

Instruction Manual on Outward Processing

Reviewed March 2015

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This Manual provides a guide to the interpretation of the law governing Outward Processing. This is set out in Council Regulation (EC) No. 2913/92 (the Customs Code) and Commission Regulation (EC) No. 2454/93 (the Implementing Provisions) and the Instruction should be read in conjunction with these Regulations.

The Outward Processing Guidelines for Traders may be accessed via the link below.

<http://www.revenue.ie/en/customs/leaflets/opguide.pdf>

Published by Customs Procedures Branch (Economic Procedures Section), Customs Division

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Definitions	

In the context of this Manual:

- “CAP” common agricultural policy.
- “Compensating Product” means the product resulting from the processing operations;
- “Customs approved treatment or use” means any use to which goods are put which is approved by Customs e.g. re-export, entry into warehouse or free zone, destruction, release for free circulation, entry to Inward Processing Procedure etc;
- “Customs Code” refers to EU Council Regulation 2913/92 establishing the Community Customs Code;

- “Implementing Provisions” refers to EU Commission Regulation 2454/93
- “import duties” means
 - charges having equivalent effect to Customs duties;
 - Customs duties;
 - import charges provided for under the common agricultural policy or under specific arrangements applicable to certain goods resulting from the processing of agricultural products;

- “processing operations” means anything from repacking and sorting to the most complicated manufacture;
- “release for free circulation” means released on to the community market for sale and consumption in the Community;
- “usual forms of handling” means such handling operations as are needed to ensure preservation of goods or to improve packaging or marketable quality and which, under Community rules, may be carried out in Customs warehouses and free zones. A list of such handling operations is contained in annex 72 to the Implementing Provisions;
- “Single Authorisation” means an Authorisation which will allow Community goods to avail of Outward Processing in more than one EU Member State.

1. Introduction

1.1 What is Outward Processing

Outward Processing (OP) is one of a number of procedures provided for in EU legislation which are referred to collectively as customs procedures with economic impact. It allows goods to be exported outside the EU for processing and then re-imported to the EU with relief granted from import duties on the basis of the content of EU goods in the final product. The processing which may be carried out can range from repacking or sorting of goods to the most complicated manufacturing.

1.2 How Outward Processing Works.

Under OP, relief can be claimed on Community goods when they are re-imported after processing outside the Community, provided evidence can be produced that the export goods were used to produce or are incorporated into the products being imported. There are two options for calculating the duty relief on the products being re-imported:

- added value method;
- duty differential method.

The trader has the option to decide which method to use - see paragraph 6 for further details.

2. Application for Authorisation

(Customs Code Articles 85 to 87 and 147 to 148; Implementing Provisions, Articles 497 to 508 and Annex 67).

2.1 Application Procedure

Application forms are available on the Revenue website at www.revenue.ie under “Customs” or can be obtained from Economic Procedures Section, Customs Division. All applications including those for renewal or amendment of existing Authorisations must be submitted in writing by the trader to that section.

The section will then carry out the following steps:

- check that all of the necessary information to process the application has been supplied by the trader;
- forward a copy of the application to the relevant Region/LCD with a request for a report on the suitability of the trader to use OP. A standard template for the report is provided – see appendix A;
- if approval on economic grounds is required, send a copy of the application to the Dept. of Enterprise, Trade and Employment or the Dept. of Agriculture, Fisheries and Food for consideration.

2.2 Region/LCD Report on New Applications

On receiving a copy of the application from Economic Procedures Section, the Region/LCD should contact the trader and arrange a meeting to examine the application and also to explain to the trader the obligations which must be fulfilled by anyone availing of OP. The precise nature of the processing operation, the accounting procedures used, the rate of yield and the approved means of identifying the Community goods in the compensation product must be examined. The importance of observing the authorised limits for quantities and values and the time limit for re-importation should be clearly pointed out during this meeting. It should be established that the trader has a copy of the Trader Guidelines on Outward Processing or has access to them on the Revenue website at www.revenue.ie. Where the trader is a company, a senior executive in charge should be consulted to ensure that management are aware of their obligations.

