

Montreuil, 16 December 2020

Memorandum to operators

Object : Movement of reusable pallets (EU and non-EU)
Returned goods and temporary admission procedures

Ref. : Note aux opérateurs 20000273 du 16 décembre 2020 sur la circulation des palettes communautaires et tierces réutilisables

This document is a courtesy translation of the official French note on the subject which is indicated in reference.

This memorandum outlines the declaration procedures and conditions for applying temporary admission and returned goods procedures to the movement of both EU and non-EU pallets.

Some preliminary information:

- “Pallet” means “a device on the deck of which a quantity of goods can be assembled to form a unit load for the purpose of transporting it, or of handling or stacking it with the assistance of mechanical appliances. This device is made up of two decks separated by bearers, or of a single deck supported by feet; its overall height is reduced to the minimum compatible with handling by fork lift trucks or pallet trucks; it may or may not have a superstructure.”
- Under EU regulations, there is no free movement agreement, whether for temporary admission or returned goods. Each Member State may choose whether to apply simplification measures or other procedures. It is therefore important to clarify procedures with the customs authorities of the Member State in question depending on the point of entry or exit.
- The obligation to file a pre-departure declaration and an entry summary declaration is waived for pallets not carried under a transport contract, pursuant to Article 245(1)(g)(i) and Article 104(1)(f) of the Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 (hereinafter “CDR”).
- Although not mandatory, it is strongly recommended that the owner be identified on the pallets, especially if they are established in the EU customs territory, to benefit from VAT relief for returned goods (see point 2.2).

- As a simplification measure, if the operator owns both reusable packaging bearing marking (see memorandum 200031 of 29/01/2020) and pallets, a single returned goods authorisation may be issued for both.
- Wood pallets must meet the regulatory phytosanitary conditions (International Standard for Phytosanitary Measures or ISPM 15) to benefit from the terms set out in this memorandum. Under ISPM 15, wood shipping products must be treated and marked with an IPPC seal (“wheat stamp”).¹

1. Non-EU pallets

1.1 Temporary admission procedure (Article 208 of the CDR)

The temporary admission procedure for pallets is set out in Article 208 of the CDR.

Operators can claim temporary admission via SOPRANO or TP-CDS, using an electronic declaration or using an oral declaration.

Note: if an authorisation for temporary admission involves multiple Member States, the claim must be made via TP-CDS so that these Member States can consult it.

For flows of goods involving France and another non-EU country (entry into and exit from France), the Clearance Policy Office will allow pallets to be granted temporary admission by simple crossing of the border.

The temporary admission procedure may be discharged when pallets of the same type or of the same value as those which were placed under the procedure are exported or re-exported (Article 322(2) of Commission Implementing Regulation (EU) 2015/2447, hereinafter “CIR”). It is important for the operator to be able to prove the pallets are equivalent, including in terms of quantity.

Because temporary admission is granted and discharged by simple crossing of the border, it is necessary to maintain **inventory or tracking records**, which Customs may request for validation.

1.2 Declaration procedures

1.2.1 For import flows

The application for authorisation and the declaration of placing goods under the temporary admission procedure are triggered by simple crossing of the border. The date goods enter EU customs territory is the date they are placed under the temporary admission procedure and marks the start of the temporary admission period (maximum of 24 months).

If the pallets are being imported empty, there is no particular declaration procedure to complete.

If the pallets are being imported full, no particular mention is required on the import declaration. However, the quantity of pallets must be indicated in Box 31 (Packages and Description of Goods) for tracking purposes.

Note that the value of the pallets should not be included in the declared value of the goods. As long as pallets imported under duty suspension remain the property of the non-EU operator and are planned to be re-exported outside the EU, their value should not be part of the customs valuation as described in Article 70(1) of the Union Customs Code (hereinafter “UCC”). It is therefore necessary to maintain inventory or tracking records in order to be able to prove the pallets are duty-suspended in the event of a customs inspection.

1.2.2 For re-export flows

Temporary admission is discharged by simple crossing of the border. The date goods exit the EU customs territory is the date of discharge and marks the end of the temporary admission period.

If the pallets are being re-exported empty, there is no particular declaration procedure to complete.

If the pallets are being re-exported full, no particular mention is required on the re-export declaration. However, the quantity of pallets must be indicated in Box 31 (Packages and Description of Goods) for tracking purposes.

Inventory or tracking records must enable the quantity of pallets granted temporary admission to be matched up with those discharged, by type or value, within the regulatory time limit.

2. EU pallets

“EU pallets” refer to pallets purchased inclusive of all taxes in the EU or pallets that have been imported and released for free circulation.

¹ Pursuant to Articles 45(4) and 77(1) of Regulation (EU) 2017/625, to Article 43 of Regulation (EU) 2016/2031, to Regulation (EU) 2019/2125 and to the Order of 24 May 2006 (amended) concerning health requirements for plants, plant products and other items.

2.1. Relief from customs duty for returned goods (Article 203 of the UCC and Article 253 of the CIR)

2.1.1 Information to provide for returned goods relief

For pallets, returned goods relief is granted without the operator having to provide any additional information, provided the operator:

- Makes available to the customs office information establishing the EU status of the pallets (business accounts, invoices, declaration of release for consumption, inventory records, tracking system, etc.)
- Holds a returned goods authorisation

2.1.2 Issuance of returned goods authorisation

Pursuant to Article 203 of the UCC, relief from customs duty is granted “upon application by the person concerned”.

Consequently, operators concerned by regular flows of goods involving EU pallets must file an application with the Regional Directorate for their place of establishment, if established in France, or for the place of establishment of their representative.

The application must include:

- The flows of goods in question
- The import and export customs offices
- A list of the pallets being used (models, quantity, value, etc.)
- An excerpt from pallet inventory records, if such a tracking system exists

A returned goods authorisation will be issued. This authorisation is only valid in France and cannot be used with offices in other Member States.

2.2. VAT relief

To qualify for VAT relief on returned goods in EU tax territory, the identities of the initial exporter and re-importer must be checked. Because these two operators are rarely the same in logistics flows, and in accordance with Article 291 III 1° of the General Tax Code, the following are deemed to meet requirements: pallets with permanent, non-removable markings allowing the same EU-established owner to be identified on export and on re-import.

Otherwise, VAT is payable pursuant to Article 291 III 1° of the General Tax Code and a customs declaration must be filed so that the VAT can be settled.

2.3. Declaration requirements

As with means of transport, export declarations and declarations for release for free circulation may be made by simple crossing of the border:

- For exports or re-imports of full pallets, no particular mention is required on the declarations. However, the quantity of pallets must be indicated in Box 31 (Packages and Description of Goods) for tracking purposes.
- For exports or re-imports of empty pallets, there is no special declaration procedure.

Inventory records must enable the quantity of entering pallets to be matched up with those exiting, by type or value.

3. Brexit Information System:

In the Brexit Information System:

- If pallets are full, the goods declaration will be used for matching purposes.
- If pallets are being transported empty, the “empty lorry” button should be selected.

Should you experience any difficulty applying these rules, please contact your local Economic Action Centre.

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