

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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AGREEMENT ON TRADE IN CIVIL AIRCRAFT

The following communication, dated 10 January 1980, has been received from the Commission of the European Communities, and is circulated to the Signatories to the Agreement.

End-Use System

1. In accordance with the provisions of Article 2.2 of the above-mentioned Agreement and with the consensus reached at Washington on 24 and 25 September 1979 by representatives of the governments likely to sign that Agreement, I have the honour to communicate to you hereunder the rules that the European Communities will apply in compliance with the tariff provisions of the Agreement.
2. These rules, which moreover are applicable not only to the products covered by the Agreement but also to most of the products taxed on the basis of end-use, are set forth in the following regulations:
 - Commission Regulation (EEC) No. 1535/77 (Official Journal No. L 171 of 9.7.77), as amended by Commission Regulation (EEC) No. 3036/79 (Official Journal No. L 341 of 31.12.79);
 - Commission Regulation (EEC) No. 2695/77 (Official Journal No. L 314 of 8.12.77), as amended by Commission Regulations (EEC) No. 2788/78 (Official Journal No. L 333 of 30.11.78) and (EEC) No. 3037/79 (Official Journal No. 341 of 31.12.79).
3. The text of the two Regulations, duly up-dated, is annexed hereto (the annexes include only the provisions relevant to the above-mentioned Agreement).
4. I would request you kindly to inform the Signatories to the Agreement of the foregoing.

COMMISSION REGULATION (EEC) No 1535/77

of 4 July 1977

determining the conditions under which certain goods are eligible upon importation for a favourable tariff arrangement by reason of their end-use

Article 1

1. This Regulation shall determine the conditions to be applied to goods put into free circulation under a favourable tariff arrangement by reason of their end use.

However, this Regulation shall not apply to goods listed in the Annex hereto.

2. All goods for a specified end use for which the import duties applicable in the end use regime are not lower than those which would be due if that arrangement did not apply shall be classified in the end use tariff subheading, without application of the provisions of this Regulation".

Article 2

For the purposes of this Regulation, 'amount of uncollected import duties' shall mean the difference between, on the one hand, the amount of import duties which result from the application of the favourable tariff arrangement referred to in Article 1 and, on the other hand, the amount of import duties which would be due if that arrangement did not apply. The operative date for determining the amount of uncollected import duties shall be the date of acceptance by the competent authorities of the entry for release of the goods into free circulation.

For the purposes of this ^{regulation} 'import duties' shall include customs duties and charges having equivalent effect, agricultural levies and other import charges provided for under the common agricultural policy or under the specific arrangements applicable, in pursuance of Article 235 of the Treaty, to certain goods resulting from the processing of agricultural products.

Article 3

1. The benefit of the tariff arrangement referred to in Article 1 shall be conditional upon the granting by the competent authorities of the Member State in which the goods are declared for entry into free circulation of a written authorization to the person importing those goods into free circulation or having them so imported.

2. Without prejudice to the provisions of the following Articles, the granting of the authorization provided for in paragraph 1 shall impose an obligation to:

- (a) put the goods to the prescribed end-use;
- (b) pay the amount of uncollected import duties if the goods are not put to the prescribed end-use;
- (c) keep records such as to enable the competent authorities to carry out any checks which they consider necessary to ensure that the goods are put to the prescribed end-use, and to preserve such records for such period as is required under the relevant provisions in force;

- (d) permit inspection of the records provided for in subparagraph (c); and

- (e) submit to any other measure of control which the competent authorities may deem appropriate to check the actual use of the goods and provide any information required for that purpose.

3. The competent authorities may withhold the authorization from persons unable to offer the safeguards considered necessary.

4. The granting of the authorization may be subject to the provision of security fixed by the competent authorities.

Article 4

1. The competent authorities may, if they consider it necessary, limit the period of validity of any authorization granted in accordance with Article 3.

