



Customs Service of
Republic of Moldova

INWARD PROCESSING GUIDELINES FOR ECONOMIC OPERATORS

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ABBREVIATION LIST

AEO	Authorized Economic Operator
Par.	Paragraph
Art.	Article
CO	Customs Office
TC	Tax Code of the Republic of Moldova
CC	Customs Code of the Republic of Moldova
IM	Import
CA	Customs Authority
Reg.	Regulation
RM	Republic of Moldova
IP	Inward processing
IPR – IP/R	Inward processing under drawback system
IPS – IP/S	Inward processing under suspension system
Pnt.	Point
CP	Customs Point
IS ASYCUDA	“Asycuda World” Automated Information System
VAT	Value Added Tax

INTRODUCTION

By the Government Decision no. 516 of July 02nd, 2014 were operated amendments to the text of Government Decision nr.1140 of November 02nd, 2005 for the approval of the Regulation for the implementation of customs destinations provided by the Customs Code of the Republic of Moldova. These amendments have considerably impacted the regulatory procedure for inward processing regime (hereinafter IP) applicable to production companies importing foreign raw material with the aim of its processing on the territory of Moldova and subsequent export of finished products. Thus, as a consequence of these regulatory amendments, the conditions of authorization for IP regime were brought in line with the European customs legislation, thus guaranteeing transparency, predictability and security in the application of the customs regime.

Due to these amendments, the inward processing authorization is granted to economic operators regardless of their ownership over raw material, under the condition that the obtained compensating products are re-exported from the Republic of Moldova. Thus, if previously this regime was only applied under processing (lohn) contracts, now it is possible to apply the IP regime under purchase and sale contract.

Furthermore, the amendments provide for the possibility to establish the methodology for determining the rate of yield (the percentage of products obtained from processing).

It should be noted that these changes were coordinated with the Customs Service, business community (foreign investors, European experts) as well as local public authorities and are part of the modernization and simplification process of customs procedures designed to create a more favourable environment for business and investment development in the Republic of Moldova.¹

The purpose of these guidelines is to provide relevant information, tools and solutions to Moldovan economic operators that perform or intend to perform foreign goods processing on the customs territory under IP regime. This guide describes the inward processing regime, its advantages and procedures analysed through the prism of existing regulations and recent regulatory changes. It also focuses on the consecutive stages of deployment of IP regime with an emphasis on the following aspects:

- Issue of an IP authorization
- Procedure for placing goods under the IP regime
- Running of the IP regime
- Discharge of the IP regime

These guidelines also provide information on types of legal liability that may arise as a result of noncompliance with relevant regulations governing the IP regime, as well as the methods for determining import duties levied when importing compensating products.

¹ Source: <http://www.customs.gov.md/index.php?id=4133>

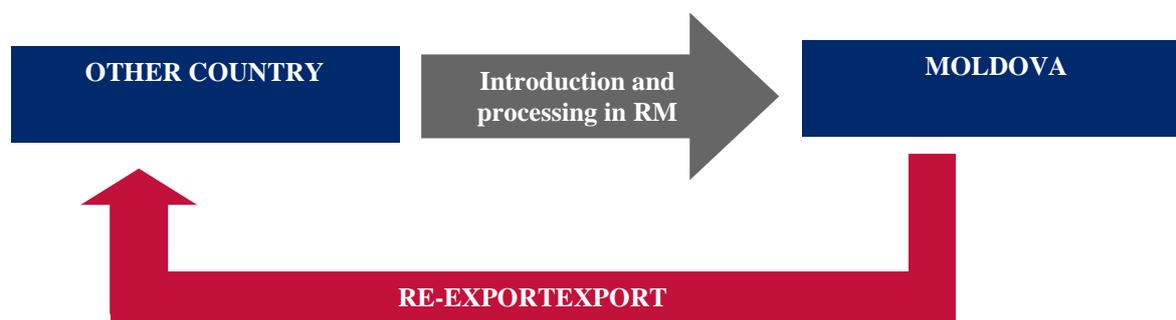
I. INWARD PROCESSING (IP) REGIME

1.1 Scope of IP regime

Through the IP customs regime, it is possible:		
1. to introduce certain foreign goods into the country;	2. to transform them into other goods, by processing it in a particular way;	3. to take out of the country the goods obtained after processing without paying taxes at any stage.

Inward processing is a customs regime that allows the introduction and use on the territory of Republic of Moldova of foreign goods under one or more processing operations, after which these foreign goods are taken out of the customs territory of the Republic of Moldova in the form of compensating products.

Schematic presentation of IP regime



Example:	The fabric (foreign good) for manufacturing (processing operations) of men's jackets (compensating products) is introduced in the Republic of Moldova and subsequently the products are taken out of Republic of Moldova
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Operations allowed under IP regime

- Processing of goods, including the installing, assembling or fixing them to other goods;
- Transformation of goods;
- Repair of goods, including their restoration, removal of defects, adjustment;
- Use, in accordance with customs regulations, of certain goods which are not included among compensating products, but which allow or facilitate the production of those products, even if they are entirely or partially consumed as part the processing

Compensating products

All goods (products) resulting from their placement under the customs regime of IP are classified as compensating products and may be:

- **main** - for the obtaining of which the inward processing regime was authorized;
- **secondary** - other than the main compensating products, which are derived products, necessarily resulting from the transformation operation.

Example:	The economic operator introduces in Moldova walnuts from Belgium, which are peeled, and the
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resulting walnut kernels are returned to Belgium. Walnut kernels, which obtaining is the purpose of processing operation, are a main processed product. Walnut shells will be considered secondary compensating products.

1.2. Advantages of IP regime

- The economic operator may introduce, store, use and process foreign goods without blocking its liquid capital for the payment of import rights and other compulsory payments characteristic for the definitive import of goods.
- Economic operators have the opportunity to use local labour force and production capacities at their disposal in order to produce goods destined for export, from raw materials or foreign material.
- Using the IP regime, local producers can compete on foreign markets being exempt from the burden of payment of local customs duties, which become additional funds that can be used for the processing of their own products.
- The IP regime stimulates indirectly the exports, since raw materials or materials of domestic production may be incorporated into products obtained from the processing.
- The final products from the IP process, due to efficient processing criteria, may be labelled with the Republic of Moldova origin and thus obtain a preferential tariff treatment in the countries where these products will be exported.

The main advantage is that the IP regime allows:

Introduction of foreign goods,	➔	without paying fees and taxes or, in the case of their payment, allowing their refund.
their improvement or processing,		
the export of what was obtained after processing,		

1.3. IP systems and their specifics

The IP regime may be used in one of the two systems: suspension and drawback.

The customs regime of inward processing under suspension system (IPS) allows foreign goods to be removed from the customs territory under the form of compensating products, to be used on the territory of Moldova in one or more processing operations **without payment of import duties (excluding the tax for customs procedures) and without application of economic policy measures**, unless the law provides otherwise.

The customs regime of inward processing under drawback system (IPR) allows the imported goods that are placed into free circulation goods - if removed from the customs territory under the form of compensating products - to be used on the territory of Republic of Moldova in one or more processing operations with **collection of import duties and their drawback at export**.

Conditions and selection procedure of IP systems

The economic operator has the option to choose between the two systems – suspension or drawback – when he desires to place the goods under IP regime, taking into account the exceptions provided by the legislation in force². The general principle applicable in this case is:

The suspension mechanism has priority over the one with drawback

Since the placement of goods is performed under:

IPS	IPR
1. without paying import duties ³ (excluding the tax for customs procedures);	1. with the collection of import duties;
2. and without application of economic policy measures ⁴ , unless the law provides otherwise;	2. and their drawback at export.



CAUTION!

The possibility to choose the IP system is restricted for certain types of goods (see section 2.2).

² Exceptions will be approached in section 2.2.

³ Import duties - customs tax, taxes for customs procedures, value added tax, excise duties and any other amounts due to the state on the import of goods, collected by the customs authority in accordance with the legislation; tax for customs procedures, any other amounts due to the state at the export of goods, collected by the customs authority in accordance with the legislation (pt. 26, art. 1 of the Customs Code).

⁴ Measures of economic policy - restrictions at the introduction and removal from Republic of Moldova of goods and means of transport, set from economic policy considerations that require licensing, quotation, taxation, minimum and maximum price setting (pt. 24, art. 1 Customs Code)

II. INWARD PROCESSING AUTHORIZATION PROCEDURE



CAUTION!

Given that the IP regime is a regime with economic impact; its use is subject to **obtaining of inward processing authorization, regardless of the applied system.**

2.1. IP authorization

IP authorization is the document issued by the customs authority that enables the use of the IP regime. The model of IP authorization is indicated in the Annex 4 of these guidelines.

