu	35 Hrubá hmotnosť (kg)	36 Preferencia
US	12700	140

Fig. 14 [Article. no. 36 – Preferences]

This line shall be filled only in case where special regulations are required in customs regime of free circulation, inward processing suspension system, temporary use and processing under customs control. It consists of three characters. The first character is for example 1 – tariff measures against third countries and the two characters for example 40 – special end use resulting from common customs tariff.

37 REŽIM	38 Vlastná hmotnosť (kg)
4000	12700

Fig. 15 [Article. 37 – Regime]

The line specifies the codes to further specify the customs procedure, which can be found in Annex 38. In the first subsection, four-digit codes are written. The first two digits represent the desired regime followed by a second two-digit code representing the previous regime. For example import of an aircraft coming from a third country ( US ), coupled with payment of duty and tax is regime 4000, where code 40 is the current release, which is not covered by the tax exemption, the tax free circulation and code 00 indicates that there is no previous action.

37 REŽIM	38 Vlastná hmotnosť (kg)	39 Kontingent
4000	12700	

Fig. 16 [ Article. no.40 –Summary declaration/ previous document]

Reference is made to the document which proves the status of the declared goods, status of the procedure or reference to a commercial document. For example „Z“ – represented the previous document, 380 – commercial invoice.

41 Dodat. merné jednotky	42 Cena za položku	43 Kód
1	14667070,00	1 CH

Fig. 17 [Article no. 41 – Supplementary units]

It is the figure in whole numbers, units of the common customs tariff subheading in the combined nomenclature. It is given with the accuracy of four decimal places.

41 Dodat. merné jednotky	42 Cena za položku	43 Kód
1	14667070,00	1 CH

Fig. 18 [Article. no. 42 – Price per item]

The paragraph states the invoiced price for the goods under paragraph no.31. The invoiced price shall not include costs for transportation, insurance, packing and handling if billed separately. The figure indicates the currency specified in paragraph no. 22 with the accuracy of three decimal places.

44 Osobitná záznamy predlož. dokladov osvojenia a povolenia	N380-MD-1234 38CD-118K520000Z000012 N990-K56411234567 Dopravné náklady D0600 - 3779,29
---	---

Fig. 19 [Article. no. 44 – Additional information, documents / certificates and permits]

The transportation costs, insurance, loading and handling in relation to transport imported goods from dispatch at the customs point of entry into the EU and the relevant code: transport D0600 – X, where X expresses the amount of the costs in euros. In addition to the code in the previous paragraph, one can also use codes: 3ZCD – certificate of import payment security, N380 – on presenting invoices, N990- on presenting permission.

Kód O. Z.	45 Oprava
	46 Štatistická hodnota
	11090000

Fig. 20 [Article. no. 46 – The statistical value]

The line states the statistical value of goods referred to paragraph no. 31. The statistical value of imported goods, the value of the goods at the place and time when the goods enter the territory of the Slovak republic. **Chyba! Nenašiel sa žiaden zdroj odkazov.**



47 Výpočet platieb	Druh	Základ na výmer. platby	Sadzba	Suma	SP
	A0011090000,00 B00				D
Spolu:					D

Fig. 21 [Article. no. 47 – Payment calculations]

The first column of this line shall be used as code for example A00 – customs duties on industrial products. The last column gives the method of payment. Member states use different codes, which are listed in Annex. Among these we include codes and code D- other, which characterizes direct payment from the cash account of the declarant.

Odstaňok pečiatky: 5.3.2012	54 Miesto a dátum: Košice 5.3.2012
Podpis, meno a priezvisko deklaranta/zástupcu: konateľ Firma S.CH., s.r.o. Svetlana Chuchútová	
klad 20 295 1 500 P. O. Box 179, 830 00 Bratislava 3, odbor tel.: 02/83 41 61 79-9, www.sev.sk	

Fig. 22 [Article. no. 54 – Place and date]

It is a place, date, signature, name and surname of the declarant / representative. The customs Office accepts the written declaration submitted by a legal person, then it verified and the declarant and the documents submitted.

Upon the decision made within the customs clearance procedure, the Hawker 900XP is allowed to the suggested customs regime.

#### 4 CONCLUSION

On entering the European Union, the Slovak Republic has accepted the laws and regulations of the Union, however, time is needed until the society, weather professional or public gets accustomed and becomes

willing to accept the new European law. Small European countries have become part one of the great and important markets of the world. Foreign international trade plays a key role from the theoretical but more importantly from practical point of view as several thousands of the commercial transactions are being made every day.

With all that in mind, we found it important to focus on the customs clearance procedure which is directly connected with foreign trade.

#### BIBLIOGRAPHY

- [1] PRIEVOZNÍKOVÁ, Karin: Colné právo. Tlma: Knihné centrum, vydavateľstvo, 2008. 147 s. ISBN 978-80-8064-319-5
- [2] KRÁLIK, Jozef – JAKUBOVIČ, Daniel: Finančné právo. Bratislava: Vydavateľstvo SAV, 2004. 725 s. ISBN 80-224-0804-2
- [3] KUBINCOVÁ, Soňa: Dane, poplatky, clo a ďalšie povinné platby (vymedzenie pojmov a právna úprava). Banská Bystrica: Univerzita Mateja Bela, Právnická fakulta, 2009. 328 s. ISBN 978-80-8083-911-6
- [4] Zákon č. 199/2004 Z. z. Colný zákon a o zmene a doplnení niektorých zákonov
- [5] Zákon č. 333/2011 Z. z. o orgánoch štátnej správy v oblasti dani, poplatkov a colníctva

#### AUTHORS' ADDRESSES

Chuchútová Svetlana, Ing.,  
e-mail: svetlanachuchutova@gmail.com

Socha Luboš, Ing. PhD., PhD.  
Department of Air Traffic Management,  
Faculty of Aeronautics  
Technical University in Košice  
Rampová 7, 041 21 Košice, Slovakia  
e-mail: lubos.socha@tuke.sk