2. The authorization granted in accordance with Article 3 may be revoked by the competent authorities if the holder of the authorization no longer fulfils one or more of the obligations or conditions provided for in this Regulation, or if he can no longer offer the safeguards considered necessary by the competent authorities.

3. In cases where the authorization is revoked by the competent authorities, the holder shall immediately pay the amount of uncollected import duties for those goods which have not yet been put to the prescribed end-use.

Article 5

The goods must have been put to the prescribed end-use within one year from the date of acceptance by the competent authorities of the entry for their release into free circulation. The competent authorities may however, extend the period if the goods have

not been put to the end-use on account either of inevitable accident or of *force majeure* or for reasons inherent in the processing of the goods.

Article 6

1. If, without prejudice to the provisions of Articles 7 and 11, the goods have not been put to the prescribed end-use on expiry of the period referred to in Article 5, the amount of uncollected import duties shall be paid, without prejudice to any default interest chargeable, to the competent authorities of the Member State in which the goods were declared for entry into free circulation or, where Article 9 applies, were last placed under customs control.

2. Waste and scrap which result necessarily from the normal working or processing of the goods, together with losses due to natural causes, shall be regarded as goods having been put to the end-use unless Community legislation provides otherwise.

3. In cases of necessity, duly justified by the holder of the authorization, the competent authorities may authorize the common storage of goods as referred to in the first paragraph of Article 1 with goods of the same kind and quality and having the same technical and physical characteristics. Where goods are stored in accordance with the preceding subparagraph, this Regulation shall apply to a quantity of goods equivalent to that imported under this Regulation.

Article 7

The goods referred to in the first paragraph of Article 1 may be transferred within the Community. The transferee must hold an authorization granted in accordance with Article 3.

By way of derogation from the provisions of Article 5, all the goods must have been put to the prescribed end-use within one year from the date of transfer. This period may, however, be extended as provided for in Article 5.

Article 8

All transfers within a Member State shall be notified to the competent authorities. The form of the notification, the period of time in which it must be made and any other requirements shall be determined by the competent authorities. The notification shall state clearly the date of the transfer of the goods.

With effect from this date the transferee shall assume the obligations arising under this Regulation in respect of the transferred goods.

Article 9

1. Where goods as referred to in the first paragraph of Article 1 are consigned from one Member State to another the competent office in the Member State of departure shall issue a control copy T 5, in accordance with the procedure laid down in Regulation (EEC) No 223/77.

2. One of the following statements shall be inserted in capital letters in the box reserved for the description of the goods on the customs document relating to the consignment of the goods:

- SÆRLIGT ANVENDELSESFORMÅL,
- BESONDERE VERVENDUNG,
- END USE,

- DESTINATION PARTICULIÈRE,
- DESTINAZIONE PARTICOLARE,
- BIJZONDERE BESTEMMING.

3. The control copy T 5 shall accompany the goods as far as the competent office where the customs formalities are carried out which enable the transferee to take charge of the goods.

This control copy shall include:

- in boxes 31 and 101, respectively, the description of the goods as at the time of consignment and the appropriate Common Customs Tariff heading or subheading,
- in box 104, one of the following statements in capital letters:
 - SÆRLIGT ANVENDELSESFORMÅL: FORORDNING (EØF) Nr. 1535/77,
 - BESONDERE VERVENDUNG: VERORDNUNG (EWG) Nr. 1535/77,
 - END USE: REGULATION (EEC) No 1535/77,
 - DESTINATION PARTICULIÈRE: RÈGLEMENT (CEE) N° 1535/77,
 - DESTINAZIONE PARTICOLARE: REGOLAMENTO (CEE) n. 1535/77,
 - BIJZONDERE BESTEMMING: VERORDENING (EEG) N. 1535/77,
- in box 106,
 - (a) in cases where the goods have undergone any manufacturing or processing operations after being admitted to free circulation, the description and heading or subheading in the Common Customs Tariff applicable to them at the time of their admission to free circulation;
 - (b) the registered number and date of the declaration for entry into free circulation and the name and address of the customs office where the declaration was made.

