

The arrangements shall also apply for goods which have to undergo operations to ensure their compliance with technical requirements for their release for free circulation.

2. Article 542(1) and (2) shall apply *mutatis mutandis*.

3. For the purposes of determining the customs value of processed products declared for free circulation, the declarant may choose any of the methods referred to in Article 30(2) (a), (b) or (c) of the Code or the customs value of the import goods plus the processing costs.

Article 552

1. For the types of goods and operations mentioned in Annex 76, Part A, the economic conditions shall be deemed to be fulfilled.

For other types of goods and operations examination of the economic conditions shall take place.

2. For the types of goods and operations mentioned in Annex 76, Part B and not covered by Part A, the examination of the economic conditions shall take place in the Committee. Article 504(3) and (4) shall apply.

CHAPTER 5

Temporary importation

Section 1

General provisions

Article 553

1. Animals, unless of negligible commercial value, born of animals placed under the arrangements are considered to be non-Community goods and placed themselves under those arrangements.

2. The customs authorities shall ensure that the total period for which the goods remain under the arrangements for the same purpose and under the responsibility of the same holder does not exceed 24 months, even where the arrangements were discharged by entry for another suspensive arrangement and subsequently entered again for temporary importation.

However, at the holder's request, they may extend this period for the time during which the goods are not used, in accordance with the conditions laid down by them.

3. For the purposes of Article 140(3) of the Code, exceptional circumstances means any event as a result of which the goods must be used for a further period in order to fulfil the purpose of the temporary importation operation.

4. Goods placed under the arrangements must remain in the same state.

Repairs and maintenance, including overhaul and adjustments or measures to preserve the goods or to ensure their compliance with the technical requirements for their use under the arrangements are admissible.

Article 554

Temporary importation with total relief from import duties (hereinafter: "total relief from import duties") shall only be granted in accordance with Articles 555 to 578.

Temporary importation with partial relief from import duties shall not be granted for consumable goods.

Section 2

Conditions for total relief from import duties

Subsection 1

Means of transport

Article 555

1. For the purposes of this subsection:

- (a) "commercial use" means the use of means of transport for the transport of persons or of goods for remuneration or in the framework of the economic activity of an enterprise;
- (b) "private use" means the use other than commercial of a means of transport;
- (c) "internal traffic" means the carriage of persons or goods picked up or loaded in the customs territory of the Community for setting down or unloading at a place within that territory.

2. Means of transport include normal spare parts, accessories and equipment accompanying them.

Article 556

Total relief from import duties shall be granted for pallets.

The arrangements shall also be discharged when pallets of the same type and substantially the same value are exported or re-exported.

Article 557

1. Total relief from import duties shall be granted for containers where they have been durably marked in an appropriate and clearly visible place with the following information:

- (a) the identity of the owner or operator shown by either his full name or an established identification, symbols such as emblems or flags being excluded;
- (b) with the exception of swap bodies used for combined rail-road transport, the identification marks and numbers of the container, given by the owner or operator; its tare weight, including all its permanently fixed equipment;
- (c) with the exception of containers used for transport by air, the country to which the container belongs, shown either in full or by means of the ISO alpha-2 country code provided for in International Standards ISO 3166 or 6346 or by the distinguishing initials used to indicate the country of registration of motor vehicles in international road traffic, or in numbers, in the case of swap bodies used for combined rail-road transport.

Where the application for authorisation is made in accordance with the first subparagraph of Article 497(3)(c), the containers shall be monitored by a person represented in the customs territory of the Community being able to communicate at all times their location and particulars of entry and discharge.

2. Containers may be used in internal traffic before being re-exported. However, they may be used only once during each stay in a Member State, for transporting goods loaded and intended to be unloaded within the territory of the same Member State, where the containers would otherwise have to make a journey unloaded within that territory.

3. Under the conditions of the Convention of Geneva of 21 January 1994 on Customs Treatment of Pool Containers used in International Transport, as approved by Council Decision 95/137/EC (****), the customs authorities shall permit the arrangements to be discharged where containers of the same type or the same value are exported or re-exported.

