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Polish experience with the implementation of the FLEGT licensing scheme

**FLEGT/EUTR Expert Group meeting
20 September 2017, Brussels**

**Ministry of Finance, Poland
Customs Department**



COMPETENT AUTHORITY

- Customs Authority,
- acceptance carried out by: Customs Department, Ministry of Finance and Revenue Administration Regional Office in Gdańsk,

FLEGT LICENCES

- 265 licences (1 January 2017 – 13 September 2017),
- 30 importers registered in TRACES (including 11 customs agencies),
- use of TRACES

OBSERVATIONS

- (initially) doubts concerning correctness of issuance of FLEGT licences,
- mismatch of tariff classification,
- incorrectness of the customs-related obligations,
- (still) little awareness of importers,
- concerns over correctness of the reporting



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MISMATCH OF TARIFF CLASSIFICATION

- **FLEGT-licensed timber HS 4412 94 cleared as CN 4418 99 10 00 or CN 4409 22 00**

4412 94 - - Blockboard, laminboard and battenboard :

4412 94 10 ▼ - - - With at least one outer ply of non-coniferous wood

ERGA OMNES (ERGA OMNES)

→ Import control - CITES (04-02-2017 -) (CD370) [R0160/17](#)

[Show conditions]

→ Third country duty (01-01-2007 -) : **10.00 %** [R1549/06](#)

→ Suspension - goods for certain categories of ships, boats and other vessels and for drilling or production platforms (01-07-2016 -) : **0 %** (EU003) [R2658/87](#)
% (TM510)

[Show conditions]

Indonesia (ID)

→ Import control of timber and timber products subject to the FLEGT licensing scheme (15-11-2016 -) (CD631) [D0284/14](#)

[Show conditions]

GSP (R 12/978) - General arrangements (SPGL)

→ Tariff preference (01-01-2015 -) : **6.50 %** [R0978/12](#)



MISMATCH OF TARIFF CLASSIFICATION

4412 94 90 ▼ - - - Other

ERGA OMNES (ERGA OMNES)

- Import control - CITES (04-02-2017 -) (CD370) [R0160/17](#)
[Show conditions]
- Third country duty (01-01-2007 -) : **6.00 %** [R1549/06](#)
- Suspension - goods for certain categories of ships, boats and other vessels and for drilling or production platforms (01-07-2016 -) : **0** (EU003) [R2658/87](#)
% (TM510)
[Show conditions]

Indonesia (ID)

- Import control of timber and timber products subject to the FLEGT licensing scheme (15-11-2016 -) (CD631) [D0284/14](#)
[Show conditions]

GSP (R 12/978) - General arrangements (SPGL)

- Tariff preference (01-01-2015 -) **2.50 %** [R0978/12](#)



MISMATCH OF TARIFF CLASSIFICATION

SECTION IX WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL; CORK AND ARTICLES OF CORK; MANUFACTURES OF STRAW, OF ESPARTO OR OF OTHER PLAITING MATERIALS; BASKETWARE AND WICKERWORK

CHAPTER 44 WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL (TN701)

- 4418 Builders' joinery and carpentry of wood, including cellular wood panels, assembled flooring panels, shingles and shakes : (TN701)
- 4418 10 - Windows, French windows and their frames :
- 4418 20 - Doors and their frames and thresholds :
- 4418 40 - Shuttering for concrete constructional work
- 4418 50 - Shingles and shakes
- 4418 60 - Posts and beams
 - Assembled flooring panels :
 - Other :
- 4418 91 - - Of bamboo
- 4418 99 - - Other :
 - 4418 99 10 ▾ - - - Glue-laminated timber

ERGA OMNES (ERGA OMNES)

- Third country duty (01-01-2017 -) : **0 %** [R1821/16](#)
- Suspension - goods for certain categories of ships, boats and other vessels and for drilling or production platforms (01-07-2016 -) : **0 %** (EU003) [R2658/87](#)
% (TMS10)
[Show conditions]

Indonesia (ID)

- Import control of timber and timber products subject to the FLEGT licensing scheme (15-11-2016 -) (CD631) [D0284/14](#)
[Show conditions]



MISMATCH OF TARIFF CLASSIFICATION

SECTION IX WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL; CORK AND ARTICLES OF CORK; MANUFACTURES OF STRAW, OF ESPARTO OR OF OTHER PLAITING MATERIALS; BASKETWARE AND WICKERWORK

CHAPTER 44 WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL (TN701)

4409 Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed : (TN701)

- Non-coniferous :

