

Case

Dutch Trade is a trading company in Utrecht that buys and sells goods throughout the world. A large part of these goods is 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 completion of formalities, including the presentation of the goods to customs, the following goods are discharged in Rotterdam:

- 500 cartons textiles: the textile is from Uganda. Uganda is an GSP-country (APS). After storage in the temporary storage facilities (RTO) 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 is being processed that comes from the Netherlands so that the overalls can be used in forestry, for example. Most of the overall is, however, of cotton and therefore they are 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 500 cartons sports shoes must be provided with a special insole in the Netherlands. Then the goods are returned to the US. The import duty rate of the shoes is 8%.

A portion 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 (with what message or document) will the customs obtain the first information regarding the goods loaded in the ship when the ship sails to Rotterdam?
(2 points)
2. Can a ship entering the Union to unload goods without delay go to any Dutch port? Motivate the answer.
(2 points)
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)

4. Which customs procedure will be applied to the special textile fiber when it was transferred to the US?
(3 points)
5. Indicate why for the 1000 cartons overalls, released for free circulation not the full tax (import duties) has to be paid.
(3 points)
6. Which customs procedure can best be chosen after storage in the RTO for the shoes that are provided in the Netherlands with a special insole? Motivate the answer.
(4 points)

On 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 instrumentation is brought to the place of destination in the middle of Switzerland. After arriving there the 3 cartons fine tools are brought into free circulation of Switzerland. The customs warehousekeeper has all the necessary permits for the application of simplified procedures for the use of 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 the goods will have according to customs upon arrival of the aircraft at Schiphol Airport and why? Motivate your answer.
(3 points)
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)

9. Calculate the customs value of the 10 cartons of laboratory material.
(8 points)
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). Should there be a new transit declaration needed within Switzerland for transit in Switzerland after entry into Switzerland? Motivate the answer.
(3 points)
11. How can customs see during transit (transport) what the customs status of the goods is?
(2 points)
12. Should the fine instrumentation be first presented to a customsoffice in order to make the declaration for the transit procedure in order to transfer these goods to Switzerland? Motivate the answer.
(3 points)

Multiple choice questions

1. Should always an official document 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 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 (RTO)
 - c. Private customs warehouse
 - d. All 3 of the aforementioned answer options are a customs regulation
6. 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 what way should the origin of goods be demonstrated for using a preferential tariff which allows both the Union and the exporting country and if the value of the goods exceeds € 6.000,00?
(2 points)
- a. Always with a EUR. 1
 - b. Can always be with a EUR-1 and an invoice declaration
 - c. Can have a license with a EUR -1 or an invoice declaration as the exporter is a Registered Exporter
 - d. Always 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. Which of the following summaries is a licence is 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. Prior to knowing which goods code applies to particular goods

- b. Prior to knowing what rate is applicable for the calculation of import duties
- c. To fix the tariff for the calculation of import duties for a longer period of time
- d. To apply a preferential rate.

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

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

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

- a. Always be checked by Customs before the goods are released
- b. Sometimes checked by Customs before the goods are released
- c. Always checked by Customs after the goods are released
- d. Never 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 and Customs already releases the goods for consumption.
(2 points)

- a. This is not possible. You should then 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 bring goods into free circulation than:
(2 points)
- a. Must customs 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. Are the goods released immediately after lodging the declaration
18. How long can goods be stored to maximum in a Tempory Storage Space (RTO)?
(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 (DWU) 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 (ATO), entry into the customs territory, report arrival,

- b. Entry into the customs territory, make temporary storage (ATO) 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 (ATO) declaration, 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 as 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 (Inco-term):	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.

Box no.	Yes/No	What to fill in or reason why there is no need to be filled in	
1 (1st part)			1 + 2
6			1 + 2
8 (text, no number)			1 + 3
17a			1 + 1
20th (2nd part)			1 + 2
22 (1st part)			1 + 2
30			1 + 2
31			1 + 4
34a			1 + 1
37 (1st part)			1 + 4
40			1 + 3