Article 558

1. Total relief from import duties shall be granted for means of road, rail, air, sea and inland waterway transport where they:

- (a) are registered outside the customs territory of the Community in the name of a person established outside that territory; however, if the means of transport are not registered, the above condition may be deemed to be met where they are owned by a

person established outside the customs territory of the Community;

- (b) are used by a person established outside that territory, without prejudice to Articles 559, 560 and 561; and
- (c) in the case of commercial use and with the exception of means of rail transport, are used exclusively for transport which begins or ends outside the customs territory of the Community; however, they may be used in internal traffic where the provisions in force in the field of transport, in particular those concerning admission and operations, so provide.

2. Where the means of transport referred to in paragraph 1 are rehired by a professional hire service established in the customs territory of the Community to a person established outside that territory, they must be re-exported within eight days of entry into force of the contract.

Article 559

Persons established in the customs territory of the Community shall benefit from total relief from import duties where:

- (a) means of rail transport are put at the disposal of such persons under an agreement whereby each network may use the rolling stock of the other networks as its own;
- (b) a trailer is coupled to a means of road transport registered in the customs territory of the Community;
- (c) means of transport are used in connection with an emergency situation and their use does not exceed five days; or
- (d) means of transport are used by a professional hire firm for the purpose of re-exportation within a period not exceeding five days.

Article 560

1. Natural persons established in the customs territory of the Community shall benefit from total relief from import duties where they privately use means of transport occasionally, on the instructions of the registration holder, this holder being in the customs territory at the time of use.

Such persons shall also benefit from total relief, for the private use of means of transport hired under a written contract, occasionally:

- (a) to return to their place of residence in the Community;
- (b) to leave the Community; or
- (c) where this is permitted on a general level by the customs administrations concerned.

2. The means of transport shall be re-exported or returned to the hire service established in the customs territory of the Community within:

- (a) five days of the entry into force of the contract in the case mentioned in paragraph 1(a);
- (b) eight days of the entry into force of the contract in the case mentioned in paragraph 1(c).

The means of transport shall be re-exported within two days of the entry into force of the contract in the case mentioned under paragraph 1(b).

Article 561

1. Total relief from import duties shall be granted where means of transport are to be registered under a temporary series in the customs territory of the Community, with a view to re-exportation in the name of one of the following persons:

- (a) in the name of a person established outside that territory;
- (b) in the name of a natural person established inside that territory where the person concerned is preparing to transfer normal residence to a place outside that territory.

In the case referred to in point (b), the means of transport must be exported within three months of the date of registration.

2. Total relief from import duties shall be granted where means of transport are used commercially or privately by a natural person established in the customs territory of the Community and employed by the owner of the means of transport established outside that territory or otherwise authorised by the owner.

Private use must have been provided for in the contract of employment.

Customs authorities may restrict the temporary importation of means of transport under this provision in the case of systematic use.

3. Total relief from import duties may in exceptional cases be granted where means of transport are commercially used for a limited period by persons established in the customs territory of the Community.

Article 562

Without prejudice to other special provisions, the periods for discharge are the following:

- (a) for means of rail transport: 12 months;
- (b) for commercially used means of transport other than rail transport: the time required for carrying out the transport operations;
- (c) for means of road transport privately used:
 - by students: the period the student stays in the customs territory of the Community for the sole purpose of pursuing their studies;
 - by persons fulfilling assignments of a specified duration: the period this person stays in the customs territory of the Community for the sole purpose of fulfilling their assignment;
 - in other cases, including saddle or draught animals and the vehicles drawn by them: six months;
- (d) for privately used means of air transport: six months;
- (e) for privately used means of sea and inland waterway transport: 18 months.

Subsection 2

Personal effects and goods for sports purposes imported by travellers; welfare material for seafarers

Article 563

Total relief from import duties shall be granted where personal effects reasonably required for the journey and goods for sports purposes are imported by a traveller as defined in Article 236(A)(1).

Article 564

Total relief from import duties shall be granted for welfare materials for seafarers in the following cases: