

## IPR: Inward Processing Relief with ASSIST4 Import

### The Task

Many international companies which manufacture and process goods at different sites for different markets are increasingly obliged to make use of customs procedures such as inward processing relief in order to meet the challenges of internationalisation and globalisation. More and more raw materials are purchased in third countries and manufactured in Germany or other EU countries. If the finished goods are sold to a third-country market afterwards, it does not make sense to clear the raw materials through customs and to pay customs duties and taxes. If the manufacturing process takes place in Germany or the EU, inward processing relief offers great advantages.

### The customs procedure "Inward Processing Relief"

The inward processing relief procedure must always be authorised by customs authorities. The authorisation stipulates the rules for accurate processing of IPR arrangements. The IPR module of ASSIST4 replicates this authorisation in order to translate the rules for inward processing relief according to the authorisation.

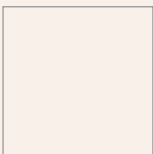
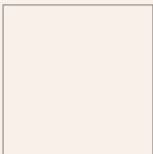
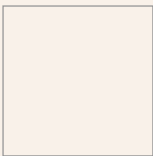
As mentioned above, a company imports third-country components into the customs territory of the European Community in order to re-export a finished product (which includes imported goods or equivalent products) to a third country. Thanks to the authorisation granted for inward processing relief, the company is in a position to effect these procedures without having to pay customs duties or taxes. The authorisation defines which deadlines a company must meet in order to avoid payment of these duties and taxes.

### Inward processing relief in daily business

Of course, a company's activities within the inward processing relief procedure are monitored by the responsible customs offices. Compared to the release for free circulation, inward processing relief requires many administrative activities (stock management etc.) leading to a high level of documentation. The IPR module integrated in ASSIST4 Import and ASSIST4 Export will reduce administration considerably.

### Scope of functionality

- The IPR module can be used together with ASSIST4 Import and ASSIST4 Export. This enables the greatest benefits to be achieved because stock management (arrivals in ASSIST4 Import and dispatches in ASSIST4 Export) can be fully automated.
- An unlimited amount of different authorisations can be stored and processed within the IPR module.
- The IPR module works with the suspension system, as in Germany, this is the most frequently used procedure. After consultation with AEB, it is also possible to implement the "duty drawback" procedure.
- The IPR module enables you to make a quarterly aggregation. At the end of the quarter, duties and compensatory interest are calculated automatically.
- A release from inward processing relief into free circulation is possible (normally after end-of-quarter closing).



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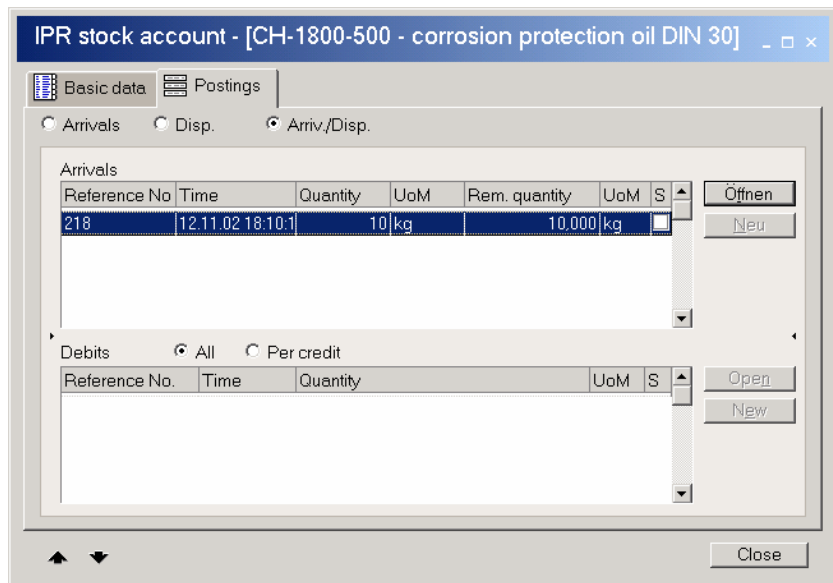
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- Bills of materials must not be available until end-of-quarter closing.
- Excess quantities will automatically be assigned to the next quarter.
- Online stock management per inward processing relief/authorisation.

**The IPR module in ASSIST4 Import**

As mentioned above, the IPR module offers a series of functions which are implemented in ASSIST4 Import and ASSIST4 Export. The key functionality is the stock management (warehouse) of the IPR authorisation and the imported goods.

The screenshot below is to give an impression of the application:



Another important point is the end-of-quarter closing required for inward processing relief. ASSIST4 creates these closings at the touch of a button. These documents are used as the basis for the presentation of the bill of discharge to the responsible customs office.

**Benefit**

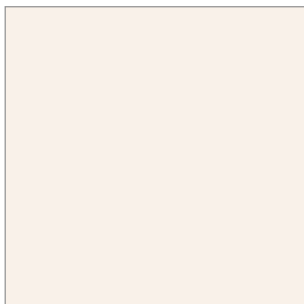
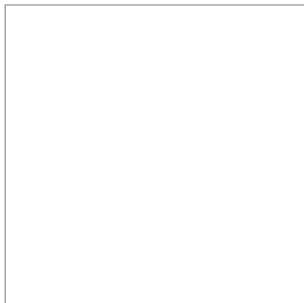
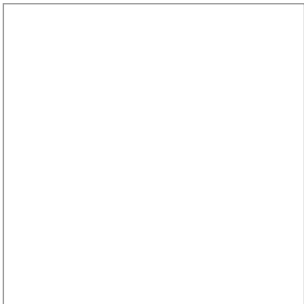
The IPR module reduces the work for stock management, declarations for imported goods and compensating products considerably. The stock management is exclusively done within the IPR module – an inward processing relief ledger or file cards are no longer required.

**Security**

Thanks to the high level of automation, it is ensured that all relevant processing operations are billed. By means of a procedure code in ASSIST4 Import, a posting entry will automatically be created in the IPR warehouse. Each export operation of compensating products will be recorded and billed.

**IPR in connection with other customs procedures**

It is often useful to have customs warehousing arrangements prior to or after inward processing relief. Also in this case, ASSIST4 offers the necessary functionality in order to achieve an efficient workflow.



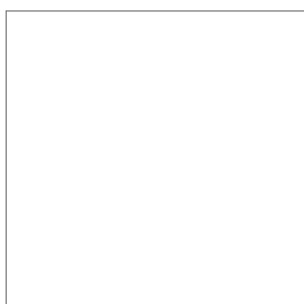
## The IPR module in connection with ASSIST4 Import and Export



### IPR in ATLAS

Inward processing relief within ATLAS will be possible as from Release 7.0 (planned for the first quarter of 2005). According to current plans, billing will still take place by means of documents.

Under certain conditions, today, it is already possible to handle inward processing relief within ATLAS. For further details, please contact your AEB sales manager.



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