



Inward processing in the sugar sector

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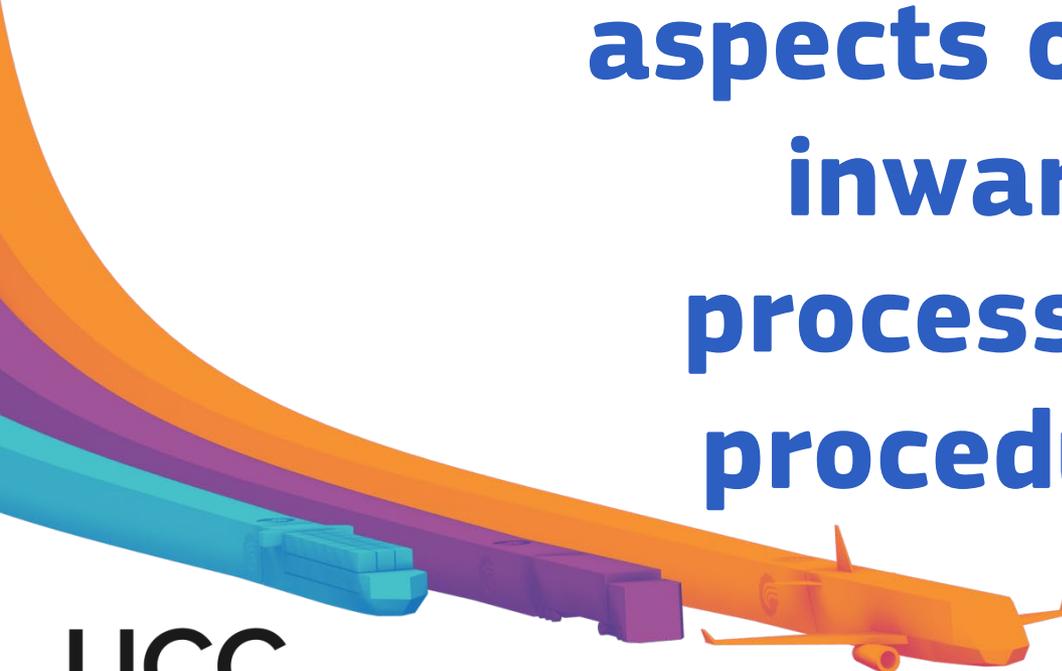
Taxation and
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1. General aspects of the inward processing procedure



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Special procedures

- 'Special procedures' allow total or partial relief from import duty
- An authorisation from the customs authorities is usually required for the use of such procedures
- 'Special procedures' are:
 - i. Transit
 - ii. Storage
 - iii. Specific use; and
 - iv. Processing



Special procedures: iv) Processing

'Processing' comprises:

