

Application Guide

Import Licences for Rice

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ISBN 978-952-453-429-1 (print), ISSN 1797-402X (print)
ISBN 978-952-453-430-7 (online), ISSN 1797-4429 (online)
Printed at: Tike printing office, Information Centre of the Ministry of Agriculture and Forestry in Finland
Published by: Finnish Agency for Rural Affairs, PO 256, 00101 Helsinki
Tel. 020 772 007,
www.mavi.fi
Helsinki 6/2009
Rear cover photo by Comma Image Oy

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1. Introduction

1.1 General

The aim of this application guide is to give the reader a general picture of the procedures involved in importing rice and rice products into the European Community and of the system of import licences for rice and its application in Finland. This guide complements the Import Licences for Agricultural Products application guide, familiarity with which will make it easier to understand the instructions given in this guide. The guide is available on-line at www.mavi.fi.

The instructions are based on European Community acts, which are binding in Finland as they stand. The references to legal instruments at the end of paragraphs in this guide are in respect of European Community legislation. This is continually being amended, so despite the updates made to this publication, the information might not always be up-to-date. The instructions have no legal validity.

The Department of Market Support at the Finnish Agency for Rural Affairs (Mavi) (hereafter referred to as the Department of Market Support) is the competent authority for import licences in Finland. The Department administers import licences for rice and the quotas issued with them. Detailed procedures can be checked with the Department, whose contact details can be found at the beginning of this guide.

There are two types of import licence: the standard and the quota licence. The standard import licence entitles and obliges the holder to import a commodity during a given period of time. It is essentially a monitoring document and does not entitle to preferential treatment. The quota import licence entitles and obliges the holder to import a commodity during a given period of time and also gives entitlement to a reduction in customs duty.

1.2 Application for and issue and return of an import licence

The Import Licences for Agricultural Products application guide gives a general description of the system of import licences for agricultural products for the European Community. The guide includes instructions on how to register as a customer, the lodging of securities, and the application for and issue and return of import licences.

This guide complements the general guide and highlights the special product-specific requirements that should be taken into account when applying for import licences for rice.

Appendix III is a checklist for an applicant for an import licence.

1.3 Registering as a customer with the Department of Market Support and securities

An importer needs to register as an import customer for rice before submitting an application for an import licence. The applicant also has to lodge a product-specific security for the application to be accepted for processing.

The contact details for the Department of Market Support, which processes licences, and the Finnish Agency for Rural Affairs' Department of Financial Management, which is responsible for securities, can be found at the beginning of this guide.

1.4 EU Regulations

The following EU regulations are some of those that pertain to the importation of rice:

Council Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets
Commission Regulation (EC) No 376/2008 on the system of import and export licences and advance fixing certificates for agricultural products (codified version)

Commission Regulation (EC) No 1342/2003 on the system of import and export licences for cereals and rice

Commission Regulation (EEC) No 2220/85 on the system of securities for agricultural products

Commission Regulation (EC) No 1301/2006 laying down common rules for the administration of import tariff quotas for agricultural products managed by a system of import licences as well as any amendments to these regulations.

The import licence system for rice was set up in Article 130 of Council Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets.



Commission Regulation (EC) No 376/2008 laying down common detailed rules for the application of the system of import and export licences and advance fixing certificates for agricultural products (hereafter referred to as 376/2008) applies to all import licences. Part 1 of Annex II of 376/2008 lists those rice products and their customs tariff headings (hereafter referred to as headings) for which an import licence is required for importing goods from outside the EU.

Commission Regulation (EC) No 1342/2003 laying down special detailed rules for the application of the system of import and export licences for cereals and rice (hereafter 1342/2003) lays down provisions for the period of validity of a licence and the securities required.

Commission Regulation (EEC) No 2220/85 laying down common detailed rules for the application of the system of securities for agricultural products (hereafter 2220/85) also applies to rice.

Commission Regulation (EC) No 1301/2006 laying down common rules for the administration of import tariff quotas for agricultural products managed by a system of import licences (hereafter 1301/2006) lays down provisions for minimum requirements to be applied in the administration of import tariff quotas (hereafter quotas) for all sectors. There are various regulations for the different quotas for opening and administering them. The regulations may contain stricter requirements that should be complied with in respect of the quota concerned.

The Official Journal of the European Union regularly confirms import duties on rice and publishes amending regulations on import duties as and when necessary.

Regulations are published in the Official Journal, which is accessible on-line at <http://eurlex.europa.eu/fi/index.htm>.

2. The standard import licence

2.1 Application

Rice products for which an import licence is required are set out in Appendix 1. An import licence is required if the rice consignment to be imported exceeds 1,000 kg in weight (376/2008, Annex II). The application should be made on an AGRIM application form (561023), available on the Finnish Agency for Rural Affairs' website at www.mavi.fi.

