Binding Tariff Information (BTI)

SERBIA – screening of the acquis
Chapter 29 – Customs Union

Brussels, 26 March 2014

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Binding Tariff Information (BTI)

1. Basic principles

2. Some further clarifications

3. Key figures

4. Legislative changes

5. The future
1. Basic principles (1)

**BTI is**

- a decision on the tariff classification of goods
- issued by the customs of a Member State
- binding on the customs of all Member States
- generally valid for 6 years, unless it ceases to be valid earlier
1. Basic principles (2)

Legal basis

- Articles 5, 6 to 10 Customs Code – Reg. No 2913/92 (general provisions on customs decisions)
- Articles 11 and 12 Customs Code (specific provisions about information)
- Articles 5 to 14 Customs Code Implementing Provisions – Reg. No 2454/93 (binding information)
1. Basic principles (3)

Purpose

- uniform tariff classification
- legal certainty for traders as regards
  - tariff classification of their goods
  - tariff treatment of their goods
  - equal treatment for their goods throughout the EU
- trade facilitation
1. Basic principles (4)

Actors

- applicant
- holder
- representative
- competent customs authority
- Commission
1. Basic principles (5)

Role of the Customs authorities in Member States

- list of competent authorities for BTI

- tariff classification (including BTI) is part of the operational tasks carried out by the Member States
1. Basic principles (6)

Role of the Commission

- managing EBTI-3 system
  - internal version (for Customs authorities in Member States)
  - public version (non-confidential information only)
- monitoring correct implementation
  - monitoring visits to Member States (2007-2010; follow-up)
  - monitoring of the database
2. Some further clarifications (1)

• it is not obligatory to have a BTI
  (but having no BTI implies having no legal certainty on tariff classification)

• a BTI does not grant immunity from customs controls
  (the goods declared must correspond in every respect to the goods described in the BTI)

• the BTI cannot be invoked by anyone other than the holder
2. Some further clarifications (2)

- a BTI can only be used for the specific goods described therein

- a trader cannot have more than one BTI for identical goods (“BTI shopping”)

- a BTI cannot be used for trade between Member States (intra-EU trade)
3. Key figures (1)

- total number of BTI issued per year
- total number of BTI issued per Member State (top 10)
- total number of valid BTI
- number of BTI issued per chapter of the CN (top 14)
3. Key figures (2)

Total number of BTI issued per year

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Number</th>
</tr>
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<tbody>
<tr>
<td>2008</td>
<td>44,062</td>
</tr>
<tr>
<td>2009</td>
<td>47,036</td>
</tr>
<tr>
<td>2010</td>
<td>48,038</td>
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<tr>
<td>2011</td>
<td>51,395</td>
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</tbody>
</table>
3. Key figures (3)

**Total number of BTI issued in the top 10 Member States**
accounting to more than 90% of the total number of BTI

![Bar chart showing the total number of BTI issued in the top 10 Member States from 2008 to 2010.](chart.png)
3. Key figures (4)

Total number of valid BTI at the end of each year

- 31/12/2008: 168,045
- 31/12/2009: 187,433
- 31/12/2010: 209,483
- 31/12/2011: 235,735
3. Key figures (5)

Number of BTI issued in the top 14 chapters of the CN
(Representing approximately 70% of the total number of BTI)
4. Legislative changes (1)

• **Union Customs Code (UCC)**

• **Application (legislation under preparation):**
  • for most provisions: 1 May 2016
  • transitional period for IT-systems: until 31 December 2020
4. Legislative changes (2)

- Articles 6 and 16 (electronic data-processing techniques and electronic systems)
- Articles 22 to 28 (decisions)
- Articles 33 to 37 (binding information)
- Articles 56 to 58 (common customs tariff and tariff classification of goods)
4. Legislative changes (3)

- BTI will be binding upon the holder as against customs
  - control on the usage of BTI
  - link with other IT-systems (EORI)

- normal validity will be 3 years instead of 6 years

- introduction of electronic applications and decisions
4. Legislative changes (4)

- stricter management of BTI with extended use (“period of grace”)

- central monitoring of BTI usage (through surveillance system covering all customs declarations)

- possibility to adopt urgency measures to rapidly ensure correct and uniform classification
5. The future of BTI (1)

Evaluation of the current BTI system

- EBTI monitoring visits + follow-up
- studies on the evaluation of the customs union
5. The future of BTI (2)

Main problems identified

- time taken to resolve difficult classification cases
- substantial risks for all stakeholders because of inconsistent tariff classification
5. The future of BTI (3)

What can we do?

- enhance efficiency of current procedure
- adopt urgency measures as an "interim" solution
- more radical overhaul of the system
  - a central body in charge of issuing all BTI
  - COM managing issuing of BTI by Member States
  - creation of an EU team to deal with difficult cases
  - other ???
For further information:


Thank you!