2.2. Issue of IP authorizations

Step 1. Preliminary conditions



Establishment of goods that can be placed in IP

Its purpose is to identify goods which admission to the IP regime is prohibited (forbidden) and to identify the possible IP system to be used.

The goods, which placement in IP regime is prohibited, are classified into two types:

- which placement is prohibited in any IP system (Annex 1);
- which placement is prohibited in IPS system (Annex 2).



Issuance of commercial contracts

The purpose of concluding commercial contracts is to demonstrate the actual intention of re-exporting the main compensating products from the Republic of Moldova, regardless of holding the ownership right over import goods to be used in the inward process.

This intention may be demonstrated by presenting:

- the service contract (loan processing);
- the sale-purchase agreement under which goods are repaired or exchanged under established guarantees;
- two agreements purchase and sale: under one agreement, the foreign raw materials are procured and, on the basis of the second agreement, the compensating goods are sold;
- other documents confirming the intention to take out the main compensating products from the customs territory of the Republic of Moldova.



**Attention!
Important!**

Holding ownership right over import goods to be used in the inward process is not a ground for refusing to issue the IP authorization if it is demonstrated the effective intention of re-exporting or exporting main compensating products from the Republic of Moldova.



Holding the act (report) of expertise

- It is necessary to hold an act (report) of expertise if the described technological process has not occurred previously, imposing the need to verify it for the first time;
- The technological process is complex, involving special technological knowledge;
- The technological process previously described took place, but the rate of yield presented by the applicant at the time of authorization differs significantly from the previous.

The Act (report) of expertise is generally obtained from the competent expertise bodies such as the Chamber of Commerce and Industry, but not limited to it.



The payment of debts to customs authority

The issue of authorization will be refused if, at the date of request for the issue of IP authorization, there are certified debts of any kind to the customs authorities.



Anticipated verification if the economic conditions are fulfilled

Verify in advance whether economic conditions are fulfilled, because the authorization is granted only if the IP regime will contribute to the creation of conditions more favourable for the export or re-export of compensating products (provided that the essential interests of domestic producers of similar goods are not unfavourably affected).

Economic conditions are considered satisfied when the application concerns:

- operations involving imported goods of non-commercial nature;
- processing operations;
- transformation of compensating products obtained from the processing carried out under a previous authorization, which was already subject to verification of the economic conditions;
- usual forms of manipulation listed in Annex no.32 of Regulation on application of customs destinations provided by the Customs Code, approved by Government Decision no.1140 of 02.11.2005 (hereinafter Regulation nr.1140);
- repair.

Similarly, the economic conditions are considered fulfilled on the basis of the following criteria:

- a) lack of goods produced in the Republic of Moldova, classified under the same tariff position, according to Law on the approval of the combined nomenclature of goods no.172 of 07.25.2014, with the same quality and technical characteristics as the goods to be imported for the concerned transformation operations;

Explanation:

The criterion in point a) refers to the lack of goods produced in the Republic of Moldova and falling within the same code of the Combined Nomenclature of goods that are of the same commercial quality and have the same technical characteristics (comparable goods) as the imported goods mentioned in request.

“Lack” is considered to be the absolute unavailability of domestic production of comparable goods, or the lack of a sufficient quantity of comparable goods to perform the transformation operations or the fact that comparable domestic goods cannot be made available to the applicant in time for commercial operation to be performed (when the request was made in good time).

- b) the price differences between goods produced in the Republic of Moldova and those for import, which would make the concerned commercial operation economically unviable;

Explanation:

The criterion in point b) refers to comparable goods available in the Republic of Moldova, but which cannot be used because their price would make the commercial operation economically unviable.

In order to decide whether the price would make a commercial operation economically unviable or not, it is necessary to consider the impact that the use of domestic goods would have on the cost price of the compensating products and, therefore, the rejection of the product on a third-country market, given:

- the price before applying the import duties on goods destined for processing and the price of comparable goods produced in the RM, except taxation / internal taxes refunded or refundable on export, taking into account the conditions of sale.
- the price that can be obtained for the compensating products on the third-country market, estimated on the basis of commercial correspondence or other information.

- c) contractual obligations, according to which goods produced in the Republic of Moldova do not comply with the expressly stated requirements of the third purchasing country, towards compensating products to be obtained from foreign goods in order to comply with the provisions concerning the protection of industrial or commercial property rights;

Explanation:

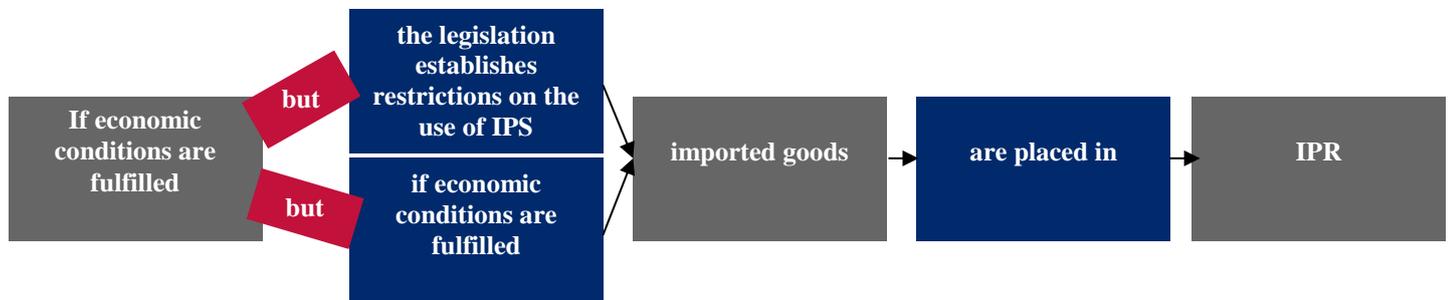
the comparable goods (produced in RM) - goods which do not comply with the requirements expressly indicated by a third-country buyer of compensating products or the compensating products - must be obtained from the imported goods in order to comply with the provisions on the protection of industrial or commercial property rights (contractual obligations).

In the cases mentioned above, when economic conditions are fulfilled, the imported goods are to be placed under the customs regime of inward processing under suspension system, unless the law provides otherwise.



Attention exception!

If the economic conditions are fulfilled, the imported goods will be placed in the IP customs regime under drawback system when the legislation in force establishes restrictions for the use of the suspension system or at the request of the economic operator, unless the law provides otherwise.



Remember!

Even if economic conditions are fulfilled, the use of the IP regime under drawback system is not possible when at the time of declaration registration for the placement under the regime:

- the imported goods are subject to restrictions or prohibitions upon release for free circulation;
- the main compensating products are subject to export restrictions or prohibitions established by the regulatory framework in this field.

Economic conditions are considered fulfilled also if the compensating products are to be obtained from other compensating products arising under **an issued authorization**.

Step 2. Completion of the application form

The model of the application for authorization of the inward processing regime is shown in Annex 3.

This application must be completed on paper, in accordance with instructions contained in Annex No. 7 of the Regulation no.1140. When filling the application, particular attention must be given to establishment of the rate of yield and of the term of validity of the IP authorization and of the period of re-export.

Determination of the yield rate

The rate of yield of the IP operation (rate of yield = f) is established independently by the titular of the operation based on relevant documents. Typically, this is established on the basis of production or technical information or of the information related to the operations of the same type, if available. More commonly, the rate of yield is calculated on the basis of the description of the technological process provided by the applicant, which is verified and confirmed by a competent expert after that.

For a technological process with no loss (repairs, some services etc.) or recoverable losses, the rate of yield is set at 100%. By accepting a rate of yield lower than 100%, the customs authority confirms those irretrievable waste or technological losses that cannot be classified as the main compensating product or as a secondary compensating product, and which, as a consequence, is not subject to the declaration procedure for the IP regime discharge.



Attention! Remember

For certain goods, the customs authority is entitled to apply standard rates of yield set by the competent authorities.

Any change of the initially established rate of yield, which occurs after the authorization and which may influence its content during the authorization of the IP regime, should be communicated in advance to the customs authority that authorized the IP regime.

The communication about the change in the yield rate is made in written form and is signed by the holder of the IP authorization immediately after finding about such changes, but at least 5 working days before the time limit (fixed in the authorization) for the re-export of compensating products.

Determination of the validity period of IP authorization and of the time limit for the re-export of goods

Export or re-export time limit represents the concrete term until the imported products or compensating products must receive a customs destination approved by the customs authority.