The report should then be completed including a recommendation as to whether or not the Authorisation should be granted. Additional notes may be attached if required. In complex cases the finalisation of the report may involve an additional visit to the trader. Details of all visits should be recorded on CRS. Where an SLA exists, between LCD and the Region, care should be taken to ensure the report is completed within the terms of the SLA. The completed report should be sent to Economic Procedures Section as soon as possible and, in this regard, it should be borne in mind that an Authorisation must generally issue within 30 days of receipt of the application.

2.3 Restrictions on the use of outward processing

(Customs Code Article 146).

Outward processing may not be used for Community goods:

- whose export gives rise to repayment or remission of import duties;
- which, prior to export, were released for free circulation wholly free of import duties by virtue of their end use, for as long as the conditions for granting such relief continue to apply;
- whose export gives rise to export refunds or other amounts under the Common Agricultural Policy or in respect of which a financial advantage other than such refunds is granted under the Common Agricultural Policy by virtue of such export.

3 Types of Authorisations

3.1 National Authorisation

A national Authorisation allows the holder to avail of OP in this State.

3.2 Single Authorisation

(Article 500 Implementing Provisions)

A single Authorisation may be issued which will allow Community goods to avail of OP in more than one Member State. An application for a single Authorisation on the standard application form is generally submitted in the Member State where the trader's main accounts are held.

All applications for single Authorisations in Ireland should be made to Economic Procedures Section, and will be referred to the relevant Region/LCD for a recommendation. The Region/LCD should complete a report on the application as at 2.2. Care should be taken to ensure that transfer arrangements between the different traders mentioned in the application are satisfactory to the Region/LCD. The Region/LCD should ensure that any controls required at a local level in any other Member State are clearly established at this stage.

On receipt of a positive recommendation from the Region/LCD, Economic Procedures Section prepares a draft Authorisation which is immediately copied to the authorities in the other Member State/s. This draft will include the controls required by the Region/LCD. Economic Procedures Section issues the Authorisation on receipt of agreement by the other Member States or after 30 days if no objections are received. Responsibility for control of the Authorisation rests with the Irish Administration. Bills of discharge and duty payments for processing in all of the Member States involved must be returned to the Region/LCD (if deemed necessary at the application stage) in which the trader is located unless otherwise agreed with Economic Procedures Section.

In the case of applications for single Authorisations in other Member States, the draft Authorisation is forwarded by the Member State to Economic Procedures Section. This draft is forwarded to the Region/LCD where the Irish trader is based. This draft should be examined in a timely fashion as the Authorisation may be issued by the other Member State if no objection is received within 30 days. The Region/LCD should contact the trader and arrange a meeting to examine the application and also to explain to the trader the obligations which must be fulfilled by anyone availing of OP. The precise nature of the processing operation, the accounting procedures used, the rate of yield and

the approved means of identifying the Community goods in the compensation product must be examined.

The Region/LCD may, if they consider it necessary, require that security be put in place with separate conditions agreed in respect of the Irish trader. However, responsibility for control of the Authorisation rests with the issuing Member State. The Region/LCD should liaise with the issuing Member State through Economic Procedures Section regarding any necessary controls. On receipt of a positive recommendation from the Region/LCD, Economic Procedures Section will inform the Member State that Ireland has no objection to the issuing of the Authorisation.

It is vitally important that direct contact between Revenue and any other administration involved in controlling a single Authorisation be initiated at the beginning and maintained throughout the lifetime of the Authorisation. Proper control cannot be achieved without this cornerstone being in place. This applies equally to Irish controlled Authorisations and those controlled from other member states.