4. The provisions of this Article shall apply equally to goods referred to in the first paragraph of Article 1 which in the course of transportation between two points within the Community cross the territory of Austria or Switzerland and are re-consigned from one of those territories.

By way of derogation from the provisions of Article 12 (3) of Regulation (EEC) No 223/77, the original of the control copy T 5 shall accompany the goods to the customs office referred to in the first subparagraph of paragraph 3.

The office of departure shall specify the period within which the goods must be re-entered at the customs office referred to in the first subparagraph of paragraph 3.

5. Without prejudice to the application of the transit provisions, and in particular Council Regulation No 222/77 of 13 December 1976 on Community transit,⁽¹⁾ the obligations of the transferor deriving from this Regulation shall pass to the transferee on the date on which the goods are placed at the disposal of the latter by the competent customs office.

6. The control copy T 5 shall be sent without delay to the office of departure after having been endorsed under 'Remarks' in the box entitled 'Control as to use and/or destination' by the customs office referred to in the first subparagraph of paragraph 3 with one of the following statements:

- VARENE STILLET TIL RÅDIGHED FOR MODTAGEREN DEN (1),
- WAREN DEM ÜBERNEHMER ZUR VERFÜGUNG GESTELLT AM (1),
- GOODS TRANSFERRED TO THE TRANSFEE ON (1),
- MARCHANDISES MISES À LA DISPOSITION DU CESSIONNAIRE LE (1).

— MERCI MESSE A DISPOSIZIONE DEL CESSIO-
NARIO IL (7)
— GOEDEREN TER BESCHIKKING GESTELD VAN
DEGENE DIE OVERNEEMT OP (7)

Article 10

The competent authorities shall not approve the use of the goods, otherwise than as provided for by the favourable tariff arrangement referred to in Article 1, unless the holder of the authorization can prove to their satisfaction that it has been impossible for reasons relating to his circumstances or to the goods themselves for the goods to be put to the prescribed end-use.

The approval referred to in the preceding paragraph shall be conditional on the holder of the authorization paying the amount of the uncollected import duties, without prejudice to any default interest chargeable.

Article 11

1. The competent authorities shall not approve the exportation of the goods outside the customs territory of the Community or the destruction of the goods under customs supervision unless the holder of the authorization can prove to their satisfaction that it has been impossible for reasons relating to his circumstances or to the goods themselves for the goods to be put to the prescribed end-use.

In neither case shall the amount of uncollected import duties be payable.

2. Where the goods are destroyed, any resulting products which are not exported outside the customs territory of the Community shall be charged with import duty at the rates applicable on the date when the goods were destroyed.

Article 12

For the purposes of this Regulation, the territory of the Benelux Economic Union shall be considered to be a single Member State.

Article 13

Each Member State shall inform the Commission of the steps taken by its central administration for the purposes of applying this Regulation.

The Commission shall forthwith communicate this information to the other Member States.

Article 14

This Regulation shall enter into force on the seventh day following its publication in the *Official Journal of the European Communities*.