The **validity period** of the authorization is established:

- depending on the specific conditions and needs of the holder;
- for a period of up to two years.

The time limit of export or re-export is determined:

- taking into account the time needed for conducting operations of processing / transformation indicated in the authorization for a given quantity of goods;
- as well as the time required for the assignment of a customs destination to compensating products.

The steps for establishing the export or re-export time limit is as follows:



The application for the IP authorization is signed by the authorized person and authenticated by the stamp of the operation titular. The application must be accompanied by all documents required for the authorization of the IP regime (contracts, act / report of expertise etc.).

In order to speed up the process for issuing the IP authorization, it is possible for the project authorization to be completed by the applicant in electronic format in the module “Inward Processing” of ASYCUDA SIIV:

- the information on the authorization will be directly introduced if the applicant is also the declarant on his own account;
- will appeal to a representative (customs broker) if the applicant does not have the status of a declarant of his own account, presenting to him the original copy and copies of the application as well as the documents required for IP authorization.

Step 3. Submission of the application

The applicant will go to the customs office, in the range of which the applicant is located, and will submit the original copy of the application and the documents required for IP authorization.

In order to identify the range corresponding to a certain customs office, visit the page:
<http://www.customs.gov.md/index.php?id=44>

Step 4. Issuance of IP authorization

The maximum period for the IP authorization is 10 days.

2.3. Modification of IP authorization

The IP authorization may be modified based on the request motivated in writing by the holder of the IP regime and submitted to the issuing customs office. The request may be for the amending, supplementing, extending of the conditions for which the IP authorization was issued, as well as for the extending the re-export time limit or/and validity of authorization.

The extension of the re-export time limit may be required when the production cycle was stopped for technical reasons (e.g., the lack of electricity, a circumstance confirmed by the competent bodies). If the re-export time limit exceeds the period of validity of the authorization, the time limit will also be extended.

III. PROCEDURE FOR PLACING GOODS UNDER IP REGIME

3.1. Placement of goods under IP

Receiving the IP authorization, the applicant obtains the right to place goods under the IP regime. Thus, he will:

- contract the foreign partner for the dispatch of the goods, or
- introduce the goods directly.



Attention!

Placing goods under the IP regime is made through the customs authority designated in section 12, lit. b) of the IP authorization.

The placement of goods under the IP regime is done by submitting the detailed customs declaration in accordance with the Customs Service Order no. 346 of 24.12.2009 regarding the approval of Technical Norms on printing, using and filling the customs declaration in detail⁵.

Specifics of filling the customs declaration for the placement of goods under the IP regime

Section 1 “Declaration”	The first box is filled with logo IM. The second box is filled with the number four (4) IPR or five (5) for IPS.
Section 44 “Additional Information; Produced Documents /Certificates and Authorizations”	In the case of IP operations, the code and, via slash, the authorization number issued by the customs authorities will be indicated on the last line of the section. The information concerned will repeat the information from the schedule of attached documents.
Section 49 “Identification of Warehouse”	In the second box of the section, in the case of placing goods under suspension customs regime, the time allowed by the customs authority for the end of the regime, shall be indicated, in days.



Attention!

When placing the goods in IPS:

- the fee is collected only for customs procedures;
- the customs value is not verified.

The amount of import duties that are to be paid

For clearance of goods placed under the IP regime, with the customs value:	The amount of the tax for customs procedures is:
from 100 to 1000 EURO	4 EURO
over 1000 EURO	0.1% of the customs value of the goods, but no more than 100 EURO

⁵ Published: 31.12.2009 in the Official Gazette no. 197-200 Art. no. 876 Effective Date: 01.01.2010

3.2. Import duties' guaranty

Typically, IPS operations are exempt from the guarantee of import duties when paying the import duties.

Financial Guarantee of Import Duties

It is not necessary	It may be necessary (CO decision)
<ul style="list-style-type: none">• in all cases.• if the applicant of IP authorization has the AEO status, regardless of holding or not the property right over the imported goods that will be used in the inward process.	<ul style="list-style-type: none">• in cases when the import of goods is made by a resident person registered in the jurisdiction that does not implement international standards of transparency, according to the list approved by the Decision of the Administration Council of the National Bank of Moldova no. 91 of May 2nd, 2013;• the applicant has the property right over the imported goods that will be used in the inward process (but does not have the AEO status).

In sufficiently substantiated cases, the Customs Service is entitled by the Order of Director General, to condition the placing of certain goods or categories of goods under the IPS regime, by submitting a **bank guarantee**.

IV. PROCEDURE FOR IP REGIME OPERATION

Operation of IP regime covers the period calculated from the placement of goods under the IP regime – until the discharge of the IP regime.

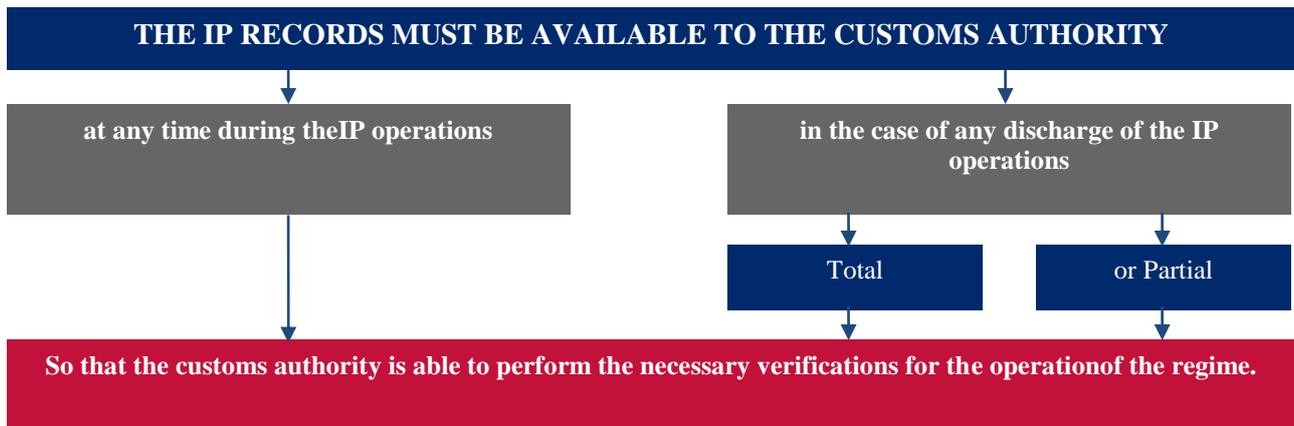
During the IP regime:

the holder is obliged	the holder has the right
<ul style="list-style-type: none"> to provide record keeping of IP; to ensure the access of customs authorities to records and goods placed under the IP regime; to allow the realization of Customs control of the inward processing. 	<ul style="list-style-type: none"> to use equivalent compensation; to use domestic goods in the process of IP; to resort to prior export; to use temporary export for outward processing; to transfer and assign the goods

4.1. Record keeping of IP related operations

To ensure the application of the provisions governing IP regime, with the goal of facilitating the control, the holder shall ensure the record keeping (hereinafter - the inward processing record keeping), which shall specify:

- the quantities and value of imported goods placed under the IP customs regime;
- the quantities and value of the obtained compensating products;
- the quantities and value of stocks;
- all the data necessary to monitor the operations and the correct calculation of all payable customs duties.



Attention!

If the processing operations are conducted in two or more locations, the record keeping and the data concerning the implementation procedure in each establishment should be presented at any time.

The holder of IP authorization is obliged:

- to inform immediately the customs office where the transaction is recorded when, after a fortuitous or force majeure event, the type or the technical characteristics of the foreign goods are changed such that it becomes impossible to obtain the compensating products;

- in the case of total loss or partial destruction of foreign goods or compensating products after a fortuitous or force majeure event, to announce and present to the customs office, which has in record the operation, the proof of the actual quantity of goods damaged or lost that is to be reduced.⁶

4.2. Equivalent compensation

Equivalent compensation is the system that allows obtaining compensating products from equivalent goods. Equivalent goods are domestic goods used instead of import goods for the manufacture of compensating products.



Attention!

Equivalent goods are not subject to the procedure of placement under the IP regime.

The conditions for the use of equivalent compensation mechanism

In order to use the equivalent compensation, the following conditions shall be cumulatively (simultaneously) met:

- the use of compensation is to be requested by the holder of the regime via an application to the customs office;
- the equivalent goods to be classified under the same position of the nine-digit code from the Combined Nomenclature of goods must possess the same commercial qualities and the same technical characteristics as the import goods;
- in the initially issued authorization, the positions of the goods under the nine-digit code from the Combined Nomenclature (these nine digits being specific to the equivalent goods and the import goods) is to be specified, as well as the means of verification of the goods are to be indicated.

If the IP authorization does not specify the use of equivalent compensation but the holder wishes to use this regime, it is necessary to request the modification of the initially issued authorization.

In sufficiently motivated cases, it is permitted for the equivalent goods to be at a more advanced stage of manufacture than the import goods, with the condition that the essential part of transformation faced by equivalent goods is executed:

- in the enterprise of the holder of the authorization;
- or in the enterprises belonging to the operators established in the authorization.

During the operation of the regime, the license holder is obliged to provide the customs authorities, at any time, the possibility to identify the goods placed under the regime according to the elements mentioned above (under the terms for using equivalent compensation).

4.3. The use of domestic goods in the IP process

For the processing of goods, local goods may be used concomitantly with imported goods placed under the IP customs regime. The introduction of domestic goods in the process of manufacturing is performed without customs formalities.

4.4. Prior export

Prior export:

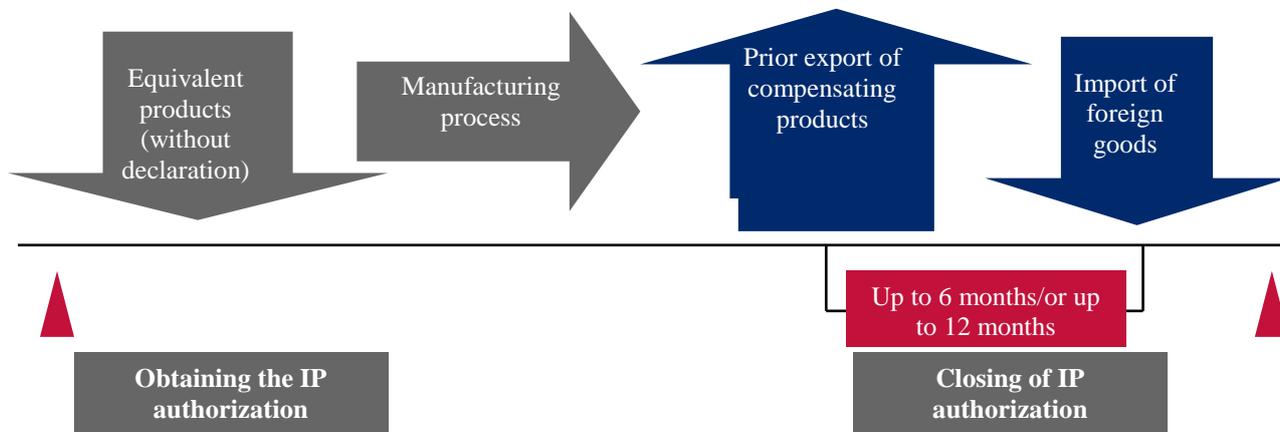
The regime that allows the export, from the territory of Republic of Moldova, of compensating products obtained from equivalent goods before placing imported goods under the IPS.

⁶ The proof is to be confirmed by relevant documents.

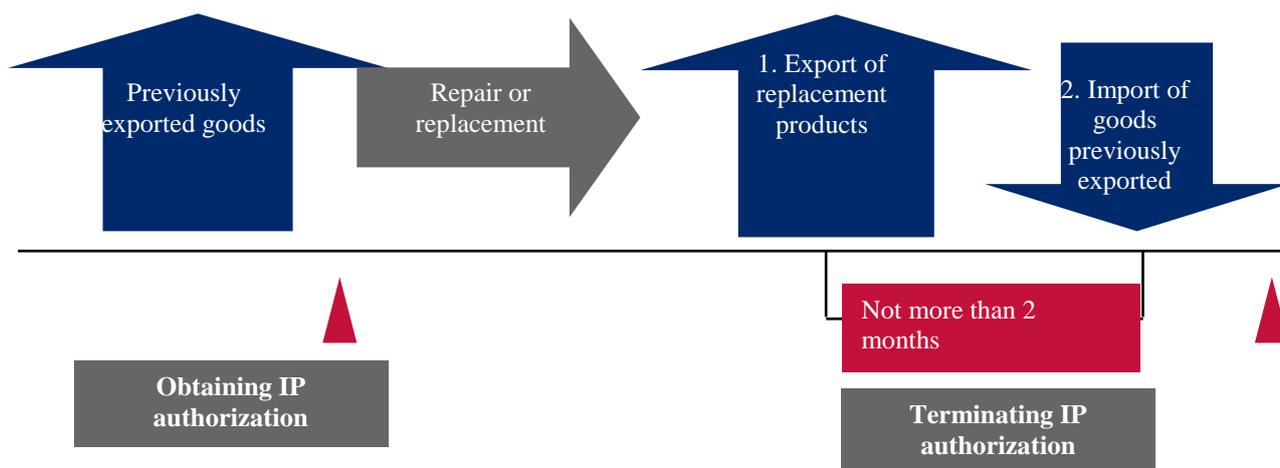
The system of equivalent compensation and prior export is applied in two situations illustrated below.

- The system of equivalent compensation and general anticipated export;
- The system of equivalent compensation and prior export for the repair or replacement with the identical or equivalent products.

The system of equivalent compensation and general prior export



The system of equivalent compensation and anticipated export for the repair or replacement with identical or equivalent products



Important

The provisions related to prior export shall not apply if the IP operation:

- has as object the repair of goods previously exported outside of the warranty period; or
- is performed for a fee.

4.5. Temporary export under IP procedure

Based on the authorization issued by the customs office and in accordance with the conditions provided for outward processing, the compensating products or unprocessed goods being totally or partially under the IP may be temporarily exported for complementary outward processing operation outside the territory of Republic of Moldova.

For products reimported after the processing outside the customs territory of the Republic of Moldova, the import duties are paid under the provisions related to outward processing.

4.6. Transfer and cession procedure for IP goods

Under an IP process, the transfer of goods and cession of goods can be performed.

4.6.1. Transfer procedure for IP goods

Transfer:

transmission of the goods placed under the IP regime from the holder of the procedure to another operator, but retaining legal liability over the operation and conclusion of the regime by the regime holder.

What are the conditions of transfer of goods

The transfer will be performed:

- only within the same IP authorization;
- before concluding the IP regime;
- of foreign goods in the same state or of compensating products;
- only with the approval of the customs office issuing the authorization;
- in order to carry out some IP operations;
- only towards the operators who are on the territory of the Republic of Moldova, including those who are outside the range of the issuing customs office.

The legal liability for the operation of transfer remains the responsibility of the IP authorization holder. Respectively after the completion of the processing operations by the operator, the compensating products are returned to him, subsequently the procedure for the discharge for those goods being prepared.



Important

The transfer of goods placed under the IP regime is permitted only if the person to whom the transfer is made by the holder of the procedure is designated as "operator" in section 1 "b" of the authorization.

The transfer of goods under the IP regime is performed:

- without submitting the customs declaration;
- with prior written communication to the issuing customs office;
- by reflecting the operation in the IP record of the new operator .

The transfer operation does not change the type and the conditions for the operation of the IP customs regime and does not serve as a basis for amending the time limit for the re-export of goods.

4.6.2. Cession procedure for IP goods

Cession:

transmission of goods placed under the regime IP from the regime holder to another person with the transmission of the legal responsibility for the operation and the closing of the procedure.

The holder of the authorization may assign the goods, placed under the IP regime, to other persons who are on the customs territory of the Republic of Moldova, including those who are outside the range of the issuing customs office, with the consent of the issuing customs office

The assignment of goods is allowed only with the written consent of the issuing customs office and of the receiving customs office.

In order to assign the goods, it is necessary to present the following documents:

- request for the cession in written form;
- directive of the owner of goods for the assignment of the goods (or a contract if the goods were placed in the regime under a purchase and sale contract);
- the assignee's consent to receive the goods in the IP customs regime.



Important

The receiving customs office will prepare the customs declaration placing the goods under the IP regime.

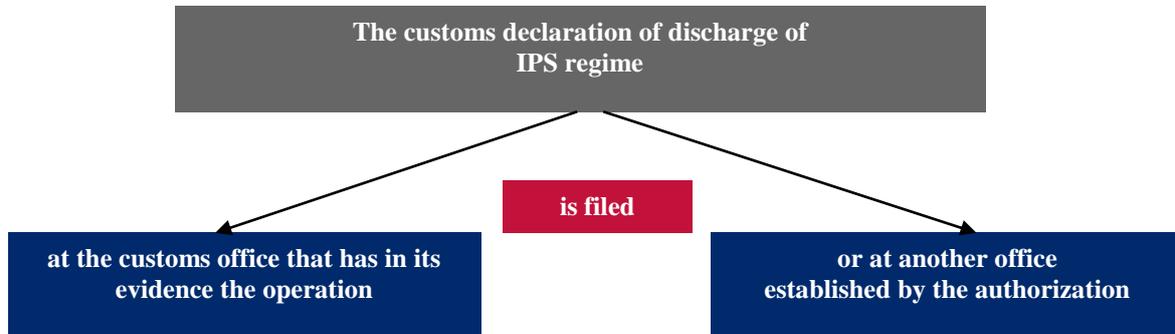
The transferor of goods shall bear legal liability for the goods that are to be assigned until the validation of the customs declaration of cession; the assignee, in his turn, will bear legal liability for the running of the IP regime from the moment of the validation of the cession customs declaration.

V. DISCHARGE OF THE IP REGIME

To know: The discharge of the IP regime differs procedurally depending on the type of IP system - suspension system or system with refund.

5.1. Discharge of the IP regime under suspension system

In order to discharge the IPS procedure, it is necessary to file the customs declaration.



The IPS regime may be discharged in the following ways:

- by removing the compensating products (or unprocessed imported goods);
- by giving another customs destinations (including the suspense customs regime);
- by importing foreign goods or compensating products.

Discharge of IPS regime by removing the compensating products (or unprocessed imported goods)

In this case, it is filed the re-export declaration in order to discharge the IPS regime by removing compensating products or unprocessed imported goods.

Discharge of IPS regime by assigning another customs destinations (including suspense customs procedure)

The IPS regime may be discharged by placing the compensating products and foreign goods under another customs destination provided in art. 23 of the Customs Code.



To know!

The IPS regime may be discharged also by placing the compensating products and foreign goods (unprocessed or partially processed) under the IPR regime.

In the customs declaration, in the section reserved for the description of goods, it will be indicated “Goods IP/S” for the compensating products or foreign goods that are placed in a free zone or under a suspension customs regime, which discharges the IP regime under suspension system.

In the section reserved for the description of goods, it will be indicated “economic policy measures” if the imported goods placed under the IP regime with suspension of import duties payment are subject to economic policy measures, which will apply when the goods are placed under the regime or if these will be placed as compensating products under FEZ destination or under another suspense customs regime.

Discharge of IPS regime by importing foreign goods (unprocessed or partially processed) or compensating products

The import of foreign goods can be achieved within the initially established re-export time limit and in compliance with the provisions concerning the import of goods. In these cases, the amount of import duties shall be determined on the basis of the taxation elements and other payments specific for the import of goods, in force at the date of registration of the customs import declaration.

The import of foreign goods can be achieved within the initially established re-export time limit, but the amount of import duties shall be determined on the basis of the quantity and value of imported goods entered into in the composition of compensating products. The way of determining the quantity and value of imported goods entering into in the composition of compensating products is described in Chapter VII.



To remember!

The customs authority may conclude the IPS regime ex officio.

Thus, if within 15 days from the expiry date of the re-export established in the customs declaration for the placement under the regime, the holder of the regime did not present the proof that the operation was prolonged or that the imported goods or compensating products listed in the records of customs office as remaining not exported were still placed within the initially time limit under a new customs destination approved by the customs authorities, the operation will be completed in office by the customs officer, that has it in the records, on the basis of the regularization decision.

The operation will be completed no later than 30 days after the time limit for re-export, taking into calculation also the delay penalties provided by law, starting with the day immediately following the expiry of the time limit established for the completion of the operation.

5.2. Discharge of the IP regime under drawback system

The goods placed in the IPR system are in free circulation and because of this the discharge of the regime related to these goods is not an obligation but a right of the holder of the regime. This right gives the possibility to request the drawback of import duties collected after placing goods under the regime.

IPR regime can be terminated:

- via the export of the compensating products specified in the authorization, within the period of authorized re-export; or
- by placing the products, with the purpose of subsequent export, in the "Free Economic Zone" customs regime.

When the compensating products receive a customs destination from those referred to above, the box reserved for the description of goods from the customs declaration prepared for that regime includes the mention “**Goods IP/R**”. This mention should be written on all documents submitted in connection with the admission or discharge of the regime.

In order to refund the import duties, the customs declaration submitted for the compensating products must contain all the elements necessary for the justification of the drawback request.

5.3. Drawing up and submission of statement of justification

Scope of the statement of justification

The statement of justification represents a document /more documents containing information on the use of the IP regime. The statement of justification includes the following mentions:

- IP authorization number;
- the amount per type of foreign goods, mentioning the declarations of placement in the IP regime;
- the goods code according to the Combined Nomenclature of goods;
- the customs value of foreign goods and the amount of relating import duties;
- the established rate of yield, including the modifications if they appeared after the issue of the authorization;
- the way, the quantity and the customs destination of compensating products, mentioning the customs declarations according to which compensating products have received a new customs destination;
- the value of compensating products if the discharge of the regime is based on the method of value scale;
- the amount of related import duties for the quantity of foreign goods that were imported;
- the customs declarations of discharge of the IP regime.

Submission of the statement of justification

After the discharge of the IP regime, the holder of IP authorization is obliged to present a statement of justification to the customs office that has in record the IP operation.



Attention!

In the absence of the statement of justification, customs authorities will undertake all necessary measures to collect the import duties related to the import goods.

The statement of justification is presented

- at the customs office that has in record the inward processing authorization;
- no later than 15 calendar days after the submission of the customs declarations of discharge of IP regime.

In case of prior export of compensating products, the statement of justification is submitted **with the customs declaration for import goods**.

The statement of justification must be **endorsed** by the customs authority. If the statement of justification is not accepted, the customs authority:

- will communicate the rejection in writing no later than 5 working days after the presentation of the statement in question;
- will undertake all necessary measures to collect the import duties related to the import goods.

5.4. Drawback request completion and filing

Scope of the drawback request

The drawback request is the document by which the IP authorization holder requests the customs authority the refund of import duties after the discharge of IPR regime.

The IP drawback request must include the following mentions:

- IP authorization number;
- the amount, the type of goods, of foreign goods for which is claimed the drawback of import duties;
- the tariff position according to the Combined Nomenclature of goods;
- the customs value as well as the import duties afferent to foreign goods recorded in the customs declaration of import of goods associated to regime IP - drawback system;
- the date of import of foreign goods;
- the numbers of customs declarations according to which foreign goods were imported under the regime;
- the way, the quantity and the customs destination of compensating products;
- the value of compensating products if the discharge is made based on the method of value scale;
- the established rate of yield, including the changes, if appeared after the issuance of the authorization;
- the numbers of customs declarations under which the compensating products have been exported from the Republic of Moldova;
- the amount of import duties to be refunded.

Drawback request filing procedure

With the discharge of IPR regime, the holder of authorization has the right to the drawback of import duties, except for the customs clearance fee. The drawback is done on the request of the IP authorization holder, based on the IP drawback application.

The drawback request is presented to the customs office that has in record the IP operation, no later than 30 days from the date on which the compensating products were exported (including the export of compensating products from the free zone).

The IP drawback request must be accompanied by confirmatory documents that justify the data mentioned in the request.



Exception

In sufficiently motivated cases, it is allowed to request the drawback of import duties (except for the customs clearance fee) after the expiry of the 30-day term, unless the new term does not exceed 6 months.



Attention!

After the expiry of the one-year term from the date of the export of the compensating products, the authorization holder loses the right to demand repayment, since this right is prescribed.



To remember

The customs duty paid for the goods that are placed in the IP customs regime and to which the customs duty is applied is refunded in the manner prescribed by the Customs Service, within a period not exceeding 10 days.

The VAT paid for goods placed in the IP customs regime and to which VAT is applied is reimbursed in accordance with the procedure established by the Customs Service, within a period not exceeding 30 days.

When introducing foreign excisable goods in the customs territory and placing them under the IP customs regime, the excise duty is paid at the stage of introducing these goods and the sums of the paid excise duty must be refunded when removing from the customs territory the products resulting from processing, in the manner established by the Government.

VI. RESPONSIBILITY FOR THE VIOLATION OF THE IP REGIME

For violation of the IP regime, the following types of legal liability may occur: contravention, material and criminal.

