

Case

Dutch Trade is a trading company in Utrecht that buys and sells goods throughout the world. A large part of these goods are transferred to the Netherlands. Transport takes place both by ship and by air.

The sea-going vessel 'Deepsea' has arrived at the port of Rotterdam. The ship has loaded goods from various third countries. After the completion of formalities, including the presentation of the goods to customs, the following goods are discharged in Rotterdam:

- 500 cartons textiles: the textile originates from Uganda. Uganda is an GSP-country (APS). After storage in the temporary storage facilities (STS) the textile is transferred to the private customs warehouse in Eindhoven. After storage at this customs warehouse, the textiles are brought into free circulation of the Union.
- 1000 cartons American overalls: These are produced in the United States of America (Cotton). In the overalls a special strong textile fiber has been processed so that the overalls can be used in forestry, for example. These fibers have been supplied to the producer by a company in the Netherlands. The main part of the overall is, however, of cotton and therefore they are being considered as a cotton overall. The overalls are brought into free circulation in Rotterdam after unloading. In addition, the full amount of import duty does not have to be paid. When the special textile fiber in the Netherlands received the US destination, it was already known that at the import of the overalls in the Union not the full amount of import duty would be paid.
- 500 cartons sports shoes: these sports shoes must be outfitted with a special insole in the Netherlands. After this upgrade the goods will be returned to the US. The import duty rate of the shoes is 8%.

Some of the goods loaded into the ship will be unloaded in Rotterdam. Another part is intended for unloading in the ports of Hamburg (Germany) and Moermansk (Russia). Rotterdam is the first port arrival in the Union of the ship. All goods are stored in a space for temporary storage (RTO) pending the final destination.

Questions:

1. How (by what message or document) will customs obtain the first information regarding the goods loaded in the ship when the ship sails to Rotterdam?
(2 points)

With the Entry summary declaration (ENS)

2. Can a ship entering the Union to unload goods go to any Dutch port as they choose? Motivate the answer.
(2 points)

No (0) , this must be done via a designated waterway (2)

Also correct is: No, the ship can only sail to a designated port..

3. What is meant by “presenting of the goods to customs” after the ship has entered the port of Rotterdam? How should this be done?
(4 points)

This is the notification to customs of arrival of the ship / arrival of the goods. It has to be done electronically.

4. Which customs procedure will be applied to the special textile fiber when it was transferred to the US?
(3 points)

The special procedure Outward processing.

5. Indicate why for the 1000 cartons overalls, when released for free circulation not the full tax (import duties) has to be paid.
(3 points)

Because these duties are exempt (2) for the EU part (the fabric that has been delivered) from which the overalls were made (1)

6. Which customs procedure can best be chosen after storage in the STS for the shoes that will be outfitted with a special insole in the Netherlands? Motivate the answer.
(4 points)

The special procedure Inward processing (2) the shoes will be taken outside the Union after the insole has been fitted (2) and no import duty for the shoes has to be paid under this procedure (2).

At Schiphol International Airport, an airplane from South Korea arrived. On board are the following goods for Dutch Trade:

- 10 cartons laboratory material: This laboratory material is released for free circulation after unloading at the airport. In addition, import duty must be paid.
- 3 cartons fine tools: these 3 cartons are first stored in a private customs warehouse in Heerlen (NL). After storage at the customs warehouse, the 3 cartons are transported by truck to Switzerland. The tools are brought to the place of destination in the middle of Switzerland. After arriving in Switzerland the 3 cartons tools are brought into free circulation of Switzerland.
The warehousekeeper has all the necessary permits for the use of simplified procedures to operate his customs warehouse and for the customs procedure for transit.

For the 10 cartons of laboratory material, the following information applies to the determination of the customs value:

- The invoice value is: € 55,000, -
- Delivery Condition: FCA Incheon International Airport (South Korea)
- Freight and insurance until entry Union: € 750, -
- Freight costs for the route inside the customs territory of the Union: € 150, -
- Discount for cash: 3% of the invoice price.

7. Which customs status will the goods have according to customs upon arrival of the aircraft at Schiphol Airport and why? Motivate your answer.
(3 points)

Non Uniongoods, because the goods arrived from a third country.

8. In what way can or should the customs declaration be made to bring the 10 cartons of laboratory material into free circulation of the Union? Note: There is no special situation and no simplification is used. In the case of an incorrect way, points are deducted!
(2 points)

By Electronic means.

9. Calculate the customs value of the 10 cartons of laboratory material.
(8 points)

Invoiceprice	€ 55000,00
Discount 3 % (1)	€ 1650,00 -/- (2)
Real payable price:	€ 53350,00
To add:	
Freight and Insurance (1)	€ 750,00 +/- (2)
Customs Value:	€ 54100,00 (2)

10. A customs declaration will be made for the transport of the 3 cartons of fine instruments to Switzerland (note: this is not a Carnet TIR). Is a new transit declaration needed for the transport within Switzerland after entry into Switzerland? Motivate the answer.
(3 points)

No (0), the transit procedure is also valid in Switzerland (3)

Also right: in Switzerland common transit will be used(because that's how the transport started in Maastricht).