4409 22 ▾

- - Of tropical wood

ERGA OMNES (ERGA OMNES)

→ Import control - CITES (04-02-2017 -) (CD370)

[R0160/17](#)

[Show conditions]

→ Third country duty (01-01-2005 -) : 0 %

[R2204/99](#)

→ Suspension - goods for certain categories of ships, boats and other vessels and for drilling or production platforms (01-07-2016 -) :

0 (EU003)

[R2658/87](#)

% (TM510)

[Show conditions]

Indonesia (ID)

→ Import control of timber and timber products subject to the FLEGT licensing scheme (01-01-2017 -) (CD631)

[D0284/14](#)

[Show conditions]



INCORRECTNESS OF THE CUSTOMS-RELATED OBLIGATIONS

- **release for free circulation prior to validation of the relevant FLEGT licence**

An agreed procedure:

- submission of the FLEGT licence by an importer/customs agent to TRACES,
- providing Competent Authority with the FLEGT licence for acceptance,
- providing the customs office indicated by the importer with the information on the validation of licence),
- validation of the FLEGT licence in TRACES



INCORRECTNESS OF THE CUSTOMS-RELATED OBLIGATIONS

- **release for free circulation prior to validation of the relevant FLEGT licence**

Instances of:

- **submission of the licence to the Competent Authority for acceptance after release of the goods for free circulation (air transport)**
- **entering in customs declaration in box 44 code Y057, no submission of FLEGT licence for validation (air transport)**



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INCORRECTNESS OF THE CUSTOMS-RELATED OBLIGATIONS

A point for consideration:

- a new TRACES functionality that would enable to send notification on acceptance of the licence not only to an importer who manages licences in TRACES by himself, but also to customs agents to ensure that they are aware that the licence has been accepted

Licence Validation

Request (time and message)

12/09/2017 15:34 CEST

Time and Place of Arrival

Estimated Time of Arrival: 15/09/2017 00:00 CEST

Point Of Release: GDAŃSK OC "TERMINAL KONTENEROWY"

Requester

Name: [redacted] Clear

EORI Number: [redacted] VAT Details

Address: [redacted]

Country: (PL) Polska

Approve Reject Ignore



INCORRECTNESS OF THE CUSTOMS-RELATED OBLIGATIONS

- shipments of FLEGT-licensed products in consignments containing commercial goods the total value of which does not exceed EUR 1000 ?

„[FLEGT] Valid for goods travelling from ID to the EU through another country when not stoppage or commercial transaction has taken place in the intermediate country.”

Country of dispatch

15 Kraj wysyłki / eksportu
Chiny
16 Kraj pochodzenia

31 Opa- kowania i opis towaru	Znaki i numery-Numery kontenerów-Liczba i rodzaj , 59 NAR op. PA, różne-00200,60 op.
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CN Code

32 Pozycja 1	33 Kod towaru Nr
	34 Kod kraju poch
	37 PROCEDURA 4000 2PL



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INCORRECTNESS OF THE CUSTOMS-RELATED OBLIGATIONS

- **incorrect declaration of codes relevant for FLEGT integration in TARIC**

31 Opa- kowania i opis towaru	Znaki i numery-Numery kontenerów-Liczba i rodzaj Kont. MSKU1967346 KRZESŁA I TABORETY DREWNIANE - 300 szt. op. CT, BRAK,300 op.	32 Pozycja	33 Kod towaru		V999	
		2 Nr	9401 69 00 00			
		34 Kod kraju poch		35 Masa brutto (kg)		36 Preferencje
		ID				100
		37 PROCEDURA	38 Masa netto (kg)	39 Kontyngent		
		4000	1 940			
40 Deklaracja skrócona / Poprzedni dokument PWD/451030/00/022, 2017						
41 Uzupełniające jm		42 Wartość pozycji	43 Kod			
		19 112.00	1 MW			
44 Dodat- kowe in- formacje	Załączone dokumenty, świadectwa i pozwolenia A00PL 031W=+4372.70; 070P=+2014.50 1DK7-0788; 1012, 3UP3-11PL450000RWA0081, 5DK1, 5DK5-13PL450000G000084, C690-17.00016-0007...C22-ID-PL, N705-SJK117100654, N865-0046789/SMR/2017, N934, N935-INSG170119, Y023-PLAEOC450000120062, Y024-PLAEOC450000120062, Y064, Y900, Y904, Y922 1PL05, 4PL02, 4PL05					