6.1. Contravention liability

Contravention Liability is the liability applied under the Contravention Code towards natural person or person holding responsible positions, guilty of committing the fact. The contraventions and penalties for violating the IP regime are provided in art. 287 of the Contravention Code and may be any of the following:

- Obstructing the access of the customs authority representative, with responsible position and in their duties, to the goods, objects or other assets under the customs inspection shall be sanctioned with a fine from 25 to 75 conventional units.
- The failure to present in time, to customs authority, the documents necessary for customs control of goods, objects or other assets under customs inspection, regardless of the presentation of the written declaration, is punishable with a fine from 10 to 50 conventional units⁷.
- The loading, unloading, transporting, repairing the damaged packaging, packing, unpacking, repackaging of goods, objects or other assets under customs control, changing the identification or marking signs on them or their packaging without the authorization of the customs authority and the deterioration or loss of plumb, stamps or other guarantees applied by customs authorities is punishable with a fine from 10 to 50 conventional units.
- Issuance without the authorization of the customs authority of goods, objects or other assets under customs inspection or their loss is sanctioned with a fine from 25 to 75 conventional units.
- The failure to pay in time import and export duties, as well as other actions that result in failure to pay customs duties, is sanctioned with a fine from 25 to 75 conventional units.
- The actions which aim at illegal exemption of the import and export duties or reduction of these duties are sanctioned with a fine from 25 to 75 conventional units.
- The actions that aim at drawback of collected import and export duties, receiving sums and compensation or failure to refund them without valid reason is sanctioned with a fine from 25 to 75 conventional units.

The violation of provisions or legal requirements of the person with position of responsibility within the customs authority or insulting such a person is sanctioned with a fine from 50 to 150 conventional units or with unpaid community service from 30 to 60 hours.

6.2. Material liability

Material liability is applied under art. 231 of the Customs Code to the person guilty of committing that fact. Material liability for violation of the IP regime occurs as a result of the following customs contraventions:

- failure of the holder of a suspension customs regime to comply (except for the transit regime) with the time limits, obligations and conditions set for the operation and discharge of these regime is punishable with a fine amounting from 40% to 100% of the value of goods that were the subject of the contravention or confiscation of goods;
- submission of customs declaration or of accompanying documents containing false information about the customs regime, the invoiced value, the customs value, the type, the code, the quantity and the origin of the goods transported is punishable with a fine amounting from 40% to 100% of value of the contravention subject or confiscation of goods which constituted the subject of the contravention if it leads to total or partial exoneration from import duties;

⁷ According to art. 34 of the Contravention Code a conventional unit is equal to 20 MDL

- loss or non-delivery to the customs authority of documents for goods under customs supervision is sanctioned with a fine of from 3% to 10% of the value of goods and means of transport which documents have been lost or not delivered;
- failure to comply with the obligation to remove from the customs territory the goods and means of transport previously introduced in the customs territory – when their removal is compulsory – is punished with a fine from 10% to 100% of the value of goods and other assets that were the subject of the contravention with or without withdrawal of the authorization.

6.3. Criminal liability

Criminal liability is applied under the Criminal Code provisions to the person guilty of committing such an offence and is the most serious form of applicable legal liability.

Although there is no a special component of crime when using the IP regime, in some situations of violation of the IP regime, criminal liability may occur for the following offenses under art. 249 of the Criminal Code – evasion from the payment of customs duties. Thus:

- Avoiding to pay customs duties on a large scale (more than 50 000 lei MDL MDL) is punished with a fine of up to 300 conventional units⁸ or with unpaid community service from 120 to 180 hours and a fine for legal entities amounting from 1000 to 2000 of conventional units.
- The same act committed by two or more persons is punished with a fine from 300 to 500 conventional units or with unpaid community service from 180 to 240 hours and a fine for legal entities amounting from 1500 to 2000 conventional units.
- Avoiding to pay customs duties on an extremely large scale (exceeding 100 000 lei MDL MDL) is punished with a fine from 500 to 1000 conventional units or with unpaid community service from 180 to 240 hours and a fine for legal entities amounting from 2000 of 5000 conventional units.

⁸ According to art. 64 of the Criminal Code, a conventional unit of fine is equal to 20 lei MDL.

VII. DETERMINATION OF THE AMOUNT OF IMPORT DUTIES

The chapter applies only when it is desired the import of compensating products. For this purpose, it is necessary to determine the import component entered into compensating product and respectively the amount of import duties.

The determination of the amount of import duties is done by the quantitative scale method or the value scale method. First it is applied the quantitative scale method and, when this cannot be applied - the value scale method is applied.

7.1. Quantitative scale method

The quantitative scale method consists in the calculation of the proportion of import goods incorporated in compensating products by referring to the quantity of imported goods. By applying the quantitative scale method, it is determined the amount for each import good for which a customs obligation appears as a result of the import of a portion of the compensating products obtained from the IP process.

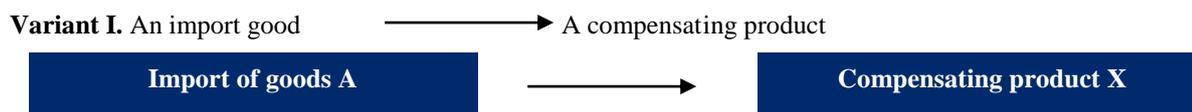
This method is based on the **quantity (measured in kg, m² etc.)**:

- of the import goods for processing;
- of the compensating products resulting from the inward processing procedure;
- of the imported compensating products.

The purpose of the method is the determination of import duties related to the import goods incorporated in compensating products by referring to the quantity of imported goods.

The quantitative scale method is applied in two forms:

- **The method of the compensating product** represents the particular case of the general quantitative scale method, resulting in a single compensating product from IP operations of one or more import goods. It is applied in the following cases:



Example:

After processing of 100 kg of imported A substance, 200 kg of X substance result: out of which 180 kg are imported, and 20 kg are exported. In order to determine the amount of A substance for which an obligation to pay appears, the simplified formula⁹ $A_k' = A_k * X' / X$ is used, where:

$A_k = A = 100$ kg – imported A substance;

$X_k = X = 200$ kg – of X substance resulting after processing (compensating products);

$X_k' = X' = 180$ kg – X' substance that is imported.

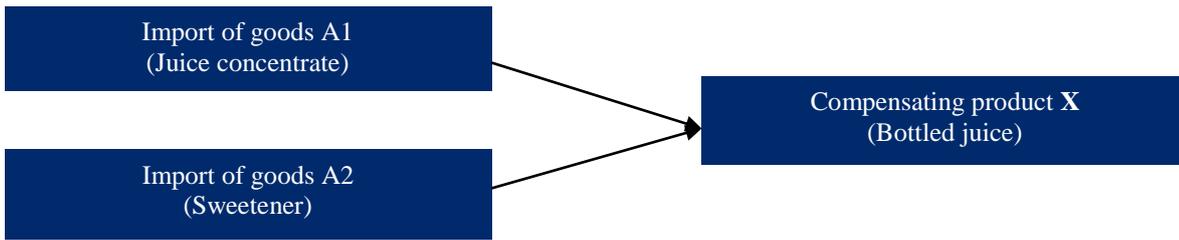
.....
 $A' = 100\text{kg} * 180\text{kg} / 200\text{kg} = 90\text{kg}$

⁹ According to Annex No. 10 to the *Regulation implementing the customs destinations provided by the Customs Code of the Republic of Moldova* in particular when manufacturing operation results from a single X processed product (method of compensating product), the above formula becomes:

$$A_k' = \{A_k / A_k X\} * A_k X * X' / X = A_k * X' / X$$

In this case, the import duties will be calculated from 90 kg of imported A substances.

Variant II. Two import goods → One compensating product



Example:

After processing 250 l of imported A₁ substance and 15 l of A₂ substance, 800 l of X substance result, out of which 300 l are imported and 500 l are exported. In order to determine the amount of A substance for which a payment obligation occurs, the simplified formula $A_k' = A_k * X' / X$ will be used for each good separately (A1 and A2),.