3.3 Retrospective Authorisation

(Article 508 Implementing Provisions)

A retrospective Authorisation may be issued in exceptional circumstances. The period of retrospection, either for a new Authorisation or amendment to an existing Authorisation, may not extend beyond one year before the application for Authorisation or amendment was lodged. Such retrospective Authorisations are only possible where:

- there is no attempted deception or no negligence involved;
- the trader's accounts show that the conditions of the procedure can be met and;
- the situation of the import goods can be regularised including the invalidation of the relevant declarations.

All requests for retrospective Authorisation should be made to Economic Procedures Section, and will be referred to the relevant Region/LCD for recommendation.

3.4 Simplified Authorisation

(Implementing Provisions, Articles 497(3) and 499).

Traders who only occasionally enter goods to OP may opt for a simplified Authorisation in place of the standard Authorisation. This simplified procedure may be used for the following operations:

- processing operations concerning repairs, including standard exchange without prior importation see para. 8;
- release for free circulation after outward processing using the standard exchange system with prior importation;
- release for free circulation after outward processing using the standard exchange system without prior importation, where the existing Authorisation does not cover such a system and the customs authorities permit its modification;
- release for free circulation after outward processing if the processing operation concerns goods of a non-commercial nature;

For application to use the simplified procedure the declaration must be accompanied by a completed Form P02 – appendix B – which must be stamped by Revenue at the point of export and give the following information:

- the name and address of the applicant, the declarant and the operator;
- the trade and/or technical description of the goods and compensating products;
- the nature of the processing operation;
- the estimated time required to re-import the compensating products;
- the rate of yield or, where appropriate, the manner of calculating the rate of yield;
- the means of identification.

4. Issue of the Authorisation

4.1 Issue of a new Authorisation:-

When Economic Procedures Section has received all necessary reports and documentation, an Authorisation, based on the model in Annex 67 of the Implementing Provisions, is drawn up. Authorisations are generally valid for a period of three years from the date of receipt of the application.

The Region/LCD must deliver the Authorisation to the trader by hand. Before receiving the Authorisation the trader must accept and sign a standard set of conditions – appendix C - which specify the trader's responsibilities regarding the use of the Authorisation. A signed copy of the conditions must be returned to Economic Procedures Section, while the Region/LCD should retain a copy in the trader file.

In the case of newly authorised traders, when commercial activity begins, Regions/LCD should check to ensure that the quantities and values being declared for each tariff classification code are in accordance with the Authorisation.

4.2 Renewal of an Authorisation

Economic Procedures Section maintains a database of all current Authorisations. Each authorised trader is sent a renewal letter by the Unit three months in advance of the expiry of the Authorisation. When an application for renewal is received in Economic Procedures Section, it is checked for any changes from the previous Authorisation and if there are none a renewed Authorisation with a new number is issued directly to the trader. If there are any changes from the previous Authorisation the Region/LCD will be requested to examine the renewal application and provide a recommendation as to whether or not the renewal should be granted.

4.3 Amendment to an Authorisation

All requests for amendments to current Authorisations must be submitted to Economic Procedures Section who will forward the request to the Region/LCD for a recommendation. If the Region/LCD recommend the amendment, Economic Procedures Section will issue the amended Authorisation direct to the trader and a copy to the Region/LCD.

5. Entry of goods to the procedure

(Customs Code, Articles 58 to 76; Implementing Provisions, Articles 198 to 224 and Articles 260 to 276, Article 499 and Annex 38).

5.1 How are goods entered to OP

When entering goods to OP, the trader is required to do the following:

- The appropriate procedure code should be inserted in Box 37 of the SAD –(see AEP Traders Guide)
- The Authorisation number should be inserted in Box 44. A hard copy of the Authorisation need not be produced with each entry unless requested by a Revenue official;
- The invoice numbers or range of numbers should be inserted in Box 44;
- An invoice showing the total value and quantity of goods in the consignment must be available and retained by the trader;

Traders must retain copies of the import SADs and supporting documentation in their records for a period of three years from the end of the year in which the goods to which they relate are discharged from the procedure.

