

USING BONDED WAREHOUSE PROFITABLY

For the cross-border movement of drug products, application of the bonded warehousing procedure opens up new, simplified and profitable possibilities of use. A bonded warehouse provides strong advantages to the owner of the stored non-EU goods. Owner has not to pay any duty on the goods until they are sold or shipped.



ADVANTAGES OF THE BONDED WAREHOUSE PROCEDURE

For certain periods, which are not normally limited, bonded warehouses offer the possibility, on the one hand, of storing transit goods duty unpaid in the customs territory of the Union and, on the other hand, of paying import duties on goods intended for sale in the territory of the Union only after they have been released from stock in the bonded warehouse.

A bonded warehouse thus provides strong advantages to the owner of the stored non-EU goods. Owner has not to pay any duty on the goods until they are sold or shipped:

- Customs duties incl. import turnover taxes are suspended / deferred und until goods are released for free circulation
- Cost items become due upon actual sale within the EU or further dispatch to other EU destination(s) (*Credit function – cash conservation, interest gain*)
- In case non-EU goods will should be delivered to an EU third country no cost items become due and trade measures, e.g. import permissions, are suspended (*Transit function*)

The following also applies to pharmaceuticals: The transfer of the products to the bonded warehouse **does NOT require an import permit!**



RECORDS

Goods stored in a bonded warehouse are subject to customs supervision, location has to be authorized.

The warehouse keeper must keep records in accordance with Art. 178 UZK. In particular, all goods movements must be documented in these records. The customs administration checks the proper handling of the customs warehouse procedure on the basis of the records and the quantities of goods actually available.

“USUAL TREATMENTS”

Goods may only be stored in bonded warehouses.

However, **simple activities** can also be carried out in the bonded warehouse. This includes, for example, weighing, taking samples or filling/packing, unpacking, repacking, decanting and easy reloading into containers, affixing, removing and changing trademarks, seals, labels, price tags or other similar distinguishing features

These treatments permitted in bonded warehouses are referred to as ‘**usual treatments**’. These treatments generally do not require approval. However, it is recommended that intended usual treatments be included in the permit by the customs authorities.

REFINEMENT

For processing, processing or repairs, **inward processing** (*aktive Veredelung*) or end use may be authorized in the premises of bonded warehouse under the conditions applicable to these procedures (Art. 241 UZK).

Conclusion: The use of a customs warehouse with all its options opens up new ways and possibilities for cross-border goods movements and related requirements regarding EU import and customs clearance, VAT treatment and release by a Qualified Person.

Interested to get additional information? Please get in touch with us:

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