

## **Box 36 Preference**

The SAD Guidelines give more detailed information on some of the provisions and the codes included in Annexes 37 and 38 CCIP. To have their complete text please consult Annexes 37 and 38 CCIP.

36 Preference

### **Introduction**

This box contains information on the tariff treatment of goods, even when no preferential treatment is requested.

'Tariff treatment' covers not only preferences in the narrow sense (e.g. reduced import duty rates under the GSP or under arrangements with ACP countries), but also various other measures affecting customs duties like 'tariff quotas', 'suspensions' and 'end-uses'.

For the purposes of this box, 'preference' also covers application of the normal third-country duty rate and non-imposition of customs duties under customs union agreements.

For reasons connected with the efficiency of the legislation, no comprehensively valid list of codes to be used in this box can be established. Therefore a 'matrix approach' has been taken: the necessary three-digit code has to be made up of a one-digit code (standing for a general measure) followed by a two-digit code (standing for a more detailed breakdown). It has to be noted that not all code combinations in the matrix are possible from a legal point of view or would make sense.

Furthermore, as box 36 is logically linked to boxes 33 ('commodity') and 34a ('country of origin'), only certain commodities originating in certain countries might be eligible for any given tariff treatment at any given time.

N.B. All the examples given in these guidelines for tariff and non-tariff measures are liable to change in line with future EU legislation. For details of the commodity and country codes for any particular period, please check on DG TAXUD's TARIC website: [http://ec.europa.eu/taxation\\_customs/dds/tarhome\\_en.htm](http://ec.europa.eu/taxation_customs/dds/tarhome_en.htm)

*Note: In accordance with Annex 37 to Regulation 2286/2003, the EU will publish the list of combinations of codes to be used in box 36 of the SAD at regular intervals, together with examples and explanatory notes.*

The list of code combinations to be entered in box 36 of the SAD was first published in Official Journal C 303 of 13 December 2006 (page 83).

The latest version of this list is available on DG TAXUD's website at:

[http://ec.europa.eu/taxation\\_customs/customs/procedural\\_aspects/general/sad/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/sad/index_en.htm).

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In accordance with the Community legislation in force and international agreements concluded by the Community, the codes in box 36 could be as follows:

**Codes used if no preferential treatment is applied**

<b>Box 36 in the SAD</b>	<b>Tariff regimes to be applied</b>	<b>Examples</b>
<b>100</b>	<p><b>Erga Omnes third-country duty rates</b> (normal duty rates under Article 20(3)(c) of the CCC) In these cases, a preferential customs duty either is not requested or does not exist.</p>	<p><u>See example</u> Date: 02/03/2006 Commodity code: 1507 10 90 00 Country code: CA</p>
<b>110</b>	<p><b>Erga Omnes autonomous tariff suspension</b> Temporary suspensions from the autonomous customs duties are granted for certain goods from the agricultural, chemical, aeronautical and microelectronics sectors. Most of them are listed in annual regulations (the basic regulation on the autonomous suspensions is Regulation 1255/1996 which is amended twice a year to add or withdraw products from its annex). Others are shown as footnotes to certain CN codes and are applicable for an indefinite period. The normal duty rates can be suspended either totally (e.g. Chapter 27) or partially (e.g. 2905 44, 3201 20 00, 3824 60, etc.).</p>	<p><u>See example</u> Date: 03/03/2006 Commodity code: 0811 90 95 30 Country code: US</p>

<p>115</p>	<p><b>Erga Omnes autonomous tariff suspensions subject to an end-use</b></p> <p>Application of autonomous tariff suspension under the end-use regime (Article 82 of the CCC).</p> <p>Cases in which the end-use of goods leads to a reduction of or exemption from duty (Article 82 of the CCC) can be integrated as TARIC codes and linked with footnotes indicating the end-use.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>- Council Regulation 1344/2011 suspending the autonomous Common Customs Tariff duties on certain agricultural, fishery and industrial products and repealing Regulation (EC) No 1255/96.</li> <li>- Regulation 3050/1995 temporarily suspending the autonomous Common Customs Tariff duties on a number of products intended for the constructions, maintenance and repair of aircraft.</li> </ul>	<p><u>See example 1</u></p> <p>Date: 29/08/2013</p> <p>Commodity code:</p> <p>0710210010</p> <p>Country code: US</p> <p>Please read footnote EU001.</p> <p><u>See example 2</u></p> <p>Date: 06/09/2013</p> <p>Commodity code:</p> <p>7318156179</p> <p>Country code: RUIn case when Regulation 3050/1995 is used then footnote EU001 and EU002 should be considered:</p> <p><b>EU001</b></p> <p>The relief from or reduction of customs duties shall be subject to the conditions laid down in the relevant provisions of the Union with a view to customs control of the use of such goods (see Articles 291 to 300 of Commission Regulation (EEC) No 2454/93 (OJ L 253, 11. 10. 1993, p. 1)).</p> <p><b>EU002</b></p> <p>For the construction, maintenance and repair of aircraft of an unladen weight exceeding 2000 Kilograms and of ground flying trainers for civil use.</p>
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118	<p><b>Erga Omnes autonomous tariff suspensions with certificate confirming the special nature of the product</b> Currently not applicable.</p>	
119	<p><b>Erga Omnes autonomous tariff suspensions subject to an 'airworthiness certificate'</b> The legal basis for these suspensions is Council Regulation (EC) No 1147/2002 of 25 June 2002 temporarily suspending the autonomous Common Customs Tariff duties on certain goods imported with airworthiness certificates. These suspensions are granted only if an airworthiness certificate has been presented.</p>	<p><u>See example</u> Date: 03/03/2007 Commodity code: 9025 80 40 90 Country code: CA Please read footnote CD333.</p>
120	<p><b>Non-preferential tariff quotas</b> Includes WTO, autonomous, Erga Omnes and origin-related tariff quotas.</p>	<p><u>See example</u> Date: 03/03/2006 Commodity code: 7202 49 10 11 Country code: AU</p>
123	<p><b>Non-preferential tariff quotas subject to an end-use authorisation</b> Certain tariff quotas under code 120 are granted only if the goods are put to a specific 'end-use' pursuant to Article 82 of the CCC.</p>	<p><u>See example</u> Date: 15/06/2007 Commodity code: 2008601910 Country code: US Please read footnote EU001.</p>
125	<p><b>Non-preferential tariff quotas subject to a special certificate</b> These must be documents other than origin certificates, e.g. pedigree certificates, handicraft certificates or handlooms certificates.</p>	<p><u>See example</u> Date: 04/03/2006 Commodity code: 0206 29 91 39 Country code: DZ Please read footnote CD156 or CD227.</p>