5.2 Automatic verification through AEP

Part of the recent redevelopment of the AEP system included introducing an automatic verification process for authorised OP traders. This process verifies a trader's eligibility to use a procedure code by cross-referencing their data against Authorisation data stored in CRS. Any deviation from the data included on a trader's Authorisation will result in AEP rejecting the entry. It is vital therefore that Economic Procedures Section are immediately made aware of any amendment needed to an Authorisation.

6. Discharge of goods from the procedure (Articles 520 to 521 Implementing Provisions)

6.1 How are goods discharged from OP

The discharge of goods from OP is regarded as complete when all conditions for use of the procedure have been complied with and the compensating products have been re-imported to the Community. A copy of the export declaration must be retained for possible inspection by Revenue officials. The declaration re-importing the goods to the Community must be accompanied by the following:

- an invoice for the compensating products
- a document setting out the duty relief claimed and how it was calculated;
- an INF2 form if the goods entered the procedure in another Member State;
- documentary evidence may be requested from the trader if physical means of identification of the temporarily exported goods in the compensating products is not possible.

6.2 Triangulation

Triangulation is the arrangement by which goods may be exported under OP from one Member State and re-imported in the form of compensating products into another Member State. Any application for this arrangement should be made by the trader on the standard application form. Where triangulation has been approved this fact will be indicated on the trader's Authorisation.

An information document INF-2 will be required as evidence that the goods were entered to OP in the exporting Member State when the goods are being re-imported in a different Member State. The form INF-2 will be certified by Customs on exportation and the original will be returned to the exporter who should forward it to the importer in the Member State of re-importation. If the customs authorities in the different Member States agree, other means of identifying the export products may be used.

6.3 Monitoring/Checking of Authorisations

It is accepted that the overall monetary risk is likely to be small, nevertheless in order to meet EU commitments it is important to verify entitlements to OP relief in relation to 10% of OP imports. These checks can be carried out as part of the post clearance-checking programme.

There are several aspects to an Authorisation, which must be monitored by the Region/LCD. These include:

- Ensuring that the terms and conditions are being adhered to,
- Ensuring that the quantities and values as identified in the Authorisation are not exceeded or likely to be exceeded. This should involve monitoring of bills of discharge on a regular basis. If quantities or values are exceeded, this may result in customs debts arising.
- Ensuring that only tariff codes included on the Authorisation are used.
- Ensuring that code 00100 is not used incorrectly in box 44 of the AEP entry. This code is only to be used in respect of a simplified Authorisation.
- Ensuring that an authorised trader with regular OP imports is subject to ordinary compliance checks at least once every six months. The level of detail that these compliance checks involve can be decided by the Region/LCD but should involve at least the four points above.

7. How is the duty calculated

(Customs Code, Articles 114(2)(e) and 115; Implementing Provisions, Articles 496(h), 541, 543 and 545)

7.1 Calculating Duty relief

There are two options for calculating duty relief for goods exported for processing under Outward Processing:

- Added value method
- Duty differential method.

The method to be used must be identified in the Authorisation. The trader has the option to decide which method they will use. However the added value method may not be used where the temporary export goods are not of Community origin and were originally released for Free Circulation at a zero rate of duty.

Added value method

Under this method duty is charged on the cost of processing the exported goods, and transporting the compensating products back to the EC. The duty rate applicable is the rate which applies to the compensating products. The costs are added to the value of the exported product, thereby coming to the total customs value of the compensating product. Duty is then charged on the difference between the total customs value and the value of the exported product.

Example: Material is exported to produce ladies skirts (compensating product). These skirts are liable to an 11% rate of customs duty. The value of the compensating products is based on materials, cost of process, freight and insurance.

Value of the material exported:	€8,000
Cost of process:	€3,000
Freight and insurance:	€657

Total customs value of the skirts:	€11,657
Added value on which duty is due:	€3,657
Duty @ 11%	€402

Duty differential method

Under this method duty relief is based on the hypothetical amount of duty, which would have been due on the exported goods. To use this method you must calculate the import duty on the full customs value of the compensating products and deduct from that figure the import duty which would have been payable on the exported goods, as if they had been imported at the same time and from the same country as the compensating product.

Example: The material exported to make the ladies skirts has a customs duty rate of 9%. The ladies skirts (compensating product) have a duty rate of 11%.

Duty on the value of the compensating product with costs included:

Value of the exported material:	€8,000
Cost of process:	€3,000
Freight and insurance:	€657
Total customs value of the skirts:	€11,657
Duty on total customs value of compensating product @11% (a)	€1,282
Duty applicable to the goods to be processed:	
Value of the material exported:	€8,000
Duty deductible on that material @ 9% (b)	€720
Net duty payable: (a-b)	€562

7.2 Repairs free of charge

(Customs Code, Article 152)

Where the processing operation outside of the Community involves the repair of an item, and the repair is carried out free of charge because of contractual or legal reasons arising from a guarantee, or because of a manufacturing fault, the repaired item may be released for free circulation totally free of import duties provided account was not taken of the fault when the item was originally released for free circulation.

7.3 Charges that are not deductible

In determining the amount to be deducted certain charges may not be taken into account. These charges are anti-dumping duties, compensatory duties, monetary compensatory amounts or additional amounts provided for in the various CAP sectors. Where such charges apply contact Economic Procedures Section for advice.

8. Standard Exchange

(Customs Code, Articles 154 and 155, Implementing Provisions, Article 497)

Where the processing operation involves the repair of Community goods, traders can avail of a procedure called Standard Exchange. Under this procedure the goods, which are exported for repair, are not, in fact, re-imported in the form of compensating products. Instead replacement goods, equivalent to the exported goods are imported and given the benefit of OP relief as if they were the compensating products themselves.

Any use of the Standard Exchange facility must be approved in advance by the Region/LCD and should normally be applied for at the time of application for OP. Where Standard Exchange has been approved it will be noted by Economic Procedures Section on the trader's Authorisation.

The following conditions apply to any approval for Standard Exchange:

- the exported goods cannot be covered by the common agricultural policy or have resulted from the processing of agricultural products;
- the replacement goods must fall within the same sub-heading of the Common Customs Tariff as the exported goods;
- the replacement goods must be of the same commercial quality and have the same technical characteristics as the exported goods if the latter had undergone the repair in question;
- where the exported goods were used before export, the replacements must also have been used and may not be new products. However, compliance with this rule is not necessary when the replacement has been supplied free of charge, under guarantee or because of a manufacturing defect.

8.1 Standard Exchange with prior importation

(Customs Code Article 154(4))

Prior importation is an extension of Standard Exchange where the replacement goods are imported before the exportation of the defective goods intended for repair. Use of the prior importation facility must be approved in advance by the Region/LCD and will be noted on the trader's Authorisation by Economic Procedures Section. Approval to use prior importation is subject to the provision of security by the trader. Normally a deposit of the customs duty on the replacement goods should be requested by the Region/LCD as security until such time as the defective goods are exported.

9. OP and Inward Processing

(Customs Code, Article 123)

Goods held under the Inward Processing procedure may be exported under OP for further processing and re-imported to Inward Processing on their return. If the goods are re-imported to Inward Processing suspension there will be no duty payable on the returned goods. If the goods are re-imported to IP drawback any duty due on the returned goods must be paid at the point of entry and a refund will only be due if and when the finished goods are exported. Any trader wishing to export Inward Processing goods under OP must be authorised for both procedures under the standard application procedure.

10 OP and End Use:

Where temporarily exported goods could qualify on release for free circulation for a reduced or zero rate of duty by virtue of a particular end-use, that rate must be taken into account when calculating the amount to be deducted in accordance with para.7 provided that the goods underwent operations consistent with such an end use in the country where the processing operation, or last such operation, took place.

