



Avoiding Unnecessary Duty: Special Procedures & Freeports

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What are the Special Procedures?

- Transit
- Authorised Use
- Customs Warehousing
- Temporary Admission
- Inward / Outward Processing



Transit

- Move goods through customs territories under duty suspension
- The Common Transit Convention
- Internal Union Transit
- External Union Transit
- NCTS
- 3 common mistakes
- Discharging the procedure
- ATA Carnet



Customs Warehousing

- Delay payment of Duty and VAT
- No requirement for pre-financing of import taxes, no application of trade measures
- Can be used in conjunction with Inward Processing Relief
- Different types of customs warehouse
- Using a customs warehouse
- Allowed types of processing
- Authorisation
- Discharging the procedure



Temporary Admission

- Import goods temporarily for a specific purpose
- Authorisation required
- Substantive change prohibited
- Identifiable
- Time limits
- Duty relief



Inward / Outward Processing

- Protect domestic manufacturing by reducing costs
- Minimise the duty imposed on raw materials and finished products
- Re-export or Release for free circulation
- No duty payable if raw materials or parts are damaged, poor quality or not in accordance with the contract
- Full authorisation
- Authorisation by declaration
- Equivalence
- Standard exchange system



What is the purpose of Freeports?

- A freeport or free trade zone is a specifically designated area where tariffs on imports are either substantially cut or waived in the hope of stimulating economic growth and trade.
- Essentially, freeports, also known as free trade zones, are meant to cut costs and bureaucracy, at the same time as encourage innovation.
- A freeport or zone is an area inside the boundary of a country, but is considered a separate entity for the purpose of customs.
- In some cases, businesses that operate within these areas are given incentives, such as tax breaks.
- Manufacturing businesses operating within the surrounding free zones ultimately benefit from cheaper components compared to those outside.
- There are also advantages to be had from the ‘agglomeration effect’, which is where a particular sector and subsequent economic activity is concentrated in one area.



Benefits of locating in a Freeport

- Simplified Customs Arrangements
- Relief from Stamp Duty Land Tax
- Enhanced Capital Allowance Relief
- Enhanced Structures & Buildings Allowance Relief
- National Insurance Relief
- Enhanced Capital Allowance for Plant & Machinery



Useful Links: Freeports

- <https://www.gov.uk/guidance/apply-to-use-the-freeport-customs-special-procedure>
- <https://www.gov.uk/guidance/get-your-business-ready-to-use-a-freeport-customs-site>
- <https://www.gov.uk/guidance/declaring-goods-and-paying-tax-when-using-a-freeport-customs-site>
- <https://www.gov.uk/guidance/check-if-you-can-claim-relief-from-stamp-duty-land-tax-in-freeport-tax-sites>
- <https://www.gov.uk/guidance/check-if-you-can-claim-relief-from-stamp-duty-land-tax-in-freeport-tax-sites>
- <https://www.gov.uk/guidance/check-if-you-can-claim-the-enhanced-capital-allowance-relief-in-freeport-tax-sites>
- <https://www.gov.uk/guidance/check-if-you-can-claim-enhanced-structures-and-buildings-allowance-relief-in-freeport-tax-sites>
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