**THE COMMON CUSTOMS TARIFF**

**OF THE EUROPEAN UNION**

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1.0 THE COMMON CUSTOMS TARIFF OF THE EU

The Common Customs Tariff of the European Union was established by Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and the common customs tariff (OJ EU No L 256, 1987, p. 1). Establishment of the Common Customs Tariff is part of the Treaty establishing the European Economic Community, which provides for its adoption in relations of the Member States with third countries in Articles 18 to 27. Pursuant to Article 23 of the mentioned treaty, the EU comprises a customs union, which involves the adoption of the Common Customs Tariff.

It is laid down in Article 56 (1) of the Customs Code that “import and export duty due shall be based on the Common Customs Tariff”. Furthermore, it is also determined in the Customs Code that »other measures prescribed by Union provisions governing specific fields relating to trade in goods shall, where appropriate, be applied in accordance with the tariff classification of those goods«.

Therefore, the goods subject to trade must be classified in the nomenclature of the customs tariff to receive adequate treatment. Application of correct measures (the rate of customs duty, non-tariff measures, determination of origin) to goods placed under a customs procedure depends on their classification in the nomenclature of the customs tariff. The rates of import duty vary according to the goods and the country from which the goods are imported. Moreover, the rates of customs duty depend on the economic sensitivity of products.

The Common Customs Tariff of the EU is based on [the international Nomenclature of the Harmonised System (HS Nomenclature)](http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs-nomenclature-2017-edition/hs-nomenclature-2017-edition.aspx) and [the Combined Nomenclature of the EU (CN).](https://eur-lex.europa.eu/legal-content/SL/TXT/PDF/?uri=OJ:L_202402522)

The customs tariff integrates the nomenclature (a detailed list of goods) and the applicable rates of duty based on which customs duties are calculated and applied in respect of specific types of goods on their import into the European Union (hereinafter referred to as: the EU) or export from the EU. The customs tariff comprises the entire legislation of the EU which affects the rates of the customs duty, and it can therefore be said that the customs tariff is a collection of legislation common to all Member States of the EU.

The Common Customs Tariff of the EU is used not only as the basis for the calculation of duties, but also for collecting data on the statistics of external trade, identifying products in respect of which export refunds have been granted, determining products subject to excise duties, products entitled to a reduced rate of VAT, defining origin rules etc.

TARIC (***Tar****if* ***I****ntégré de la* ***C****ommunauté)*, the Integrated Tariff of the European Union, is a kind of working tariff, which has been introduced for practical reasons. It is a database which integrates all measures based on the customs tariff as well as on the commercial and agricultural legislation. By integrating and coding these measures, the TARIC secures their uniform application by all Member States of the EU. The TARIC contains the integrated TARIC Nomenclature, which is based on the CN and comprises additional 10-digit TARIC subdivisions of goods.

Through the Common Customs Tariff, the EU ensures equal and fair competition between domestic manufacturers and producers exporting from other countries.

2.0 ELEMENTS OF THE COMMON CUSTOMS TARIFF OF THE EU

It is laid down in Article 56 (2) of the Community Customs Code that the Common Customs Tariff of the EU comprises eight elements, which are the following:

* the Combined Nomenclature of goods as laid down in Regulation (EEC) No 2658/87;
* any other nomenclature which is wholly or partly based on the Combined Nomenclature, or which provides for further subdivisions to it, and which is established by Union provisions governing specific fields with a view to the application of tariff measures relating to trade in goods;
* the conventional or normal autonomous customs duty applicable to goods covered by the Combined Nomenclature;
* the preferential tariff measures contained in agreements which the Union has concluded with certain countries or territories outside the customs territory of the Union or groups of such countries or territories;
* preferential tariff measures adopted unilaterally by the Union in respect of certain countries or territories outside the customs territory of the Union or groups of such countries or territories;
* autonomous measures providing for a reduction in, or exemption from, customs duty on certain goods;
* favourable tariff treatment specified for certain goods, by reason of their nature or end-use, in the framework of measures referred to under points (c) to (f) or (h);
* other tariff measures provided for by agricultural or commercial or other Union legislation.

Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and the common customs tariff (OJ EU No L 256, 1987, p. 1-5) determines the following:

* the CN which meets the requirements of the Common Customs Trade and those of the Community foreign trade statistics;
* the integrated tariff of the EU - TARIC ;
* the obligation to use and maintain TARIC;
* amendments to the CN by a Committee on Tariff and Statistical Nomenclature which is composed of the representatives of the EU Member States;
* the authorisation for the Commission to adopt each year a complete version of the combined nomenclature together with the corresponding autonomous and conventional rates of duty of the Common Customs Tariff.

The most significant part of Council Regulation (EEC) No 2658/87 is Annex I, which contains the combined nomenclature – CN. The nomenclature specifies, describes, and classifies commodities subject to customs duties.