11. OP for certain textile products

Council Regulation (EC) No. 3036/94 provides for a special arrangement known as Outward Processing for textiles. This applies to the outward processing of textile products and clothing listed in Chapters 50 to 63 of the Common Customs Tariff which are normally subject to quota or other restrictions on importation from countries outside the Community. Under the arrangement goods may be exported from the Community to certain third countries for processing and subsequent re-importation in the form of specified compensating products. The importation of such products is subject to quantitative limits, which are fixed annually by the Commission.

The benefit of outward processing for textiles is given by means of a prior Authorisation to applicants who meet the conditions laid down in the above Regulation. Applications must be submitted to Economic Procedures Section, Customs Division. The application is then forwarded to the Department of Enterprise, Trade and Employment for approval. Subject to the approval of the Department Economic Procedures Section will issue the Authorisation directly to the trader and send a copy to the Region/LCD for information. Any enquiries regarding this special procedure should be directed to Economic Procedures Section.

APPENDIX A

Report on outward Processing

TO BE PROVIDED IN ACCORDANCE WITH
ARTICLE 86 OF COUNCIL REGULATION 2913/92

(To be completed and returned to Economic Procedures Section, Customs Division, Revenue Commissioners, St. Conlon's Road, Nenagh, Co. Tipperary.)

FILE REFERENCE: _____

Name and Address of Trader:

Registered Address:
(if different)

TAN No.: _____

Does the Trader hold a VAT 13(b) Authorisation? _____

Is the Trader in possession of notice: Outward Processing Guidelines for Traders? _____

Date of Visit(s): _____

(1) Name and Address of Operator(s):

Vat No.: _____

(2) (a) Are fiscal goods involved? _____

(b) Are warehoused goods involved? _____

(c) Are CAP goods involved? _____

If so, state tariff headings of the
Compensating product. _____

(3) Is trader already under audit? _____

If so, in what context? _____

(4) Has the trader applied for any special procedures? _____

Do bona fide arrangements for these procedures exist? _____

(5) What is the nature of the processing operations? _____

(6) Are the accounts and documentation satisfactory? _____

(See note 1)

(7) What approved means of identification is proposed? _____

(8) Where will the processing be carried out? _____

(9) If Standard Exchange with prior importation is required:

(a) What time period is required to subsequently export the defective goods?

(The specified time limit is usually within two months)

(b) What is the amount of the bond penalty recommended? _____

(c) Is a cover note proposed as temporary security pending execution of the bond?

Name of Approved Guarantee Society _____

(10) Is triangulation envisaged? _____

If so, name the importer authorised to enter the goods? _____

Place where goods are to be imported: _____

Customs authority empowered to check on import goods: _____

(11) Are you in agreement with the “rate of yield” as stated on Annex 2 of the traders application form? _____

If not, please agree rates of yield and report to Economic Procedures Section accordingly.
(See note 2)

(12) What time period is required to process and re-import the goods?

(13) Does the trader have a satisfactory record in complying with Revenue requirements?

(14) Does the trader intend to enter goods or products for the procedure pending issue of the Authorisation? _____

(15) What is the current address for each of the following responsible customs offices:

(a) Supervising Revenue office:

(b) Office(s) of entry for the procedure:

(c) Office(s) of discharge:

(16) Are there any special control arrangements envisaged? _____

(Please give details)

(17) At entry to or discharge from the arrangements, are the goods transferring to or from other Authorisation holders? _____

Name/s of other holder/s _____

(18) Has the trader been approved for any simplified procedures?

If so, please give details:

(19) Has the trader given ten-digit codes for the goods to be processed and compensating products? _____

If there is any doubt as to the correct classification then BTI's should be obtained.

(20) Has the trader provided an undertaking allowing Revenue right of entry to any transferee's premises? _____

If not, please request undertaking.

