



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
Customs Policy, Legislation, Tariff
Customs Legislation

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Information paper

CUSTOMS CODE COMMITTEE

Section 'Special Procedures'

Equivalence between conventional sugar and bio sugar

Subject: Equivalence between conventional sugar and bio sugar

Background

This document has been produced to inform economic operators about the outcome of the discussion on the equivalence between conventional sugar and bio sugar under the Inward Processing Procedure. The discussion took place in the 32nd meeting of the Customs Code Committee- Section Special Procedures held on 30 September - 1 October 2013.

Economic operators should be aware of the conclusion that the equivalence system under the inward processing procedure is not allowed between conventionally produced white sugar and organic white sugar.

The conclusion is based on the following:

Equivalence of sugar under inward processing is defined by Article 115 of Regulation (EEC) No 2913/92, and Article 541(1) and Annex 74, point 3 to Regulation (EEC) No 2454/93 (CCIP). Article 541(1) CCIP refers to the same eight-digit CN code, the same commercial quality and the same technical characteristics; Annex 74, point 3 CCIP clarifies the aspect of CN code and technical characteristics only for equivalence of raw cane and beet sugar. This leaves the third element of Article 541(1) CCIP, which is the commercial quality, not being clarified in a legislative rule and consequently it is up to the customs authorities to establish its application in a concrete case.

The organic quality is an important factor for the commercial quality, expressed in the product's price, in the official handling formalities under Regulation (EC) No 834/2007 and in the specific market it is destined for. Therefore, organic sugar placed under the inward processing procedure may only be replaced by equivalent organic sugar.

Regarding the use of the information sheet INF5 which may be used for inward processing EX/IM, it would not be allowed to export conventional sugar itself or in the form of a compensating product and to place subsequently organic sugar under the inward processing procedure.

The working paper that was presented to the Committee and the Excerpt of the Minutes of the meeting are attached.



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Working paper

CUSTOMS CODE COMMITTEE

Section for Special Procedures

Inward Processing

Equivalence between sugar and bio sugar

This document will be examined at a forthcoming meeting of the Committee.

Background

A Member State asked for clarification in the context of inward processing of sugar whether it is possible to have an equivalence between conventionally produced white beet sugar (Commodity code 1701 9910 800) and organic white cane sugar (commodity code 1701 9910 200).

The Member State asked:

- 1) whether there is an equivalence between white beet sugar (equivalent goods) and white cane sugar (import goods) and
- 2) whether there is an equivalence between conventionally produced white sugar (equivalent goods) and organic white sugar (import goods).

Regarding point 1) it should be considered that there are no differences in the chemical composition between white beet sugar and white cane sugar. Both types of sugar consist of 100 % sucrose. Thus, the criteria for the same commercial quality and the same technical characteristics are met.

Regarding point 2) however, it is doubtful whether equivalence exists. The production of organic white sugar is subject to the strict rules of Regulation (EC) No 834/2007 (EC Organic Regulation, hereinafter Regulation). In the production of such food it is not allowed to use synthetic pesticides or easily soluble mineral fertilizers. The use of genetically modified organisms in the production of organic food is prohibited. In compliance with the requirements of the said Regulation, the organic production is subject to a control system throughout the entire manufacturing process. Only if in compliance with all provisions of the Regulation, the food may be sold as organic sugar.

The Member States are invited to provide their views on point 1) and point 2) with the objective to clarify the issue.

**Excerpt from the Minutes of the 32nd meeting of the Customs Code Committee-
Section Special procedures held on 30 September-1 October 2013**

VI. Inward processing

Equivalence between sugar and bio sugar

(Document TAXUD/A2/SPE/2013/023 (available in EN))

The Commission presented the working document and requested Member States to provide their opinion on the two questions raised in the document.

The first question concerned whether there was equivalence between white beet sugar (equivalent goods) and white cane sugar (import goods).

COM and Member States confirmed that there was equivalence between the given goods.

The second question was whether there was equivalence between conventionally produced white sugar (equivalent goods) and organic white sugar (import goods).

The vast majority of Member States agreed that the commercial value of the two goods was not equivalent. Whether a good was traded as bio-white sugar or not would have an impact on most of consumers. One Member State was of the view that there was equivalence between the two goods as they have the same CN code.

COM concluded that there was no equivalence between the two types of goods.