Thus, for A₁ substance:

$$\begin{aligned}
 A_k &= A_1 = 250 \text{ l} - \text{import } A_1 \text{ substance;} \\
 X_k &= X = 800 \text{ l} - \text{of } X \text{ substance resulting after processing (compensating products);} \\
 X_k' &= X' = 300 \text{ l} - X' \text{ substance that is imported.} \\
 &\dots\dots\dots \\
 A_k' &= 250 \text{ l} * 300 \text{ l} / 800 \text{ l} = 93,75 \text{ l}
 \end{aligned}$$

For A₂ substance:

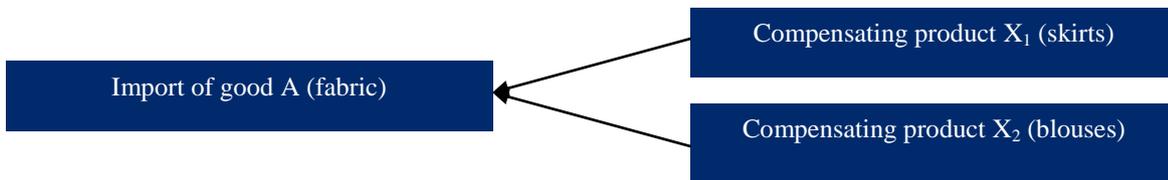
$$\begin{aligned}
 A_k &= A_2 = 15 \text{ l} - \text{import } A_2 \text{ substance;} \\
 X_k &= X = 800 \text{ l} - \text{of } X \text{ substance resulting after processing (compensating products);} \\
 X_k' &= X' = 300 \text{ l} - X' \text{ substance that is imported.} \\
 &\dots\dots\dots \\
 A_k' &= 15 \text{ l} * 300 \text{ l} / 800 \text{ l} = 5,63 \text{ l}
 \end{aligned}$$

In this case, the import duties will be calculated from 93.75 l of A₁ imported substance and 5.63l of A₂ imported substance.

- **The method of “import goods”** represents the particular case of quantitative scale method, when several compensating products result from IP operations of one or more of the import goods.

In this case, the losses affect directly the amount of customs duty. Quantitative scale method applies in the following cases:

Variant I. An import good → Two or more compensating products



After processing 100 kg of imported substance A, two types of products result:

X₁ in an amount of 130 kg, 100 kg of which is imported and the rest is exported.
 X₂ in an amount of 70 kg, 40 kg of which is imported and the rest is exported.

It is also known that the distribution of imported goods A within the compensating products is as follows:

- good A in compensating product $X_1 = 63$ kg;
- good A in compensating product $X_2 = 33$ kg.

In order to determine the amount of substance A for which the obligation of payment occurs, it is analysed the way in which imported goods are found in compensating products; thus, it is observed that losses have occurred during the inward processing, i.e. 4 kg for goods A.

In this case, according to the formula:

$$A_k' = \left\{ \frac{A_k}{(A_k X_1 + A_k X_2 + \dots + A_k X_m)} \right\} \left(\frac{A_k X_1 X_1'}{X_1 + A_k X_2 X_2' / X_2 + \dots + A_k X_m X_m' / X_m} \right)$$

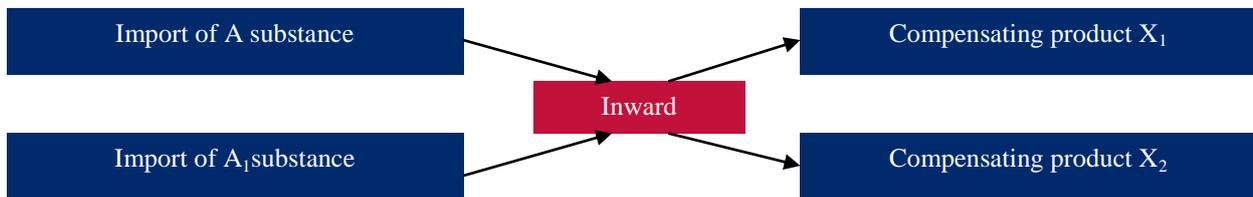
We have:

- $A_k = 100$ kg – the imported substance A;
- $X_1 = 130$ kg – of X_1 substance resulting after processing (compensating products);
- $X_2 = 30$ kg – of X_2 substance resulting after processing (compensating products);
- $A_k X_1 = 63$ kg – good A that is found in the X_1 compensating product;
- $A_k X_2 = 33$ kg – good A that is found in the X_2 compensating product;
- $X_1' = 100$ kg – X' substance that is imported from X_1 substance resulting after processing (compensating products);
- $X_2' = 40$ kg – X' substance that is imported from X_2 substance resulting after processing (compensating products);

$$A_1' = \left\{ \frac{100 \text{ kg}}{(63 \text{ kg} + 33 \text{ kg})} \right\} (63 \text{ kg} * 100 \text{ kg} / 130 \text{ kg} + 33 \text{ kg} * 40 \text{ kg} / 70 \text{ kg}) = 70,12 \text{ kg}$$

In this case, the import duties will be calculated from 70.12 kg of imported substance A.

Variant II. Two or more imported goods \longrightarrow Two or more compensating products



Example:

After the processing of 100 kg of imported substance A and 50 kg of imported substance A_1 , two types of products result:

- X_1 in an amount of 200 kg, 180 kg of which is imported and the rest is exported.
- X_2 in an amount of 30 kg, 20 kg of which is imported, and the rest is exported.

It is also known that the distribution of A and A_1 imported goods within the compensating products is as follows:

- good A found in compensating product $X_1 = 85$ kg
- good A found in compensating product $X_2 = 10$ kg
- good A_1 found in compensating product $X_1 = 35$ kg
- good A_1 found in compensating product $X_2 = 12$ kg

In order to determine the amount of A and A_1 substance for which the obligation of payment occurs, it is analysed the way in which imported goods are found in compensating products, when it is observed that losses have occurred during the inward processing, i.e. 5 kg for goods A and 3 kg for goods A_1 .

In this case, according to the formula

$$A_k' = \{A_k / (A_k X_1 + A_k X_2 + \dots + A_k X_m)\} (A_k X_1 X_1' / X_1 + A_k X_2 X_2' / X_2 + \dots + A_k X_m X_m' / X_m)$$

we have:

The quantity of two types of imported goods:

$$A_k = A = 100 \text{ kg} - A \text{ imported substance};$$

$$A_k = A_1 = 50 \text{ kg} - A_1 \text{ imported substance};$$

The quantity of two types of goods of compensating products:

$$X_1 = 200 \text{ kg} - \text{of } X_1 \text{ substance resulting after processing (compensating products);}$$

$$X_2 = 30 \text{ kg} - \text{of } X_2 \text{ substance resulting after processing (compensating products);}$$

The quantity of A goods found in X₁ and X₂ compensating products:

$$A_k X_1 = A X_1 = 85 \text{ kg} - \text{good A found in compensating product } X_1;$$

$$A_k X_2 = A X_2 = 10 \text{ kg} - \text{good A found in compensating product } X_2;$$

The quantity of A₁ goods found in X₁ and X₂ compensating products:

$$A_k X_1 = A_1 X_1 = 35 \text{ kg} - A_1 \text{ good found in compensating product } X_1;$$

$$A_k X_2 = A_1 X_2 = 12 \text{ kg} - A_1 \text{ good found in compensating product } X_2;$$

The quantity of substance X' which is imported from X₁ and X₂ substance resulting from processing (compensating products):

$$X_1' = 180 \text{ kg} - X_1' \text{ substance that is imported from } X_1 \text{ substance resulting after processing (compensating products);}$$

$$X_2' = 20 \text{ kg} - X_2' \text{ substance that is imported from } X_2 \text{ substance resulting after processing (compensating products);}$$

A = 100 kg	A X ₁ = 85 kg	X ₁ ' = 180 kg
A ₁ = 50 kg	A ₁ X ₁ = 35 kg	X ₂ ' = 20 kg
X ₁ = 200 kg	A X ₂ = 10 kg	
X ₂ = 30 kg	A ₁ X ₂ = 12 kg	

1. We calculate the amount of A' import good which is found in both compensating products

A = 100 kg	A X ₁ = 85 kg	X ₁ ' = 180 kg
X ₁ = 200 kg	A ₁ X ₂ = 10 kg	X ₂ ' = 20 kg
X ₂ = 30 kg		

$$A_k' = \{A_k / (A_k X_1 + A_k X_2 + \dots + A_k X_m)\} (A_k X_1 X_1' / X_1 + A_k X_2 X_2' / X_2 + \dots + A_k X_m X_m' / X_m)$$

$$A' = \{100 \text{ kg} / (85 \text{ kg} + 10 \text{ kg})\} (85 \text{ kg} * 180 \text{ kg} / 200 \text{ kg} + 10 \text{ kg} * 20 \text{ kg} / 30 \text{ kg}) = 87,54 \text{ kg}$$

2. We calculate the amount of A₁' good which is found in both compensating products

A ₁ = 50 kg	A ₁ X ₁ = 35 kg	X ₁ ' = 180 kg
X ₁ = 200 kg	A ₁ X ₂ = 12 kg	X ₂ ' = 20 kg
X ₂ = 30 kg		

$$A_k' = \{A_k / (A_k X_1 + A_k X_2 + \dots + A_k X_m)\} (A_k X_1 X_1' / X_1 + A_k X_2 X_2' / X_2 + \dots + A_k X_m X_m' / X_m)$$

$$A_1' = \{50 \text{ kg} / (35 \text{ kg} + 12 \text{ kg})\} (35 \text{ kg} * 180 \text{ kg} / 200 \text{ kg} + 12 \text{ kg} * 20 \text{ kg} / 30 \text{ kg}) = 42,02 \text{ kg}$$

Thus, for the imported goods A, the import duties will be calculated for 87.54 kg and for imported goods A₁ for 42.02 kg.