CCT Heading No.	DESCRIPTIONS
<p>.....</p> <p>84.06</p>	<p>.....</p> <p>Internal combustion piston engines:</p> <p>A. Aircraft engines as defined in Additional Note 1 to this Chapter:</p> <p>II. Other, of a power of:</p> <p>a) 300 kW or less (a)</p> <p>b) More than 300 kW (a)</p> <p>C. Other engines:</p> <p>II. Compression ignition engines</p> <p>ex. a) Marine propulsion engines</p> <p>- for the vessels of subheadings 89.01 A, 89.01 B I, 89.02 A, 89.02 B I and 89.03 A.</p> <p>D. Parts:</p> <p>II. Of other engines:</p> <p>a) For aircraft engines (a)</p>
<p>84.08</p>	<p>Other engines and motors:</p> <p>A. Reaction engines:</p> <p>I. Turbo-jets:</p> <p>b) Other developing a thrust of:</p> <p>1. 24 525 N or less (a)</p> <p>2. More than 24 525 N (a)</p> <p>II. Other (for example, ram-jets, pulse-jets, rocket engines):</p> <p>b) Other</p> <p>B. Gas turbines:</p> <p>I. Turbo-propellers:</p> <p>b) Other, developing a power of:</p> <p>1. 1 100 kW or less (a)</p> <p>2. More than 1 100 kW (a)</p> <p>D. Parts:</p> <p>I. Of reaction engines or of turbo-propellers:</p> <p>b) Other (a)</p>
<p>88.03</p>	<p>Parts of goods falling within heading No 88.01 or 88.02:</p> <p>B. Other:</p> <p>II. Other:</p> <p>b) Other (a)</p>
<p>Miscellaneous</p>	<p>Goods referred to in Section II B of the "Preliminary Provisions" of the Common Customs Tariff other than civil aircraft and ground flying trainers.</p>
<p>Miscellaneous</p>	<p>Goods intended for use in the construction, maintenance and repair of aircraft covered by Community tariff suspensions</p>
<p>Miscellaneous</p>	<p>Goods intended for incorporation in the ships, boats or other vessels falling within subheadings 89.01A, 89.01BI, 89.02A, 89.02BI and 89.03A for the purposes of their construction, repair, maintenance or conversion or for the purposes of fitting to or equipping such ships, boats or other vessels (Section IIA of the Preliminary Provisions of the Common Customs Tariff).</p>
<p>Miscellaneous</p>	<p>Goods in respect of which Community instruments prescribe both the benefit of a favourable tariff arrangement and the associated control measures.</p>

(a) This applies only to articles intended to be fitted in aircraft imported duty free or built within the Community.

COMMISSION REGULATION (EEC) No 2695/77
of 7 December 1977

determining the conditions under which goods for certain categories of aircraft
and ships are eligible upon importation for a favourable tariff arrangement

Article 1

Subject to the provisions of Articles 2 to 10 hereunder, Commission Regulation (EEC) No 1535/77 shall apply to the products listed in Annexes I and II to this Regulation.

Article 2

By way of derogation from Article 5 of Regulation (EEC) No 1535/77, the period within which the goods must be put to the prescribed use shall be five years.

Article 3

By way of derogation from Article 9 of Regulation (EEC) No 1535/77, but without prejudice to the provisions in force regarding the control of goods on importation and exportation, Control Copy T No 5 need not be used in the case of goods for the maintenance and repair of aircraft, consigned by air from one Member State to another, whether under the terms of exchange agreements or for airlines' own needs, by airlines engaged in international traffic. Furthermore, the provisions relating to the internal Community transit procedure for these goods shall be simplified in accordance with the provisions of Articles 4 to 8.

Article 4

The air waybill or equivalent document shall be treated as equivalent to a T 2 declaration or document provided that it contains at least the following particulars:

- (a) the name of the consigning airline;
- (b) the name of the airport of departure;
- (c) the name of the receiving airline;
- (d) the name of the airport of destination;
- (e) the description of the goods;
- (f) the number of articles.

The particulars referred to in the preceding paragraph, may, alternatively, be given in coded form or by reference to an attached document.

In addition the air waybill or equivalent document must bear on its face one of the following statements in printed characters:

- T2 — Særligt anvendelsesformål,
- T2 — Besondere Verwendung,
- T2 — End-use,
- T2 — Destination particulière,
- T2 — Destinazione particolare,
- T2 — Bijzondere bestemming.

Article 5

The airline consigning the goods shall be the principal for the transport operation.

Article 6

In each Member State each airline consigning or receiving the goods referred to in Article 3 shall make available to the competent customs authorities for the purposes of control of Community transit operations the records required to be kept under Article 3 (2) (c) of Regulation (EEC) No 1535/77.

