



End Use for ship repair

An opportunity for shippersupply?



Call us: **+44 (0)1392 354 300**
Email: **sales@globalservicesltd.co.uk**



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Zero Import Duty

Under HMRC's 'End-Use for Shipwork' provision, we are authorised to purchase and import goods from outside the EU on your behalf with either **reduced or zero Import Duty**. This can save between 5-10% of the value of the goods depending on what the goods are.

The imported goods must be loaded onto the vessel and a document trail established with a responsible person on the vessel confirming receipt on-board. We still have to pay Import VAT at 20% but in some circumstances this can be reclaimed.

If you would like more information, please give Paul Smith a call on +44 (0) 1392 354 300 or email psmith@globalservicesltd.co.uk



- Global Services (GS) was founded in 1995 by a marine engineer
- GS began to offer shore support to other yacht engineers who needed a reliable source of engineering spares to be shipped to wherever they were operating in the world.
- In a nutshell, GS can source and supply, efficiently and competitively, anything that is found on a superyacht today, offering assistance to yachts at any stage, whether in construction, refit or operation.



CUSTOMS LAW

- The law on end-use relief is published in the Official Journal of the European Community under Council Regulation (EEC) No 2913/92 establishing the Customs Code, and Commission Regulation (EEC) No 2454/93 as amended, which lays down the provisions for its implementation.

IMPORT VAT

- EU law on Import VAT relief is contained in Council Directive 2006/112/EC which is interpreted into UK law in the Value Added Tax Act 1994 under which authority for the Value Added Tax Regulations 1995 were made.
- Other national provisions and VAT directives may also apply.

The purpose of end-use relief

End-use relief can assist certain industries and trades within the EU by providing favourable rates of duty on certain goods imported from outside the EU provided those goods are put to a prescribed use.

The rate of duty charged on qualifying imports will be either reduced or wholly relieved.

How end-use works

To qualify for relief the following must apply:

- you must be authorised for the relief
- the goods must be eligible for end-use
- the goods must be put to their prescribed end-use within agreed time limits
- you must be able to demonstrate that the goods have been put to the prescribed treatment

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Which goods are eligible?

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- In order to support the EU **ship-building** and **sea exploration industry** special provisions have been made for items imported in furtherance of that industry.
- Customs duty will be relieved on **any goods** imported for certain uses (see right).
- Goods covered by end-use may be any, except food and drink, as long as they can meet **the end-use requirements**.
- Demonstrate that the goods have been **used in the manner permitted** on an **eligible ship**.
- Any products granted relief must be for the **necessity of a voyage** in relation to
- the vessel.

construction,

repair,

maintenance,

conversion,

fitting out

equipping

End-Use eligible	Not eligible for end-use
Specialised paints varnishes, solvents and anti rust products are eligible.	Navigation equipment sold on a supply only basis
It can also include items such as clothing, cutlery, furniture are eligible to benefit from end-use relief if they are part of the ships equipment.	Toiletries, tobacco, cleaning products.
	Certain items for ships stores
	Items of a personal nature for a particular member of crew.

Broadly speaking, if it is to be used for the vessel and not the crew or passengers, it may be eligible for end use relief.

Eligible Vessels

- As per Commission Regulation 1006/2011.
- Generally the vessels must be considered "sea going".
- Relief extends to warships and to the weapons systems, rifles and so on used to "fit out" such vessels subject to licenses being obtained.
- Supplies made to non-eligible vessels will not be entitled to end-use relief.

Construction, maintenance. fitting out and equipping.

There are 4 categories of end use:

1. Goods for construction
2. Goods for incorporation would include items in the fabric of the ship e.g. a lift but it wouldn't include the metal sheets to make the lift.
3. Goods for fitting out would include items such as wall mounted TV, taps, but again not the raw materials to make the TV / taps.
4. Goods for equipping would include crockery, cutlery but not the steel/ clay to make these items

Conclusion

- To use end-use relief, you need to be authorised by Customs authorities
- All products can be considered, except food & drink
- Relief can only be claimed if the goods
 - Are supplied to an eligible vessels;
 - Are put to the appropriate use
- Eligible vessels are generally 'seagoing vessels'
- Eligible use is generally in relation to goods for the vessel, not for the crew
- Shippers wishing to make use of end-use should
 - Understand how many of the goods that are imported duty suspended;
 - Are for the fitting or equipping the vessel
- There are quite strict record-keeping requirements



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