(21) Are there any other observations relevant to this matter which have come to light as a result of the Officer's enquiries? _____

(22) Officer's Recommendation:

NAME
(BLOCK CAPITALS)



SIGNATURE

REGION/LCD STAMP

Note 1
(Implementing Provisions, Articles 515 and 516)

All traders applying for OP must keep accounts containing the following information:

- the information contained in the boxes of the minimum list laid down by Annex 37 for the declaration of entry for the arrangements;
- particulars of the declarations by means of which the goods are assigned a customs-approved treatment or use discharging the arrangements;
- the date and reference particulars of other customs documents and any other documents relating to entry and discharge;
- the nature of the processing operations, types of handling or temporary use;
- the rate of yield or its method of calculation where appropriate;
- information enabling the goods to be monitored including their location and particulars of any transfer;
- commercial or technical descriptions necessary to identify the goods.

The Region/LCD may waive the requirement of any of the above where this does not adversely affect the control or supervision of the procedure.

Note 2
(Implementing Provisions, Article 517 to 518)

The rate of yield is defined as the quantity of compensating products obtained from the processing of a given quantity of export goods. The Region/LCD, in agreeing the rate of yield with the trader, should be guided by the processing schedules provided and by reference to the actual conditions under which the processing, leading to production of the compensating products, will be carried out.

In any case of doubt regarding the rate of yield, sampling of the compensating product to confirm composition should be considered. Economic Procedures Section may be contacted for further information or advice in this regard.

OUTWARD PROCESSING

FORM PO2

Application for simplified procedure – goods for repair – Article 497 Regulation (EEC) No. 2454/93


PLEASE NOTE:

**TRADERS
COPY**

1. Application must be made prior to the exportation of the goods.
2. This form must be accompanied by a SAD export declaration.
3. All questions relevant to the transaction must be answered.
4. Under no circumstances will a retroactive Authorisation be issued.
5. Use of this form is not obligatory; a trader may submit any alternative document provided it contains the necessary information.

Q1	Name of Applicant: _____ Address: _____ _____ _____	Q4	State Nature of Process/Repair: _____ _____ _____ Estimate Cost (If any) € _____
Q2	Trade and/or Technical Description of the Compensating Product: _____ _____ _____ Tariff Code Number: _____	Q5	Rate of Yield: _____ _____
Q3	Suggested Means of Identification: _____ _____ _____ _____	Q6	Expected Date of Re-Importation: _____ / _____ / _____.
			Signature of Applicant: _____ Status in Firm: _____ Date: _____ / _____ / _____.

FOR OFFICIAL USE ONLY

Serial No: <input style="width: 100px; height: 20px;" type="text"/> This Authorisation is valid only for the goods declared for export on the accompanying SAD declaration and is granted subject to acceptance of and compliance with the conditions relating to outward processing as provided for in the Community Customs Code.	Goods Exported: <input style="width: 50px; height: 20px;" type="text"/> Yes Details of Export: _____ _____ _____ <input style="width: 50px; height: 20px;" type="text"/> No Indicate Reason: _____ _____ _____	Signature of Officer: _____ Date: _____ / _____ / _____. <div style="text-align: right;">  </div>
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APPENDIX C

GENERAL CONDITIONS TO BE OBSERVED BY PERSONS AUTHORISED TO ENGAGE IN OUTWARD PROCESSING AND/OR STANDARD EXCHANGE.

Note: Where a standard exchange arrangement has been authorised, this fact will be indicated at item 18 on the Authorisation. In such circumstances, references in the conditions below to compensating products should be construed as references to the replacement goods, the conditions applying mutatis mutandis.

