

CUSTOMS COMPETENCE CENTER

Your Route through Customs



UNRESTRICTED

In Europe

The world is becoming smaller and smaller. Many people living in Europe believe that borders are a thing of the past, particularly since the introduction of the European single market

on 1 January 1993 and the abolition of customs checks within the European Union. But customs authorities are still very much alive, despite people's tendency to forget this fact.

We have summarized the most important changes in customs clearance procedures in Europe for you.

1947

The General Agreement on Tariffs and Trade was signed (GATT)

1950

Convention signed to establish the Customs Cooperation Council (Brussels)

1958

Founding of the European Economic Community: France, Italy, Belgium, the Netherlands, Luxembourg and the Federal Republic of Germany set up the EEC

1988

Introduction of the Single Administrative Document for all customs matters within the EEC

1993

Creation of the single European market
No more customs checks within the EEC

1995

GATT is replaced by the WTO, the World Trade Organization

1995

The Customs Cooperation Council is renamed the "World Customs Organization" – WCO

2003

The EU is enlarged by a further 10 countries

2004

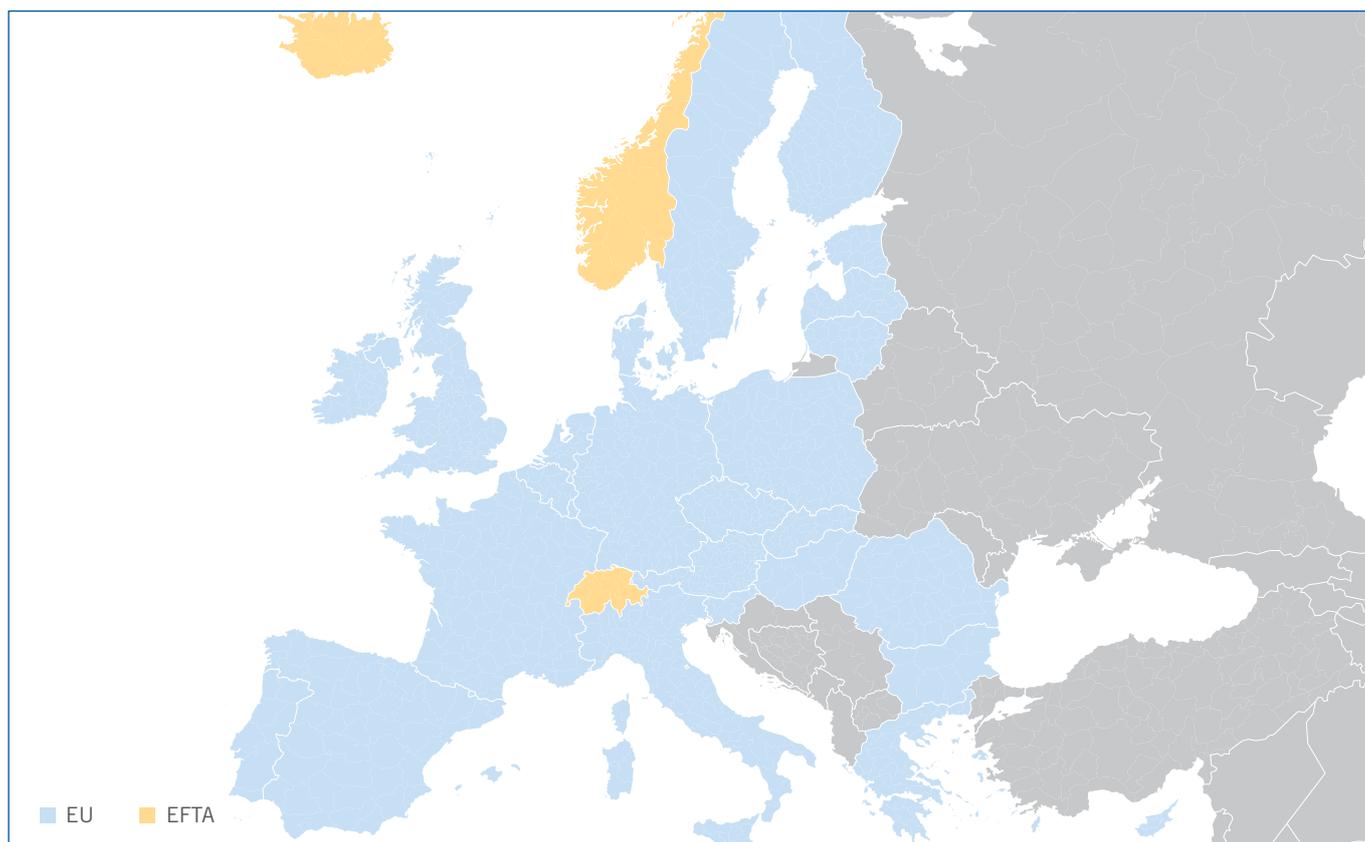
Community law becomes takes effect in the new member countries

2007

2 other countries join the EU

2008

Introduction of Authorized Economic Operators – AEOs



The globalization of the world economy has ensured that all types of goods are available anywhere on the planet. For many companies, global sourcing is as much of their everyday purchasing business as the global selling of their products. But is this a world without borders? Experts are well aware that anyone who wishes to set up functioning international supply chains often has to clarify specific issues related to customs formalities and be able to handle administrative procedures. The Rhenus Group has acquired comprehensive expertise in this field over decades and we use this to solve our customers' tasks.