"From the moment the goods cross the border into Switzerland, the Common Transit procedure applies"

11. How can customs determine the status of the goods during transit (transport)?
(2 points)

On the Transit Accompanying Document (TAD) the code T1 is mentioned.

12. Should the fine instrumentation be first presented to a customsoffice in order to make the declaration for the transit procedure to be able to transfer these goods to Switzerland? Motivate the answer.
(3 points)

No (0), the keeper of the customs warehouse has a license for all simplifications that are necessary (1), so also for the authorized consignor (2) with which presentation of the goods is done electronically.

Multiple choice questions

1. Should an official document always be used to show the origin of the 500 cartons of textiles from Uganda when they are brought into free circulation with a preferential tariff?
(2 points)
 - a. Yes, that should always be a EUR-1
 - b. Yes, that should always be a form A.
 - c. The origin need not to be shown
 - d. No, if the value of the shipment is less than € 6000.00, you can also use an invoice declaration.
2. What kind of transit method is used for the transit of the textile (non-Uniongoods) from Rotterdam to Eindhoven?
(2 points)
 - a. Internal Union transit procedure
 - b. External Union transit procedure
 - c. TIR transport
 - d. Common transit
3. How should the declaration be made for the transit procedure (in the normal situation) to transport the textile (non-Uniongoods) from Rotterdam to Eindhoven?
(2 points)
 - a. In writing
 - b. Optional in writing or electronically
 - c. Electronic
 - d. There is no need to do a declaration
4. In what period should the transport of 500 cartons textiles (non-Union goods) be done from Rotterdam to Eindhoven?
(2 points)
 - a. No deadline has been set
 - b. Within the month in which the declaration has been made
 - c. The transport must be terminated within 1 day
 - d. Within the period specified in the declaration
5. Which of the following storage locations is no customs procedure?
(2 points)
 - a. Public customs warehouse type II
 - b. Space for temporary storage (STS)
 - c. Private customs warehouse
 - d. All 3 of the aforementioned answer options are a customs regulation

6. Choose the best option: A Customs warehouse procedure, (2 points)
- a. Can only be terminated (finished) by putting the goods into free circulation
 - b. Does not have to be terminated
 - c. Can only be terminated by re-exporting the goods
 - d. Must be terminated by placing the goods under a new customs procedure or re-exporting the goods
7. In case of using a preferential tariff which allows the use of this tariff for both the Union and the exporting country and if the value of the goods exceeds € 6.000,00, In what way should the origin of goods be proven, (2 points)
- a. This can always be done with a EUR. 1
 - b. This can always be done with a EUR-1 and an invoice declaration
 - c. This can be done with a EUR -1 or with an invoice declaration if the exporter is a Registered Exporter (license)
 - d. This can Always be done with a Form. A
8. Which of the following taxes is not an import duty? (2 points)
- a. Value added tax (VAT)
 - b. Anti-dumping duty
 - c. Agricultural levy
 - d. Compensatory levy
9. For which of the following summaries is a licence needed for the customs procedures mentioned in order to apply that customs procedure? (No need to take into account the electronic sign-up license.) (2 points)
- a. Bring into free circulation and export
 - b. Customs warehouse and inward processing
 - c. Export and outward processing
 - d. Bring into free circulation and temporary importation
10. If a customs declaration for release for free circulation is submitted by a customs agent to customs and that customs agent acts as a direct representative, who is responsible for the accuracy (correctness) of the declaration? (2 points)
- a. The customs agent because he lodged the declaration
 - b. The client because he gives the assignment
 - c. The exporter of the goods in the third country because they know what goods it are
 - d. The customs because they have to check the declaration

11. A binding tariff information (BTI) serves to:
(2 points)

- a. knowing which goods code applies to particular goods
- b. knowing what rate is applicable for the calculation of import duties
- c. fix the tariff for the calculation of import duties for a longer period of time
- d. apply a preferential rate.

12. If samples of inconsiderable value are brought into free circulation of the Union then:
(2 points)

- a. Reimbursement of import duty can be granted if those samples are used
- b. These will be denied by customs
- c. Should the import duties simply be paid
- d. Exemption from import duties may be granted

13. An accepted customs declaration will:
(2 points)

- a. Always be checked by Customs before the goods are released
- b. Sometimes be checked by Customs before the goods are released
- c. Always be checked by Customs after the goods are released
- d. Never be checked by Customs after the goods are released

14. How long can goods be stored at maximum in a private customs warehouse?
(2 points)

- a. Unlimited
- b. Up to 1 year
- c. That is decided by Customs
- d. 90 days

15. At the time of lodging the declaration, the proof of origin is not yet available. The declarant will receive this proof of origin within a week. What can the declarant do in order to apply for the preferential tariff so that Customs already releases the goods for free circulation.
(2 points)

- a. This is not possible. You should simply apply the normal rate.
- b. This is not possible. The goods can never be released without proof of origin
- c. A simplified (incomplete) declaration can be made
- d. There can not be a declaration at all because Customs can not accept it.