Article 7

1. The consigning airline shall retain a copy of the air waybill or equivalent document as part of its records and shall, in the manner prescribed by the customs authorities of the Member State of departure, make a further copy available to the office of departure.

2. The receiving airline shall retain a copy of the air waybill or equivalent document as part of its records and shall in the manner prescribed by the customs authorities of the Member State of destination, present a further copy to the office of destination.

3. Without prejudice to the provisions of Article 3 (2) (e) of Regulation (EEC) No 1535/77, the goods referred to in Article 3 which move under the procedure provided for in this Regulation need not be produced at either the office of departure or the office of destination.

Article 8

1. The principal shall have fulfilled the obligations imposed on him by Article 13 (a) of Regulation (EEC) No 222/77 at the time when the goods intact and the copies of the air waybill or equivalent document, as referred to in Article 7 (2), which accompanied them have been delivered to the receiving airline in the places specified by the customs authorities in the Member State of destination and the goods have been entered in the records specified in Article 3 (2) (c) of Regulation (EEC) No 1535/77.

2. The delivery of the goods and the copies of the air waybill or equivalent document and the entry referred to in paragraph 1 must take place within a period of five days from the date of departure of the aircraft carrying the goods.

Article 9

By way of derogation from Article 9 (5) of Regulation (EEC) No 1535/77, the obligations arising under that Regulation shall pass from the consigning airline to the receiving airline at the time referred to in Article 8.

Article 10

By way of derogation from the first paragraph of Article 10 and paragraph 1 of Article 11 of Regulation (EEC) No 1535/77, the competent authorities may authorize the use of the goods other than as provided for under the favourable tariff arrangement referred to in Article 1 of that Regulation, or the exportation of the goods outside the customs territory of the Community, if they consider such authorization justified on economic grounds.

Article 11

Each Member State shall inform the Commission of the steps taken by its central administration for the purposes of applying this Regulation. The Commission shall forthwith communicate this information to the other Member States.

Article 12

This Regulation shall enter into force on the seventh day following its publication in the *Official Journal of the European Communities*.

CCT heading No	Description
84.06	<p>SECTION A</p> <p>Internal combustion piston engines:</p> <p>A. Aircraft engines as defined in Additional Note 1 to this Chapter:</p> <p>II. Other, of a power of:</p> <p>a) 300 kW or less (a)</p> <p>b) More than 300 kW (a)</p> <p>D. Parts:</p> <p>II. Of other engines:</p> <p>a) For aircraft engines (a)</p>
84.08	<p>Other engines and motors:</p> <p>A. Reaction engines:</p> <p>I. Turbo-jets:</p> <p>b) Other developing a thrust of:</p> <p>1. 24 525 N or less (a)</p> <p>2. More than 24 525 N (a)</p> <p>II. Other (for example, ram-jets, pulse-jets, rocket engines):</p> <p>b) Other (a)</p> <p>B. Gas turbines:</p> <p>I. Turbo-propellers:</p> <p>b) Other, developing a power of:</p> <p>1. 1 100 kW or less (a)</p> <p>2. More than 1 100 kW (a)</p> <p>D. Parts:</p> <p>I. Of reaction engines or of turbo-propellers:</p> <p>b) Other (a)</p>
88.03	<p>Parts of goods falling within heading No 88.01 or 88.02:</p> <p>B. Other:</p> <p>II. Other:</p> <p>b) Other (a)</p>
Miscellaneous	<p>SECTION B</p> <p>Goods referred to in Section II B of the "Preliminary provisions" of the Common Customs Tariff other than civil aircraft and ground flight simulators</p>
Miscellaneous	<p>SECTION C</p> <p>Goods intended for use in the construction, maintenance and repair of aircraft, covered by Community tariff suspensions</p>

(a) This applies only to articles intended to be fitted in aircraft imported duty free or built within the Community.