<p><b>128</b></p>	<p><b>Erga Omnes tariff quotas following outward processing</b></p> <p>Certain tariff quotas under code 128 are granted only pursuant to the EU legislation about the arrangements regarding processing.</p>	<p><u>See example</u></p> <p>Date: 03/03/2006</p> <p>Commodity code: 5209 11 00 00</p> <p>Country code: CH</p> <p>Please read footnote TM001.</p>
<p><b>140</b></p>	<p><b>Special end-use resulting from the Common Customs Tariff</b></p> <p>Application of tariff suspension under the end-use regime (Article 82 of the CCC).</p> <p>Cases in which the end-use of goods leads to a reduction of or exemption from duty (Article 82 of the CCC) can be integrated as CN/TARIC codes and linked with footnotes indicating the end-use. For example: suspension of customs duties pursuant to Annex I to the Combined Nomenclature, Part I - Preliminary provisions - Section II - Special Provisions letter B 'Civil aircraft and goods for use in civil aircraft'.</p> <p>However, in other cases no footnote is integrated in TARIC but only in the CN.</p>	<p><u>See example</u></p> <p>Date: 01/01/2007</p> <p>Commodity code: 9031809110</p> <p>Country code: RU</p> <p>Please read footnote EU001.</p>
<p><b>150</b></p>	<p><b>Admission to CN codes subject to special certificates</b></p> <p>Most of these cases and the relevant certificates are mentioned in the Combined Nomenclature (see preliminary provisions). Others are mentioned as footnotes to the relevant CN codes, e.g. 0202 30 50.</p>	<p><u>See example</u></p> <p>Date: 03/01/2007</p> <p>Commodity code: 0806 10 10 05</p> <p>Country code: CA</p> <p>Please read footnote CD376.</p>

### Codes used for the Generalised System of Preferences (GSP)

Box 36 on the SAD	Tariff regimes to be applied	Examples
200	<p><b>GSP duty rate without conditions or limits</b></p> <p>The basic regulation applying the Community scheme of generalised tariff preferences is Council Regulation (EC) No 980/2005 of 27 June 2005. The same Regulation also establishes special incentives for sustainable development and good governance and grants a further tariff reduction to countries abiding by the rules of these arrangements (currently this is the case for several countries - Bolivia, Moldova, etc. See Commission <a href="#">Decision 2005/924/EC</a>).</p>	<p><u>See example</u></p> <p>Date: 03/03/2006</p> <p>Commodity code: 1507 10 90 00</p> <p>Country code: BH</p>
218	<p><b>GSP suspensions with certificate confirming the special nature of the product</b></p> <p>Currently not applicable.</p>	
220	<p><b>GSP tariff quotas</b></p> <p>Certain tariff quotas under code 220 are granted only pursuant to the EU legislation on the GSP.</p>	<p><u>See example:</u></p> <p>Date: 01/07/2005</p> <p>Commodity code: 2008 30 55 10</p> <p>Country code: GE</p> <p>Please read footnote CD377.</p>
223	<p><b>GSP tariff quota subject to an end-use</b></p> <p>Certain GSP tariff quotas are granted only if the goods are put to a specific 'end-use' pursuant to Article 82 of the CCC.</p>	<p><u>See example</u></p> <p>Date: 01/01/2007</p> <p>Commodity code: 1701 11 10 00</p> <p>Country code: AF</p> <p>When goods meet the conditions to apply both codes 223 and 225, code 223 should be entered in box 36.</p>