16. If you classify (determine the goods code of) the machineparts, and you want to fill in the 1st and 2nd sections of Box 33 of the Single Administrative Document, which of the General rules for the interpretation of the Combined Nomenclature do you use? (Do not include any packaging in the reply).
(2 points)
- a. Only rule 1
 - b. Rules 1 and 6
 - c. No classification rules
 - d. Only rule 6
17. If a customs declaration is submitted to customs for bringing goods into free circulation then:
(2 points)
- a. customs must always accept the declaration
 - b. Customs will not process the declaration until it is accepted
 - c. If the customs clearance is to be carried out, the customs declaration will only be processed when there will be an examination of the declaration
 - d. the goods are released immediately after lodging the declaration
18. How long can goods be stored at a maximum in a System for Temporary Storage (STS)?
(2 points)
- a. Unlimited
 - b. 1 year
 - c. 90 days
 - d. That decides Customs
19. The American overalls of cotton produced with the textile fibers from the Netherlands to be worn by men have to be classified in TARIC code:
(2 points)
- a. 6203 42 51 00
 - b. 6204 62 51 00
 - c. 6203 42 59 00
 - d. 6203 19 10 00
20. Which of the following countries is not a memberstate of the Union:
(2 points)
- a. Latvia
 - b. Hungary
 - c. Norway
 - d. Greece

21. The Union Customs Code (DUC) is a:
(2 points)

- a. Directive
- b. Regulation
- c. Decision
- d. National law

22. Which order of procedures is correct:
(2 points)

- a. Choose customs procedure, make a temporary storage declaration (TSD), entry into the customs territory, report arrival,
- b. Entry into the customs territory, make temporary storage (TSD) declaration, choose customs procedure;
- c. Show the goods to Customs, submit summary declaration (ENS), choose customs procedure;
- d. Show the goods to customs, entry into the customs territory, temporary storage declaration (TSD), choose customs procedure

23. Union goods are:
(2 points)

- a. Always wholly obtained in the Union
- b. Always from a third country
- c. Always composed of goods that are wholly obtained in the Union and released for free circulation
- d. May be wholly obtained in the Union or originating from a third country and released for free circulation

24. Temporary Admission is:
(2 points)

- a. A special customs procedure
- b. Same as inward processing
- c. A special form of bring into free circulation
- d. No customs procedure

Filling exercise declaration

A shipment of car parts is released for free circulation. An electronic customs declaration will be made for this. This declaration will be made immediately after storage at a private customs warehouse in Zwolle. The customs warehouse's address is IJsselweg 306, 9945 DA Zwolle. You are employed by Car Parts NL BV and are requested to provide the information for making this declaration. You have the following information:

Goods:	65 boxes of car parts for air-conditioning units. These car parts are packed in 65 boxes each on an wooden floor pallet. The boxes are numbered as MXNL 1 to 65.
Country of origin:	Mexico
EORI number importer:	NL678905432
Name of importer:	Car Parts BV Industrial Road 60 9966 AK Zwolle
Delivery condition (Incoterm):	CIF Rotterdam
Price as shown on the invoice is	€ 20,000.00
Weight total shipment:	20,000 kg
Weight pallet and boxes:	500 kg
Date of entry into customs warehouse:	1 April 2017
Dossier number customs office:	CP 20160202

Fill in the following boxes in the Single Administrative Document of the table on the next page.

Assume that the declaration is done electronically and add:

- In the 2nd column if the subject must be filled in or not; and
- In the 3rd column, which entry you fill in, or why the box should not be filled in.

If a given data may be optional, but the data is well known, this must be completed.

NEW!!

When the (sub) box should be left empty, indicate the reason and choose from the following options:

- The (sub)section does not have to be completed according to the national matrix (no 'X' listed)**
- The (sub) box does not have to be filled in on the basis of a footnote at the national matrix.**
- The (sub) box does not have to be filled in because there is no code determined for completing the (sub) subject.**
- The (sub) box does not have to be filled in based on the text in Title II (Instructions for filling in the boxes) of the Explanatory Notes SAD**

Just mentioning the letter (A, B, C of D) is enough!

Box no.	Yes/No	What to fill in or reason why there is no need to be filled in	
1 (1st part)	Yes	IM	1 + 2
6	No	Not in matrix / option A	1 + 2
8 (text, no number)	No	Footnote 25. / option B	1 + 3
17a	Yes	NL	1 + 1
20th (2nd part)	Yes	Rotterdam	1 + 2
22 (1st part)	Yes	EUR	1 + 2
30	Yes	9945 DA 306	1 + 2
31	Yes	65 BX (2), numbered MXNL 1 t/m 65 (1), Carparts for airco's (1)	1 + 4
34a	Yes	MX	1 + 1
37 (1st part)	Yes	4071	1 + 4
40	Yes	Y-CLE-20170401-CP20160202	1 + 3