After several rounds of enlargement, the European Union has become a significant economic zone where national borders hardly play a role any more. The single market accounts for a major slice of trade here. But important trading partners like the Russian Federation, the People's Republic of China, the USA and Switzerland are not part of this bloc – and professional customs services are essential to ensure that the exchange of goods runs smoothly. Despite international attempts to demolish trade barriers, the state supervision of imports and exports is still very important in the process of managing international supply chains in the 21st century.

Quality assurance is particularly important when it comes to customs issues, as national agencies often set very rigid requirements and are in a position to halt even urgent consignments if everything is not quite in order. Because it operates as an international service provider, Rhenus has established decades of know-how in customs matters. And it is not only companies based within

the EU's borders, which benefit from this. We are able to handle all the relevant administrative tasks up to and including fiscal representation for customers, which have their headquarters outside the single European market. These customers can then supply purchasers in the EU on a delivery duty paid (DDP) basis – and this is an important argument for approaching Rhenus rather than our rivals.

Our Customs Competence Center (CCC) has pooled this expertise and makes it available to the Rhenus Group. The CCC provides advisory services and can also handle practical operations – depending on the specific requirements of any project and the customer.

The Rhenus experts also provide support for what is known as compliance. Foreign trade law has undergone radical changes as a result of the European Union's anti-terror regulations. We guarantee that the various directives are followed to the letter. The CCC offers a series of individual services, which can be combined to provide complete solutions. Its services include:

- Import customs clearance
- Export customs formalities
- Transit formalities
- Bonded warehouses
- Fiscal representation /fiscal services
- Intrastat
- Compliance checks
- Advisory services
- Training



OUR SERVICES

In Detail

Depending on the origin and destination of goods, the administrative support needed to move goods around the globe requires specific know-how. If companies handle customs formalities themselves, this ties down personnel and triggers costs – and both can be reduced by outsourcing. Rhenus can offer a wide range of services to provide smooth procedures for cross-border traffic.

Import customs clearance

- Electronic import clearance
- Collective customs declarations
- Payment of EU customs duties

Export customs formalities

- Preparing export documents
- AES – electronic exports

Transit formalities

- Preparing transit papers (NCTS)
- Supplying the necessary guarantees
- Handling dispatch processes electronically
- Authorized consignor
- Authorized consignee
- TIR Carnet/ATA Carnet

Advantages of Authorized Consignor

- The authorized consignor can open NCTS accompanying documents (transit papers) without the goods having to be made available to the customs office at the point of departure.
- Unnecessary transportation or additional stops are avoided. Cost savings!
- The authorized consignor can clear the goods through customs without having to be on the spot. It can also include third parties in its authorization powers.
- Even non-authorized consignors can benefit from advantages by using our services. Synergies!
- The authorized consignor receives a printout of the NCTS accompanying documents directly and can send them by email (PDF file).
- Flexible and simple customs clearance
- Time savings for all those involved
- Operations not dependent on opening times of customs offices (exception: audits/inspections)

Bonded Warehouses

- Your goods can be stored at our facilities without any duty paid until the final destination of the goods is known and the goods are exported again or transferred to a different customs procedure.
- Our IT infrastructure is available to map all the processes related to storing goods in the bonded warehouses.

Advantages of Bonded Warehouses

- Unrestricted storage periods for bonded goods in Germany
- No duties like tariffs or taxes have to be paid during the storage period
- Savings on interest payments
- If re-exported, the goods remain in a transit status – no import or re-export procedures are needed and therefore no payment of duties
- Less customs intervention
- In principle, exempt from trade policy measures (e.g. presentation of import permits)



Other Services in the Customs Field

- Applications for import permits
- Outward processing traffic
- Applications for refunds
- Applications for simplified procedures
- If necessary, taking over responsibility for the complete management of documents
- Neutralization

Fiscal Representation/Fiscal Services

- EU customs clearance for the free movement of traffic can take place at the outer borders of the EU
- Truncated transit times to EU recipients, as no other customs clearance is needed in the receiving country
- Savings on interest payments because the national acquisition tax is paid later in the EU receiving countries
- Handling all the necessary declaration work involved in fiscal representation
- Statistical declarations:
 - Intra-trading statistics
 - Extra-trading statistics

