

POSITION PAPER

IMPORTS FROM THIRD COUNTRIES (OUTSIDE E.U.)  
TO BE DELIVERED INTO THE E.U. TERRITORY

A. THE PRESENT SITUATION

A.1. Household goods removals, coming from countries outside the E.U.:

- are admitted free of any customs duty or tax (other than excise duties) if the final destination is the new main residence of the importer
- can be assessed for excise duties and VAT on the total value of the goods moved at the rate applying in the country of first import, if the final destination is to be a secondary residence.

A.2. Customs formalities linked with the residence:

- In the United Kingdom, the importer does not have to prove this when his household goods are imported. He merely makes a declaration of what the goods comprise on the appropriate official customs import form.
- On the continent, proof of actual change of residence must be shown in advance to customs authorities (by showing certificate of residence or another official document proving the change of main residence).

A.3. How is the import dealt with ?

- In the UK (and Ireland), a removal is customs cleared using a single document, whether the final destination is within the UK (or Ireland), or elsewhere in the E.U.. For moves to a principal residence, a UK C3 customs declaration form is completed. For moves to a secondary residence, a UK C33 form is required.

Neither the C3 nor the C33 requires the delivery address to be specified. The importer has to write an address in the UK under his signature, but this may be a temporary address.

The customs authorities are mainly concerned that the goods qualify for duty free admission, and do not include prohibited items. Goods imported on a C3 may be liable to excise duty.

If the delivery to the destination address, whether in the UK or elsewhere in the EU, is part of a door-to-door-move originating outside the E.U., no VAT is charged on that delivery service.

- If the same import move is shipped to a port in continental Europe, the owner of the goods must show proof of change of residence and where the new residence is, which obviously makes things more complicated, especially if the destination is in another EU country. Clearance may be delayed until all documentation is in order, and this makes clearance of groupage containers particularly difficult.

Furthermore, for shipments arriving in France from outside the EU, all transport and moving services in France will have to be charged with the French VAT, whether it is a door-to-door move or not.

#### A. 4. Distortion in competition

- The present very liberal system in the U.K. favours English operators.
- Many shipments coming from the United States, particularly shipments where several consignments are grouped into the same container, and are to be delivered to other member states of the E.U., are diverted and customs cleared in the U.K.  
This means a loss of traffic for continental operators.

#### B. REVIEW OF THE PRESENT REGULATION

B.1. The present regulation (EEC 918/83) is under review. The Commission proposed in COM (94)232 (9/6/1994) in Article 116:

- "1. Where relief from import duties is dependent upon the goods being put to a particular use, then the customs authorities who may grant this relief shall be those of the Member State where the goods are to be used.
2. *Those authorities shall take all the appropriate measures to ensure that these goods are not to be used for other purposes without the appropriate import duties being paid, unless such alternative use is in conformity with the conditions laid down by this regulation."*

B.2. The working party for economic affairs of the Council agreed to delete this Article 116 so that the importer can freely choose where he wishes to carry out the formalities and provided prior agreement by the country of destination. Article 4 of the above mentioned regulation as amended by the working party reads:

"Personal property imported by natural persons transferring their normal place of residence to the customs territory of the community shall be admitted free of import duty subject to the authorisation by the customs authorities of the Member State (to the territory of which they intend to transfer their residence)".

This essentially applies the „continental“ system of proof of change of residence to the whole community.

B.3. However recognising that household goods are frequently imported in the first instance into a country other than the country of final destination, the European Parliament proposed instead keeping Article 116 but with the following wording:

"1. „Where relief from import duties is dependent upon the goods being put to a particular use, the customs authorities shall notify the customs authorities of the Member State where the goods are to be used so as to enable them to check that the goods are put to this stated use."

The more flexible approach of the European Parliament would result in possible checks by the country of destination, as well as to take the necessary measures in order to combat possible defrauders. This essentially applies the UK approach to the whole community and will be proposed by the commission to the council.

It will then rest with the Council of Ministers to make the final decision.

C. THE AIMS OF THE MOVING INDUSTRY

The moving industry, which has always been customer oriented, concentrates its efforts on providing a better service at a lower cost. This means:

- To give customers the freedom of choice with regard to where the goods are imported into the E.U. and the timing and means of further transportation.
- To have the same operating conditions throughout Europe.

On the other hand, the industry recognises the need to safeguard legitimate national interests and will cooperate to the best of its ability.

D. POSSIBLE SOLUTION

The above mentioned proposals (B1 and B2) are deemed impractical when goods are imported in a country other than the country of final destination because prior agreement by the country of destination would result in costly additional paperwork and inconvenient delays for the customer;

However the proposal of the European Parliament (B3 above) may provide a solution if the importer has an obligation to declare, on the customs declaration form, the address to which he is transferring his residence.

Therefore, FEDEMAC is of the opinion that the only workable solution is to harmonise customs procedures, using standard EU Customs declaration forms similar to the C3 and C33 documents, but with the change that they incorporate a declaration of the destination address.

No proof of this change of address would be needed in advance, and no guarantee should be provided by the importer, but:

1. The customs authority in the country of importation would notify the destination address to the customs authority in country of destination.
2. Within reasonable delay (three months) the importer would have to provide to the customs authority in the destination country a proof of residence or of change of residence, if required.
3. This proof might be in the form of a „tear off“ page of the customs declaration form which bears the official stamp of the appropriate authority at destination.

This solution would conform to the proposal of the European Parliament (B3 above).