V-Legal/licz

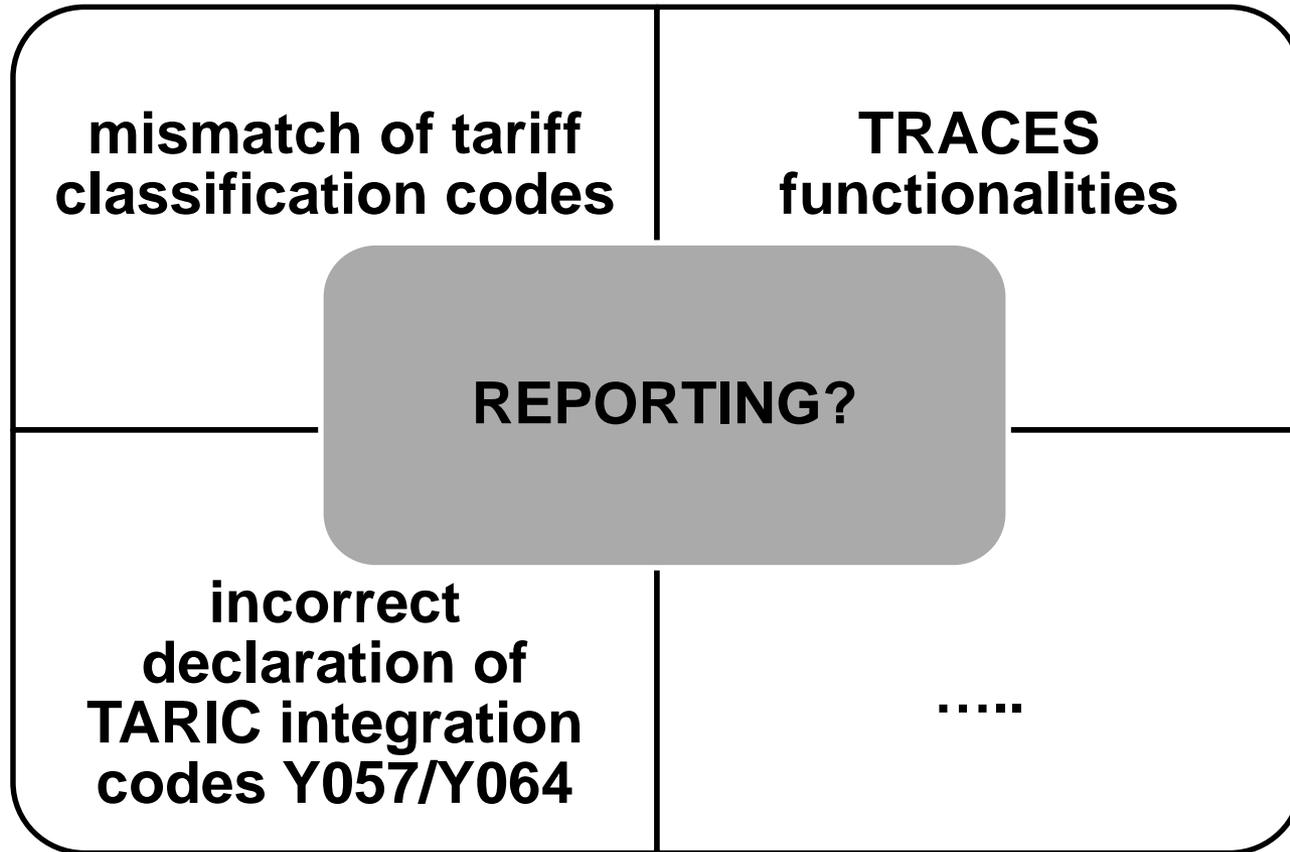
17.00016-01

4 Date of Expiry

08 | 10 | 2017



CONCERNS OVER CORRECTNESS OF THE REPORTING





CONCERNS OVER CORRECTNESS OF THE REPORTING

Doubts:

- **At what point should Indonesia be informed on mismatch of classification?**
 - at the time of acceptance of the FLEGT licence almost always there is no information on what CN code will be used in the customs declaration
 - the time between acceptance of the licence and the actual release for free circulation may be long
 - information in TRACES on the clearance of a shipment does not have to be real time

- **What statistical information is TRACES meant to reflect?**
 - is it meant to mirror electronically FLEGT licences issued by ID or to provide information on what actually has been released for free circulation (a functionality in „Clearance” section to indicate the codes of clearance)



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Thank you for your attention !

Anna Kobylecka
Non-tariff Measures and Single Window Unit Ograniczeń
Pozataryfowych i Single Window
Customs Department
Ministry of Finance
tel.22/694 51 56
e-mail: anna.kobylecka@mf.gov.pl