Customs status and Type of goods

The determination and maintenance of the correct customs status of products are essential elements of customs compliance and supervision. In addition, it is necessary to establish whether products are subject to excise duty legislation, as the treatment, storage, movement, and reporting requirements may differ significantly for excise-controlled goods.

- Customs status
- Type of products

Customs status

The Customer shall provide one of the following customs statuses for any Product brought to the Company:

Non-Union customs status

Status other than Union status, also commonly referred to as Bonded or **T1**.

Union customs status

1. Goods wholly obtained in the EU, not incorporating goods imported from outside the EU;
2. Goods imported from outside the EU, released for free circulation;
3. Goods obtained or produced in the EU solely from goods as mentioned under a and b.

The Union customs status is commonly referred to as **T2** or domestic.

Type of products

Excise Controlled

Depending on the commodity code, products with Union customs status (**T2** goods) may qualify as excise goods. Within the energy industry, this typically concerns products that can be used as motor fuel or heating fuel. It also includes certain alcoholic products, such as ethanol, that are used in fuel blends. Ethanol is itself subject to excise duty legislation and is therefore considered an excise good.

Based on their commodity code and intended use, most excise goods are subject to excise control requirements. These requirements impose specific administrative and operational formalities relating to the storage, movement, and handling of such products. To ensure compliance with these obligations, the relevant products must be classified as “Excise Controlled”.

Within the Company, products subject to excise controls are commonly referred to as having “AAD” status. Although “AAD” is not an official customs status, the designation serves as an operational indicator that the product is subject to specific excise handling and control requirements. For internal purposes, no separate designation is required other than recording the status as “AAD”.

Uncontrolled

Products that qualify as excise goods but are not subject to excise control measures, as well as products that do not qualify as excise goods, do not require any specific treatment from a customs or excise control perspective.

Within the Company, such products are commonly referred to as having “FREE” status. Although “FREE” is not an official customs status, the designation serves as an operational indicator that no specific excise control procedures apply to the product. For internal purposes, no separate designation is required other than recording the status as “FREE”.