



# AUTHORISATION FOR INWARD PROCESSING

Under the Inward Processing procedure (IP), non-Union goods (goods from outside of the EU) can be treated, processed, repaired or used within the customs territory of the EU while import duty, Value Added Tax (VAT) and/or commercial policy measures are suspended. This procedure may also be applied to bring goods into conformity with the relevant technical requirements in order to be released for free circulation, or to subject them to the usual forms of handling. After processing, the goods may then be re-exported or released for free circulation on the European market by paying import duty on transformed goods.

## ADVANTAGES

- **Cost savings** as a result of the exemption or a reduced rate of import duties and VAT payable on importation of the non-Union goods.
- Fewer records need to be kept if you opt for **one periodic bill of discharge**.
- Use of **equivalent goods** is allowed.
- **Cost price:** 0 Euro.

## TARGET GROUP

- Producers ;
- Freight handlers ;
- Companies carrying out import and/or export activities ;
- Companies that process raw materials or intermediate products into finished products.

## BASIC CONDITIONS

- being established within the customs territory of the EU (occasional deviation is possible) ;
- providing the necessary assurances of the proper use of the procedure ;
- providing a guarantee for goods placed under the IP procedure ;
- keeping adequate records in an approved form ;
- meeting the economic preconditions.

Customs supervision must be possible at all times and any accompanying administrative measures must be in proportion to the economic needs.

## PERIOD

An authorisation for IP is valid for a maximum of 5 years, or 3 years in the case of sensitive goods.

## POINTS OF PARTICULAR ATTENTION

- Equivalent compensation is subject to certain restrictions ;
- In the case of equivalent compensation, a time limit of six months applies between the prior export of the compensating products and the import of the non-Union goods ;
- The authorisation will refer to a timeframe for the discharge of the procedure. This period must be respected ;
- The competent customs authority will be the Member State in which the economic operator's main accounts for customs purposes are held and in which part of the processing is carried out.

More information : <https://finance.belgium.be/en>

*Disclaimer : this document is a summary for informational purposes. Only the European Union's Union Customs Code is deemed authentic.*