- Inward processing
- Outward processing

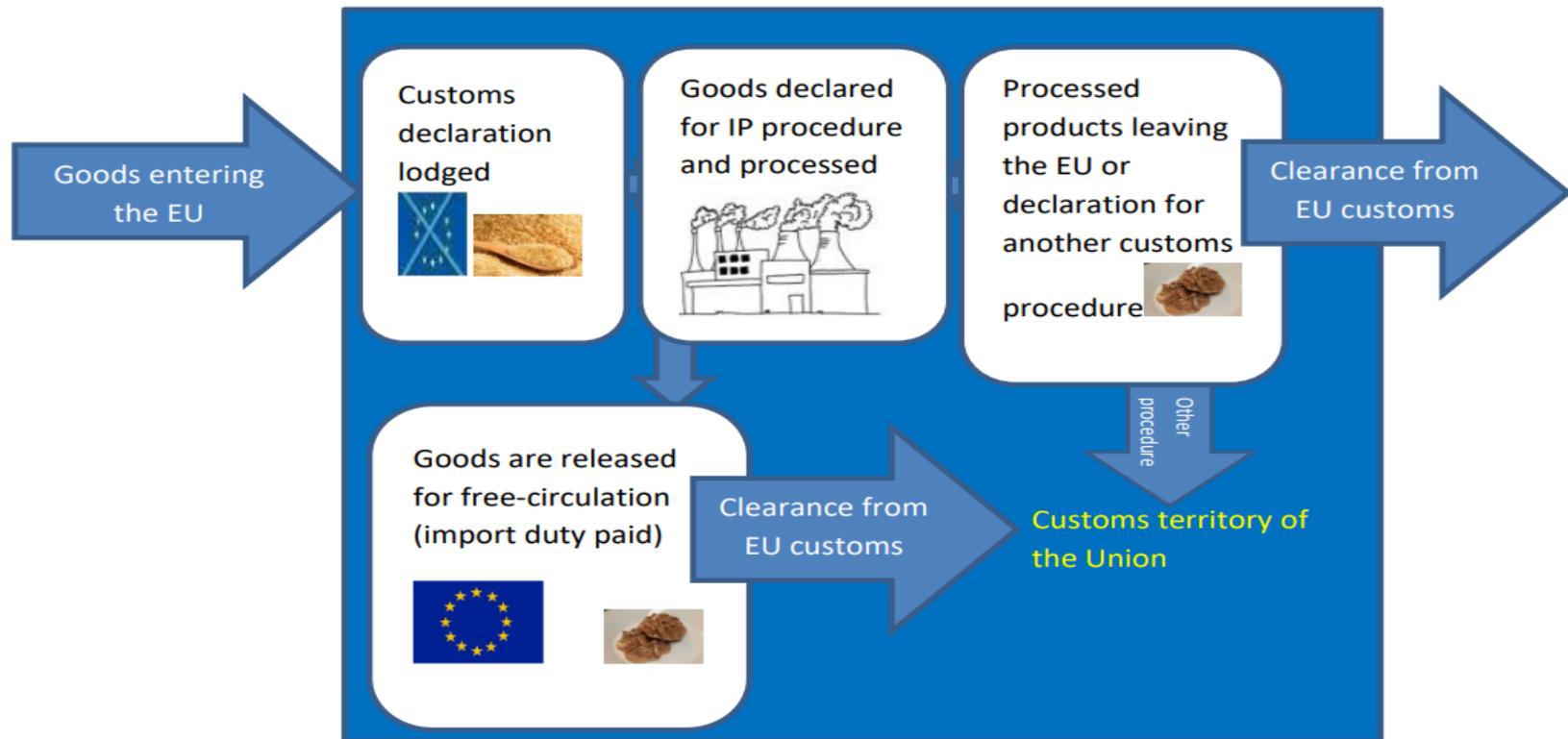
Special procedures: iv) Processing

- Inward processing allows non-Union goods to be processed in the EU (e.g. for manufacturing) without being subject to import duty, internal taxes (vg. VAT or excises) and commercial policy measures
- Processed products can then re-exported or released into free circulation
- Inward processing can also be used with goods which just have to undergo usual forms of handling intended to preserve them or prepare them for distribution

Special procedures: iv) Processing

- Inward processing allows businesses import goods to be processed even before they decide what to do with the processed goods, according to logistical, commercial or other conditions

Special procedures: iv) Processing



2. Inward processing procedure in the UCC Commission proposal



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COM proposal

- An IP authorisation would be required as it is today
- The IP authorisation would have to set out the conditions for the use of the authorisation
- More transparency, as the data hub would include all the IP authorisations granted in the customs territory of the Union
- Surveillance would include all the information on goods declared for IP if the proposal is accepted.

3. Classification of sugar



Classification of sugar

Relevant CN codes

- **1701 14 10** Cane sugar other than 1701 12 and 1701 13 for refining **under the end-use procedure**
- **1701 14 90** Cane sugar other than 1701 12 and 1701 13 **not** for refining under the end-use procedure
- **1701 99 10** White sugar

4. Trading IP sugar subject to FTAs and to the EU-UK TCA



Origin

Origin – Product Specific Rules

- Regional Convention on pan-Euro-Mediterranean preferential rules of origin

Current rules

ex Chapter 17	Sugars and sugar confectionery; except for:	Manufacture from materials of any heading, except that of the product
ex 1701	Cane or beet sugar and chemically pure sucrose, in solid form, containing added flavouring or colouring matter	Manufacture in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product

Revised rules (01.01.2025)

ex Chapter 17	Sugars and sugar confectionery;	Manufacture from materials of any heading, except that of the product
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***no ex for 1701 – chapter rule applies**

- EU – UK TCA

17.01 – CTH

"CTH" means production from non-originating materials of any heading, except that of the product; this means that any non-originating material used in the production of the product must be classified under a heading (4-digit level of the Harmonised System) other than that of the product (i.e. a change in heading);

Thank you: any questions?