7.2. Value scale method

Value scale method represents the calculation of the proportion of imported goods incorporated in various compensating products by reference to the value of compensating products.

By applying the **value scale method of calculation**, it is determined the quantity of each import good for which a customs duty appears as a result of the import of a portion of the compensating products obtained from the process of IP. This method is based on:

- both the **quantity (measured in kg, m² etc.)**:
 - of imported goods for processing;
 - of compensating products resulting from the inward processing procedure;
 - of imported compensating products.
- and the **prices**:
 - of compensating products.

The purpose of the method is to determine the proportion of imported goods incorporated in various compensating products through reference to the **value** of compensating products, in order to collect the import rights.

The mathematical model for the value scale method is stipulated in Annex No. 11 of the Regulation no. 1140.



Attention!

The procedure to calculate the volume of a particular imported good by the value scale method is the same as in the case of the quantitative scale method, but the price of the product/ compensating products is used instead of the quantity of imported goods found in compensating products.

Example:

After the processing of 100 kg of A₁ imported substance and 50 kg of A₂ imported substance, two types of products result:

X₁ in an amount of 200 kg, from which the amount of 180 kg is imported and the rest is exported.

X₂ in an amount of 30 kg, from which the amount of 20 kg is imported and the rest is exported.

There prices of the compensating products are also known:

$$P(X_1) = 200 \text{ kg} * 12 \text{ MDL/kg} = 2400 \text{ MDL}$$

$$P(X_2) = 30 \text{ kg} * 5 \text{ MDL/kg} = 150 \text{ MDL}$$



Attention!

The price is fixed for the entire quantity of the compensating products and not just for the quantity of the compensating products that are imported.

The quantities of the A₁' and A₂' substance, for which an obligation for payment appears, are determined as follows.

$$A_1' = \{A_1 / (P(X_1) + P(X_2))\} (P(X_1) X_1' / X_1 + P(X_2) X_2' / X_2)$$

$$A_2' = \{A_2 / (P(X_1) + P(X_2))\} (P(X_1) X_1' / X_1 + P(X_2) X_2' / X_2)$$

$$A_1' = \{100 \text{ kg} / (2400 \text{ MDL} + 150 \text{ MDL})\} (2400 \text{ MDL} * 180 \text{ kg} / 200 \text{ kg} + 150 \text{ MDL} * 20 \text{ kg} / 30 \text{ kg}) = 88,62 \text{ kg}$$

$$A_2' = \{50 \text{ kg} / (2400 \text{ MDL} + 150 \text{ MDL})\} (2400 \text{ MDL} * 180 \text{ kg} / 200 \text{ kg} + 150 \text{ MDL} * 20 \text{ kg} / 30 \text{ kg}) = 44,31 \text{ kg}$$

Goods which placement is prohibited under any IP system

1. non-denatured ethyl alcohol (tariff position 2207);
2. cigarillos, cigars (tariff sub-position 2402 10);
3. cigarettes tobacco (tariff sub-position 2402 20);
4. gasoline, diesel fuel and their derivatives (listed in the table below);
5. petroleum gas and other gaseous hydrocarbons (tariff sub-position 2711 12, 2711 13, 2711 14 000, 2711 19 000);
6. used rubber tires (tariff sub-position 4012 20), waste, leftovers and burrs of non-hard rubber other even if transformed into powder or granules (tariff position 4004 00 000), of parts and accessories used for motor vehicles.

270710100	Benzoyl intended to be used as carburant or combustible
270720100	Toluene intended to be used as carburant or combustible
270730100	Xylene intended to be used as carburant or combustible
270750	Other mixtures of aromatic hydrocarbons which distil at a rate of 65% (including losses) at 250 degrees C using ASTM D 86method
270900100	Natural gas condensates
271011110-271019290	Light and medium (distilled) oils
271019310-271019490	Diesel fuel, including diesel combustible (carburant) and fuel for furnaces
290110000	Saturated acyclic hydrocarbons
290124100	Buta-1,3-diyne
290129000	Other unsaturated acyclic hydrocarbons
290211000	Cyclohexane
290219	Other cyclanes, cyclenes and cycloterpenic hydrocarbons
ex.290220000	Benzene intended to be used as carburant or combustible
290230000	Toluene
290244000	Mixture of xylene isomers
290290900	Other cyclic hydrocarbons
290511000- 290513000	Monohydric alcohols (methanol, propanol, butane-1-ol)
290514	Other butanols
290516	Octanol (octyl alcohol) and its isomers
ex.290519000	Pentanol (Amyl alcohol)
2909	Ethers, ether-alcohols, ether-phenols, ether-alcohol-phenols, alcohol peroxides, ether peroxides, ketone peroxides (with defined chemical composition or not), and their halogenated, sulfonated, nitrates or nitrosated
381400900	Other unnamed organic composite solvents and thinners and not included in other parts; prepared for paint or varnish removal
381700500	Linear alkyl benzene
381700800	Other
2711 12	Propane
2711 13	Butane
2711 14 000	Ethylene, propylene, butylene and butadiene
2711 19 000	Other

Goods which authorization is prohibited under the IPS system

1. subject to excise duty (see Annex to Title IV of the TC);
2. fresh or refrigerated bovines meat (tariff position 0201);
3. frozen bovines meat (tariff position 0202);
4. fresh, refrigerated or frozen swine meat (tariff position 0203);
5. fresh, chilled or frozen ovine or goats meat (tariff position 0204);
6. fresh, refrigerated or frozen edible offal of bovines, swine, ovine, goats, horses, donkeys, mules, asses, (tariff position 0206);
7. fresh, refrigerated or frozen meat and edible offal of poultry from the tariff position 0105 (tariff position 0207);
8. non-melted, not otherwise extracted, fresh, refrigerated, frozen, salted or in brine, dried or smoked fat without lean meat, pork and poultry fat (tariff position 0209 00);
9. milk and cream from milk, concentrated or containing added sugar or other sweeteners (edulcolorants) (tariff position 0402);
10. potato starch (tariff position 1108 13 000);
11. fats of bovines, ovine and goat, other than those from the tariff position 1503 (tariff position 1502 00);
12. raw sugar from sugarcanes (tariff position 1701 11).

APPLICATION FOR INWARD PROCESSING REGIME AUTHORISATION (form)

1. Name and location:

a) of the applicant

b) of the operator

2. The requested system:

a) suspension system

b) drawback system

2. The requested system:

3. Special required methods:

a) equivalence compensation

2. The requested system:

b) prior export

2. The requested system:

4. Goods intended to be subject to processing operations and the justification of the request:

a) commercial and/or technical name

b) mentions related to the classification in the Nomenclature of goods

c) the provided quantity

d) the provided value

e) origin

5. Compensating products and provided export:

a) commercial and/or technical name

b) mentions related to the classification in the Nomenclature of goods

c) main compensating products

d) provided export

6. Rate of yield

7. Nature (way) of inwards processing

8. The place where the processing takes place

INWARD PROCESSING AUTHORIZATION(form)

Referring to the application

1. Name, the memorandum and headquarters:

a) of applicant

b) of operator (1)

2. The authorized system (2)

3. Modalities (2):

a) equivalent compensation

b) prior export

4. Goods intended to be subject to processing operations (3):

a) commercial and/or technical name

b) mentions related to the classification in the Nomenclature of goods

c) the provided quantity

d) the provided value

5. Compensating products (3):

a) commercial and/or technical name

b) mentions related to the classification in the Nomenclature of goods

c) main compensating products

6. Rate of yield (4)

7. Type of processing

8. The place where the processing takes place

9. Re-export time limit (5)

10. The time limit for placement of imported goods under the regime (6)

11. Established means of identification

12. Designated customs units:

a) of control

b) of placement

c) of discharge

13. The validity period of the authorization (7)

14. Equivalent goods (8)

15. Date of review of economic conditions (9)

16. Place of keeping the operative evidence

Date _____

Signature _____

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USAID
FROM THE AMERICAN PEOPLE

**Business Regulatory, Investment,
and Trade Environment Program
(BRITE)**

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