The goods must be from the country of origin recorded in box 8 of the application, the completion of which is obligatory.

The application may be sent to the Department of Market Support by fax, post or by using the electronic application service (if the applicant has registered for the on-line service), or it can be handed in at the Department's registry office. An application can be cancelled by a written notification by 2 p.m. on the day of application.

2.2 Security

The security required for an import licence for husked rice (heading 1006 20) and milled rice (heading 1006 30) is EUR 30 per tonne and that for broken rice (heading 1006 40) is EUR 1 per tonne.

2.3 The issue of an import licence and the conditions for its validity

An import licence is issued on the day the application is lodged if it has arrived – and the security required has been lodged – by 2 p.m. The period of validity of an import licence for a rice product begins on the day the application is lodged. Appendix 1 gives the periods of validity for each product.

The country of origin of a consignment of imported goods must be the same as that mentioned in the application and the licence.

An import licence is valid everywhere in the Community and must be presented to the Customs when the customs declaration is made. A 5% overrun or shortfall in respect of the quantity indicated in the licence is permitted.

2.4 Return of an import licence

Standard Import licence must be returned to the Department of Market Support within two months of its expiry. If the licence or a part thereof is unused and the shortfall is greater than 5%, the security is forfeited. The administration of securities is described in greater detail in the Import Licences for Agricultural Products application guide.

3. Quota import licence

A quota is a certain quantity of a commodity that can be imported at reduced rates of duty for a given period of time. Quotas are based on different trade agreements, in which the EU is one party to the agreement. Some quotas are based on unilateral decisions taken by the EU to allow the import of a certain commodity at reduced rates of duty upon certain conditions. The amount of the quota applies to the whole of the European Community and is shared out based on applications from all Member States.

The section on the standard import licence for rice also applies to quota import licences, unless Regulation 1301/2006 or the Regulation opening the quota or the detailed regulations on its implementation contain derogations or additional provisions. Preferential treatment is granted by means of a quota import licence, and these vary from product to product. The applicant must fulfil certain requirements to be entitled to apply for quotas (1301/2006, Article 5)

A quota import licence is applied for and issued using the same forms as the standard import licence. The quota's serial number is entered in section 20 of the application ("Special remarks").

3.1 Annual rice quotas for various countries of origin under Commission Regulation 327/98

3.1.1 Quota descriptions

Commission Regulation (EC) No 327/98 (hereafter 327/98) opened several quotas for preferential arrangements for imports of different types of rice. This Regulation was amended by Commission Regulations (EC) No 965/2006 and (EC) No 2019/2006. Annual quotas are divided up into quantities of rice imported from the United States, Thailand, Australia, Guyana, India, Pakistan and other countries of origin. These may be applied for in certain months (327/98, Article 1).

Annex II lists the products that relate to quotas, their headings, their serial numbers, the special arrangements granted for quotas, the required securities, the periods of validity of licences, countries of origin and months of application.

For husked rice, whose heading is 1006 20, a quota

has been opened for 1,634 tonnes a year. The duty is 15% of the general ad valorem duty. The quota applies to all countries of origin. The application period commences on 1 January. If there is anything remaining to allocate, the following application period commences on 1 October.

For wholly milled or semi-milled rice, whose heading is 1006 30, quotas have been opened with a combined quantity of 63,000 tonnes a year, at zero duty. The quota applies to all countries of origin, but the application period depends on the country of origin, being 1 January, 1 April or 1 July. If there is anything remaining to allocate, the following application period commences on 1 October.

Additional quotas have been opened for the same type of rice with a combined quantity of 40,216 tonnes a year, at zero duty. Depending on the country of origin, the application period commences either on 1 January or 1 July.

For broken rice, whose heading is 1006 40, quotas have been opened with a combined quantity of 100,000 tonnes a year. The reduction in duty is 30.77% of the general ad valorem duty. The quota applies to all countries of origin, and, depending on the country, the application period commences on either on 1 January or 1 July.

Additional quotas have been opened for the same type of rice with a combined quantity of 31,788 tonnes a year, at zero duty. The application period commences on 1 September. If there is anything remaining to allocate, the following application period commences on 1 October

3.1.2 Quota application periods

Each quota is allocated a certain quantity that is applied for no later than 2 p.m. Finnish time on the tenth working day of the month, in January, April, July, September or October, depending on the quota (327/98 Article 4(1)).

Quantities not covered by import licences during a round of applications are carried over to the following period for the relevant quota.

If there remain unused quantities in respect of cer-

tain quotas, they can be applied for during the first 10 working days of October. The quantity being applied for is indicated in the same regulation in which the application of any reduction percentages for the previous application is notified (327/98, Article 5).

3.1.3 Conditions imposed on the applicant

The applicant must be a registered operator in Finland and may only submit applications in Finland. He must have been engaged in trade with third countries in rice during the two-year period prior to submitting the application (1301/06, Article 5).