<p><b>225</b></p>	<p><b>GSP tariff quotas subject to a special certificate</b>                  These must be documents other than certificates of origin, form A (or invoice declarations), e.g. an import licence.</p>	<p><u>See example</u>                  Date: 03/03/2006                  Commodity code:                  2008 30 75 10                  Country code: BY                  Please read footnote CD377.                  When goods meet the conditions to apply both codes 223 and 225, code 223 should be entered in box 36.</p>
<p><b>240</b></p>	<p><b>GSP preferential duty rates subject to an end-use</b>                  Certain GSP preferences are granted only if the goods are put to a specific 'end-use' pursuant to Article 82 of the CCC.</p>	<p><u>See example</u>                  Date: 03/03/2007                  Commodity code:                  3501 10 50 90                  Country code: UA                  Please read footnote EU001.</p>
<p><b>250</b></p>	<p><b>Admission to CN codes with special GSP rates subject to a special certificate</b>                  Currently not applicable.</p>	

### Codes used for preferential agreements

Box 36 on the SAD	Tariff regimes to be applied	Examples
300	<p><b>Preferential duty rate without conditions or limits (including ceilings)</b> Application of the preferential duty rates under the relevant agreement.</p> <p>Application of the tariff ceilings (for example, Council Regulation (EC) No 2286/2002 of 10 December 2002 on the arrangements applicable to agricultural products and goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States (ACP States) and repealing Regulation (EC) No 1706/98).</p>	<p><u>See example</u></p> <p>Date: 15/06/2007</p> <p>Commodity code: 1507 10 90 00</p> <p>Country code: TR</p>
310	<p><b>Preferential agreements: tariff suspensions</b> Example of the legal basis for this kind of tariff suspension: Council Regulation (EC) No 1140/2004 of 21 June 2004 suspending the autonomous Common Customs Tariff duties on certain fishery products originating in Ceuta and Melilla.</p>	<p><u>See example</u></p> <p>Date: 07/03/2006</p> <p>Commodity code: 1604 16 00 00</p> <p>Country code: XC</p>
315	<p><b>Preferential suspension subject to an end-use</b> Preferential suspensions are granted only if the goods are put to a specific 'end-use' pursuant to Article 82 of the CCC.</p> <p>Currently not applicable.</p>	
318	<p><b>Preferential suspensions with certificate confirming the special nature of the product</b> Currently not applicable.</p>	



<p><b>320</b></p>	<p><b>Preferential tariff quotas</b>                  The preferential duty rates are applicable only within the limits of quotas. They can be managed on a 'first come - first served' basis or by licences.</p>	<p><u>See example</u>                  Date: 07/03/2006                  Commodity code:                  0302 12 00 11                  Country code: NO</p>
<p><b>323</b></p>	<p><b>Preferential tariff quotas subject to an end-use</b>                  Certain quotas under code 320 apply only if the goods are put to a specific 'end-use' pursuant to Article 82 of the CCC.</p>	<p><u>See example</u>                  Date: 01/01/2007                  Commodity code:                  0406 90 01 00                  Country code: GA                  Please read footnote EU001.                  When goods meet the conditions to apply both codes 323 and 325, code 323 should be entered in box 36.</p>
<p><b>325</b></p>	<p><b>Preferential tariff quotas subject to a special certificate</b>                  These special certificates must be documents other than EUR.1 movement certificates (or invoice declarations), e.g. an import licence.</p>	<p><u>See example</u>                  Date: 07/03/2006                  Commodity code:                  1701 11 90 00                  Country code: BB                  Please read footnote CD366.                  When goods meet the conditions to apply both codes 323 and 325, code 323 should be entered in box 36.</p>

<p><b>340</b></p>	<p><b>Preferential duty rates subject to an end-use</b>                  Preferences are granted only if the goods are put to a specific 'end-use' pursuant to Article 82 of the CCC.</p>	<p><a href="#">See example</a></p> <p>Date: 15/06/2007</p> <p>Commodity code: 2007 99 10 00</p> <p>Country code: IS</p> <p>Please read footnote EU001.</p>
<p><b>350</b></p>	<p><b>Admission to CN codes with special preferential rates subject to a special certificate</b>                  Currently not applicable.</p>	

**Codes used under customs union agreements concluded by the Community**

<p><b>Box 36 on the SAD</b></p>	<p><b>Tariff regimes to be applied</b></p>	<p><b>Examples</b></p>
<p><b>400</b></p>	<p><b>Customs duties under customs union agreements concluded by the Community</b>                  This code is used when customs duties are imposed in the framework of customs union agreements with Andorra, San Marino and Turkey.</p>	<p><a href="#">See example</a></p> <p>Date: 24/11/2006</p> <p>Commodity code: 1517 10 10 00</p> <p>Country code: TR</p>
<p><b>420</b></p>	<p><b>Customs Union Quota</b>                  This code is used for tariff quota according to provisions of the customs union agreements, e.g. Commission Regulation (EC) No 816/2007.</p>	<p><a href="#">See example</a></p> <p>Date: 01/07/2008</p> <p>Commodity code: 1704 10 10 10</p> <p>Country code: TR</p>

For all the examples mentioned in the table above there is a hyperlink to the TARIC website.