1. The Authorisation is issued by the Revenue Commissioners and may be revoked for non-compliance with Community Legislation governing Outward Processing.
2. Where necessary the Authorisation is issued in accordance with a recommendation made by the Department of Agriculture, Fisheries and Food or the Department of Enterprise, Trade and Employment and remains in effect only as long as that recommendation continues.
3. The Authorisation does not relieve the importer from compliance with the law and regulations for the time being in force relating to the importation, exportation, warehousing or entry for free circulation of goods.
4. The holder of the Authorisation is responsible for ensuring that the tariff code numbers quoted thereon are correct.
5. Each consignment of goods exported under the arrangement must be entered to Customs on the appropriate export declaration (SAD), together with any licence(s) details which may be required or on the Automated Entry Processing (AEP) System completed in accordance with the AEP Trader Guide. In addition to the normal particulars required by the procedure, the export declaration should be endorsed as follows:
 - (a) where the exported goods are in free circulation in the Community - "For Outward Processing".
 - (b) where the export goods are held under an IP (suspension) arrangement in the Community - "IP goods for Outward Processing". In addition, the invoice/serial number of the export consignment as shown in the Authorisation holder's accounts must be inserted. Care should be taken to ensure that the correct procedure code is inserted in box 37 of the form.
6. Where goods exported under the arrangement are despatched by post, a certificate of posting on Form Cu 116 must be lodged with Customs.
7. The Authorisation details must be input to AEP together with the commercial invoice or other specification of the goods, at the time of exportation.
8. On re-importation, if OP relief is to be granted, it must be possible to establish that the export goods have been incorporated in the compensating products. The identification method to be used is set out at item 12 of the Authorisation and care must be taken that the identification arrangements specified are fulfilled.

9. Each consignment of compensating products must be input to AEP together with the Authorisation details and details of any other requisite documents. In addition to the normal particulars required by the procedure, the import declaration should be endorsed as follows:
- (a) where the compensating products are derived from export goods which were in free circulation in the Community:
 - if entered for free circulation or warehousing "Goods after outward processing"
 - if entered for inward processing: "Goods after outward processing for inward processing";
 - (b) where the exported goods were held under inward processing (suspension) arrangement in the Community:
 - if entered for free circulation or warehousing, to be endorsed "Inward processing goods after outward processing"
 - if entered for inward processing, to be endorsed "Inward processing goods after outward processing for inward processing". Care should be taken to ensure that the correct procedure code is inserted in box 37 of the form.
10. In the case of parcel post importations, parcels containing compensating products resulting from processing operations should have a sender's declaration endorsed "Imported after process in (name of country)"; parcels containing goods which have been repaired or replaced should have a sender's declaration endorsed "OP relief claimed".
11. Any claim that temporarily exported goods have been repaired free of charge, either for contractual or legal reasons arising from a guarantee or because of the existence of a manufacturing fault, requires that a copy of the relevant contract or other documentary proof be available for possible post clearance check.
12. Where ownership of the export goods or compensating products is transferred the outward processing arrangement may continue to apply. However, in such circumstances the compensating products must be declared for free circulation by the holder of the Authorisation or on his behalf.
13. All books, documents and accounts relating to any transaction carried out under the Authorisation must be retained by the person engaged in such transaction for a period of at least three years from the date on which the compensating products are imported and must be made available for inspection by any Revenue Official.
14. The Authorisation holder is responsible for ensuring that s/he complies with the provisions for the time being in force in relation to the payment of Value Added Tax.
15. Samples of goods temporarily exported under the arrangement and of any compensating products deriving therefrom must be furnished to any Revenue Official on demand..
16. Any guarantee considered necessary by the Revenue Commissioners to ensure compliance with outward processing legislation or these conditions, in the form of a general bond or alternative security, must be provided by the holder of the Authorisation if so required.
17. The Commissioners reserve the right to vary or add to the conditions set out above.

I/We _____

(Name in block letters)

hereby certify that the conditions set out above are accepted and I/we undertake to comply with them.

Signed * _____

Designation of Signatory:

on behalf of _____

(Name of holder of the Authorisation)

Date: _____

- * In the case of an individual the signatory should be the holder of the Authorisation. In the case of a limited company the signatory should be the Secretary or Managing Director . In the case of other traders the signatory should be the owner or partner