3.1.4 The application and its attachments

The application may be faxed, but the originals of attachments must be sent in the post, or they can be handed in at the Department of Market Support's registry office, whose contact details can be found at the beginning of this guide.

Section 8 of the application should mention the product's country of origin (327/98, Article 4(3)). If the application concerns Thai, Australian or US quotas, the original export licence must be attached to the application. A specimen of a Thai export licence is given in Annex 1 to Commission Regulation (EC) No 2458/2001, and specimens for Australian and US export licences are given in Annexes I and II of Commission Regulation (EC) No 648/98. The application should relate to the quantity for which the export licence was issued in the country of origin. Export licences are valid for 120 days, though no longer than up to the end of the year in which they were issued (327/98, Article 3).

With quotas where no export licence from the country of origin is required, the applicant may submit just one application up to the maximum quantity laid down for that quota's period (tranche) (327/98, Article 4(5), third indent).

Although a regulation may use a 6-digit number to refer to a product, the application should use the 8-digit heading.

The words QUOTA APPLICATION and the quota's serial number should be written in section 20 of the application, under 'Special remarks'.

An application for a quota may be cancelled in writing no later than 2 p.m. on the last application day allowed for the quota.

3.1.5 Security

There must be a lodged security on the day of application. For husked rice (heading 1006 20) this is EUR 22 per tonne; for milled rice (heading 1006 30) it is EUR 46 per tonne and for broken rice (heading 1006 40) EUR 5 per tonne (327/98, Article 4(2)).

3.1.6 Issue and return of an import licence

Following the last day for lodging applications, the Department of Market Support advises the European Commission of the quantities in the applications submitted in Finland. Within a 10-day period the Commission decides to what extent the applications received in all Member States can be approved. If the quantities applied for exceed what is available for a given quota, the Commission announces the award coefficient to be applied to the applications submitted for that quota. If the combined quantity in the applications submitted for a quota is the same size or lower than the quantity available for that quota, the applicants will be issued a licence for the quantities that they have applied for.

The quota import licence is issued within three days of the Commission announcement. If the quantities covered by licences are lower than those applied for, the security is released proportionately. The rights associated with licences are not transferable (327/98, Article 6). An application cannot be cancelled at this stage.

Preferential arrangements only apply up to the quantity in kilograms mentioned on the licence. A used licence must be returned to the Department of Market Support no later than 45 days after it expires (327/98, Article 7(1, 2 and 3)).

3.1.7 Periods of validity of licences

Quota import licences for husked rice (heading 1006 20), milled rice (heading 1006 30) and broken rice (heading 1006 40) are valid from their actual day of issue until the end of the third month after that. However, licences are not valid after the end of the

calendar year in which they are issued (327/98, Article 7(4)).

3.1.8. Return of a licence

Preferential arrangements only apply up to the quantity in kilograms mentioned on the licence. A used licence must be returned to the Department of Market Support no later than 45 days after it expires.

3.2 Rice quotas (ACP States and OCTs) under Commission Regulation 2021/2006

Annual quotas have been opened for rice from the African, Caribbean and Pacific States (hereafter referred to as the ACP States) and the overseas countries and territories (hereafter the OCTs), which are applied for in January, May and September by 2 p.m. Finnish time on the fifth working day of the month in question. The quota for broken rice (heading 1006 40) is 20,000 tonnes for the ACP States. For other types of rice it is 160,000 tonnes, of which the ACP share is 125,000 tonnes and the OCT share is 35,000 tonnes. Duty is reduced or set at zero. If there are quotas remaining after these application periods, applications for the quantities left over may be submitted during the first five working days in October.

3.3 Rice quotas (least developed countries) under Commission Regulation 964/2007

A quota has been opened for rice from the least developed countries, which is applied for once a year after the rice marketing year has begun on 1 September. Applications should be submitted no later than 2 p.m. Finnish time on the seventh working day of September. The quantity associated with the quota increases annually. Duty is set at zero. If there are quotas remaining after the application period, applications for the quantities left over may be submitted during the first seven working days in February.

3.4 Quotas for rice under Commission Regulations 955/2005 and 1002/2007 (Egypt)

Two quotas have been opened for rice from Egypt.

An application for the quota under Regulation 955/2005 can be submitted by 2 p.m. Finnish time

every Friday. The annual quantity for the quota is 5,605 tonnes, for which duty is set at zero.

An application for the quota under Regulation 1002/2007 can be submitted by 2 p.m. Finnish time every Friday. The quantity for the quota is 32,000 tonnes per market year. The reduction in duty is 25% of the general duty levied at the time.

3.5 Quota for rice (Bangladesh) under Commission Regulation 3491/1990

A quota has been opened for rice from Bangladesh, for which applications can be submitted by 2 p.m. Finnish time every Friday. The quantity for the quota is 4,000 tonnes a year. The reduction in duty depends on the type of rice and the general duty levied on rice at the time.