Advantages of Fiscal Representation

- Turnover tax on imports is not immediately due for payment when import customs clearance is given
- No need for the company to register in Germany
- Truncated transit times to EU recipients, as no other customs clearance needed in the receiving country
- Savings on interest payments as the national acquisition tax in the EU receiving countries is not due for payment until later
- The fiscal representative can handle all the declarations needed in cases like these

Compliance Check

- We check all the address data, e.g. of your customers, business partners or members of staff according to the legal stipulations against current anti-terror lists – what are known as Taliban Lists
- Our compliance officer is available to answer any queries that you might have

Advisory Services

- Providing advice on all customs matters, even at your business premises
- Providing support for companies to become an Authorized Economic Operator (AEO). We will be glad to advise you

Training

- We will be happy to train your members of staff in customs matters



CUSTOMS EXPERTISE

Beyond the EU Borders



Specific stipulations have to be met for deliveries beyond the EU's outer borders, depending on the country of origin and destination of the goods. Rhenus has its own specialist representatives in many important industrial and trading centers, who follow the latest developments in the law and are in constant contact with the local authorities.

Ukraine

The business center at Obuchov near Kiev provides complete services for handling the movement of goods both physically and administratively. Part of its own storage space is also used as a bonded warehouse. Goods can be stored there for up to three years without any customs formalities having to be handled. When the goods are removed from storage for delivery, Rhenus Revival represents the customer in dealings with the Ukrainian authorities and ensures that customs clearance is obtained without any problems.

Russian Federation

It is crucial for import and export formalities to be handled quickly for just-in-time supplies for purchasers in the CIS – Rhenus Revival can complete these procedures in just a few hours. This is possible because Rhenus has acquired the status of a reliable partner with the authorities over the years. Rhenus is also one of the few Western European service providers possessing its own customs broker license. This means that it can handle all the procedures when importing goods. The Rhenus Customs Broker company was set up to provide customs clearance services.

Switzerland

A complete solution for Swiss customers combines order processing and the IT-supported German customs system called Atlas. Customers transmit orders by EDI and the Rhenus system uses the data to transfer the Swiss customs tariff numbers into their German equivalents. Rhenus provides comprehensive, efficient customs solutions for deliveries to Switzerland too. Rhenus is an Authorized Consignor and Consignee (head office/direct deliveries), operates bonded warehouses, issues special transit documents for Switzerland, handles imports and exports in e-dec, organizes transit operations using the New Computerized Transit System (NCTS) with its own transit guarantee and uses its own accounts for the Centralized Accounting Procedures for Customs Authorities (ZAZ).

Customs Lexicon – Summary of the Most Important Abbreviations:

| | |
|-------------------------------|---|
| AEO | Authorized Economic Operator (AEO) |
| AES | Automated Export System |
| ATLAS | Automated Tariff and Local Customs Handling System |
| Compliance (Check) | Checks on what are known as Taliban Lists/anti-terror lists |
| EUSt | Import turnover tax |
| EZA | Single customs declaration |
| EZT | Electronic customs tariffs |
| Freeport | Special area at a maritime port, which is not part of the EU customs area |
| Freezone | See “Freeport” |
| Incoterms | International trading stipulations, rules for interpreting specified trading conditions in foreign trade |
| NCTS | New Computerised Transit System |
| TARIC | Integrated Tariffs in the European Union |
| VSt | Excise duty |
| ZA | (Zugelassener Ausführer): “Authorized exporter” |
| ZE | (Zugelassener Empfänger): “Authorized recipient” |
| Zoll | Duties or the state customs authority |
| Zollkodex | Customs Codex (legal rules governing customs matters) |
| Zollkodex-DVO | Executive Order on the Customs Codex, describes the interpretation of the Customs Codex in practice |
| Zolllager, öffentlich | Public bonded warehouse, a public warehouse set up by the customs authorities where non-EU goods may be stored without the need to pay customs duties |
| Zolllager, privat | Private bonded warehouse, where non-EU goods may be stored without the need to pay customs duties. Subject to authorization. |
| Zugelassener Ausführer | Authorized exporter: can use export procedures without the goods having to be located at the customs office of departure. Subject to authorization. |
| Zugelassener Empfänger | Authorized recipient: can accept goods directly at its business premises or at a different set location and they are then transported on within the EU or EU/EFTA. The goods do not need to be presented at the destination customs office. Subject to authorization. |
| Zugelassener Versender | Authorized consignor: can handle goods, which are then transported on within the EU or EU/EFTA without the goods having to be made available at the customs office of departure. Subject to authorization. |
| ZV | See: “Authorized consignor” |
| ZWB | Authorized Economic Operator (AEO) |



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