

# FOREIGN TRADE REGIME

Slovenia is a member of the European Union (EU) and a member of the Schengen area.

Trade between EU member states is based on the free movement of goods.

The EU's foreign trade and customs policy is applied in relations with third countries.

## Free movement of goods between EU member states

Trade between EU member states is carried out without customs control or customs duties and without any quantitative restrictions or other equivalent measures (free movement of goods).

There are no importing or exporting procedures and no customs formalities (e.g. submission of documents for the customs control of goods, customs declaration etc.). However, as part of implementing the tax policy, certain administrative formalities still have to be respected.

The free movement of goods among EU member states only relates to "Union goods", i.e.:

- goods wholly obtained in the customs territory of the Union and not incorporating goods imported under certain circumstances;
- goods brought into the customs territory of the Union from third countries and released for free circulation; and
- goods obtained or produced in the customs territory of the Union, either from goods referred to in the second indent alone or from goods referred to in the first and second indents.

For "non-Union goods" (i.e. all other goods) the EU's foreign trade regime and customs regime apply.

## Trade with non-EU member states

In its trade relations with non-EU member states (third countries), Slovenia applies the EU's foreign trade and customs policy.

The European Union concludes bilateral agreements and devises specific trade policies with third countries and regional areas. Bilateral trade relations concern agreements on free trade, association, co-operation and partnership and customs unions.

In the importing and exporting of goods from and to third countries, the customs regulations of the EU are applied.

## **Customs regulations**

### **TARIC**

TARIC, the integrated Tariff of the European Union, is a multilingual database integrating all measures relating to EU customs tariff, and commercial and agricultural legislation. It contains all the regulations and measures to be applied to the importing and exporting of goods to and from the EU. To use the TARIC one must know the TARIC classification code of goods and the origin of goods.

### **Combined nomenclature and customs rate appraisal**

The EU applies a combined nomenclature that gives a detailed classification of a globally recognised, harmonised system of nomenclature and tariff denominations.

### **Origin of goods**

Goods imported to the EU from third countries (non-Union goods) are divided into two groups:

- goods of preferential origin, for which more favourable customs rates are applied or which are exempt from customs duties, and
- goods of non-preferential origin, to which conventional customs rates and other measures of the EU's trade policy are applied, e.g. the calculation of compensation or anti-dumping customs duties, quantitative restrictions or quotas etc.

For certain countries the EU recognises trade preferences, which may be used if the rules on the origin of goods are observed.

### **Customs value**

The basic rule is that the customs value, verified on the basis of the invoice value submitted to customs authorities, results from the transaction value, that is the price actually paid or payable for the goods when sold for export to the customs territory of the Union.

### **EORI number**

Any person who, in the course of their business, is involved in activities covered by the customs legislation (economic operator) has to be registered in the EORI system (Economic Operators Registration and Identification System).

Operators from non-EU countries can be registered with the competent authority in any member state. In Slovenia, the authority is the Kranj Financial Office, Department of Customs, Department of TARIC.

## Customs formalities

All goods under customs control imported into the EU's customs territory must be submitted to a customs authority to determine their status, i.e. whether they are Union goods or non-Union goods.

Goods entering the customs territory of the Union are subject to customs supervision. Where applicable, they must comply with prohibitions and restrictions justified on grounds of public morality, public security, protection of health, the environment, national treasures, industrial or commercial property etc.

A person wishing to import goods into the EU or use any other customs procedure must act before customs authorities in line with the customs rules (e.g. lodging the customs declaration, presenting the goods and completing the other customs formalities in front of the customs authorities). That person may appoint a representative to act on their behalf.

Goods may be placed in the following customs procedures:

- release for free circulation (i.e. import);
- special procedures;
- export.

## Import

Goods brought into the EU customs territory must be presented to customs immediately upon their arrival at the designated customs office or in the free zone.

Before the goods are brought into the EU customs territory the Entry summary declaration (ENS) must be lodged at the customs office of first entry within a specific time limit.

Importers established outside the EU will be assigned an EORI number the first time they lodge a customs declaration or an ENS. Operators use this number in all communications with any EU customs authorities where an EU-based identifier is required, for example in customs declarations.

Immediately upon registration of the ENS, the customs authorities notify the declarant of the Movement Reference Number (MRN). At the same time, the customs office of entry performs the security and safety risk analysis for all goods declared in the ENS.

When entering the customs territory of the EU the operator notifies the arrival to the customs office of first entry. Goods brought into the customs territory of the Union must be presented to customs immediately upon their arrival.

A customs declaration must be lodged (generally it is lodged electronically) by a person able to present the goods or their representative. Goods are released for free circulation after the collection of import duties and other charges and completion of the other formalities set out relating to the import of the goods. By release for free circulation non-Union goods acquire the customs status of Union goods.

## ***Special procedures***

Goods may also be placed under special procedures. Special procedures are transit, storage, specific use and processing.

Transit:

- union transit;
- common transit;
- external transit;
- internal transit.

Storage:

- customs warehousing;
- free zones.

Specific use:

- temporary admission;
- end-use.

Processing:

- inward processing;
- outward processing.

## ***Export***

The export procedure applies to Union goods taken out of the customs territory of the Union to a destination outside that territory or moved to or out of special fiscal territories.

Goods to be taken out of the customs territory of the Union are subject to customs supervision and may be subject to customs controls. Where appropriate, the customs authorities may determine the route to be used and the time limit to be respected when goods are to be taken out of the Union's customs territory. Goods to be taken out of the Union's customs territory are subject to the repayment or remission of import duty, the payment of export refunds, the collection of export duty, the formalities required under provisions in force regarding other charges and the application of prohibitions and restrictions.