

# Customs duty

Customs duty is a pan-European tax levied on goods produced outside the EU when they are imported into the EU.

The law on customs matters is generally enacted by the EU, but administered by the various EU states' customs authorities. As a result of this, for example, the rate of duty for any given product should be the same no matter into which EU state the goods are imported.

Duty rates are set annually by the EU, effective from 1 January to 31 December and are published in a Customs Tariff issued by each EU member state.

The EU rate of duty applicable to any given product is determined by its classification (description) for customs purposes. The EU Customs Tariff contains some 18,000 classifications in the form of 10 digit Customs Commodity Codes (CCC's). Customs duty rates can vary widely depending on the product in question.

## Classification for duty

In addition to the full rate of duty, a classification indicates any preferential rates available (if goods originate in certain countries), or any additional (anti-dumping) duties that may apply. Any particular duty reliefs or restrictions (such as import licensing) will also be indicated via the classification.

Where there is a possible doubt concerning the correct classification of a product, importers can apply to the customs authorities for a written classification decision, known as Binding Tariff Information (BTI). A BTI is legally binding on the customs administrations of all EU member states and provides certainty regarding a product's classification for a period of up to six years.

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