3.6 Quota for rice (production of infant foods for retail sale) under Commission Regulation 2058/1996

A quota has been opened for broken rice (heading 1006 40), for which an application can be submitted by 2 p.m. Finnish time every Friday. The imported rice must be used in the production of foods under heading 1901 10. The quota is for 1,000 tonnes a year. Duty is set at zero.

3.7 Quota for rice (ACP States which are part of the Cariforum region and the OCTs) under Commission Regulation 1529/2007

A quota has been opened for rice originating in certain countries in the Cariforum region for 187,000 tonnes in 2008. The quota for the ACP States and OCTs is 35,000 tonnes. Quotas are applied for in January, May and September by 2 p.m. Finnish time on the seventh working day of the month. Duty is set at zero.

4. Tariff quota designed to be used following the chronological order of reception dates of customs declarations

A 'first come first served' tariff quota has been opened for paddy rice, which is administered by Turun tullin Oikaisu, (Turku Customs, Rectification),

whose contact details can be found at the beginning of this guide. Imports require a standard import licence.

5. Preferential arrangements for Basmati rice

Commission Regulation (EC) No 972/2006 (hereafter referred to as 972/2006) lays down provisions for the import at zero duty of certain varieties of Basmati rice produced in India and Pakistan. The preferential arrangements only apply to Basmati rice varieties under headings 1006 20 17 and 1006 20 98 for husked rice covered by an authenticity certificate issued by the Indian or Pakistani authorities. Varieties eligible for preferential arrangements are listed in Annex III a to Regulation 1785/2003. Under this arrangement there is no quota for monitoring but ongoing preferential arrangements are in place, the granting of which depends on the type of goods.

The applicant must be registered in Finland and must demonstrate that he has engaged in trade in rice for at least 12 months. The application must be accompanied by an authenticity certificate issued by the Indian or Pakistani authorities.

The application may only be for the quantity recorded on the authenticity certificate. A specimen of an

authenticity certificate is to be found in Annex III of Regulation 972/2006. The security for an import licence for Basmati rice is EUR 70 per tonne.

Applications may be lodged on every working day, and in other respects the provisions for all standard import licences for rice apply.

When a consignment of rice has arrived in the country, a sample is taken for a DNA-based variety test. The sample is sent to the country the goods came from for analysis. The purpose of the control system based on DNA analysis is to prevent profiteering from different rice varieties. If an imported consignment is not among the varieties entitled to preferential treatment, the security associated with the import licence is forfeited and the general duty for husked rice is levied on the consignment.

Appendix 1

STANDARD IMPORT LICENCE FOR RICE:

products, headings, periods of validity of licences and securities

Description	Heading	Period of validity	Security
husked rice	1006 20	Until the end of the second month following that of application	EUR 30 per tonne
milled rice	1006 30	Until the end of the second month following that of application	EUR 30 per tonne
broken Rice	1006 40 00	Until the end of the second month following that of application	EUR 1 per tonne

Appendix 2

Regulation 327/98 RICE QUOTAS

Product quota number	Heading	Preferential arrangements	Country of origin	Security	Month of application
Husked rice 09.4148	1006 20	duty 15% of value	All countries	EUR 22/tonne	Jan (Oct see 3.1.1)
Milled rice 09.4127 09.4128	1006 30	0 %	USA Thailand	EUR 46/tonne	Jan, April, July
09.4129 09.4130 09.4138			Australia Other countries All countries		April (Oct see 3.1.1)
09.4112 09.4116 09.4117 09.4118 09.4119			Thailand USA India Pakistan Other countries		Jan
09.4166			All countries		Jan, July
Broken rice 09.4149 09.4150 09.4152 09.4153 09.4154	1006 40	reduction 30,77%	Thailand Australia Guyana USA Other countries	Eur 5/tonne	Jan, July
09.4168		0 %	All countries		Sept (Oct see 3.1.1)

Appendix 3

Checklist for an import licence applicant

Main points from the Import Licences for Agricultural Products application guide:

- 1) register as an import customer with the Department of Market Support before submitting the first application for an import licence (form 561000 with instructions for completion, www.mavi.fi)
- 2) lodge the security required for the product in euros with the Finnish Agency for Rural Affairs' Department of Financial Management
- 3) complete an AGRIM import licence application form in accordance with the instructions and taking note of the special requirements (form 561023 with instructions for completion, www.mavi.fi)
- 4) send the application to the Department of Market Support by fax, etc.
- 5) should you need to, cancel the application or advise any changes to it in writing by 2 p.m. on the day of application
- 6) keep your import licence carefully on file
- 7) send the import licence to the Customs authority for the release of the goods for free circulation
- 8) return the import licence to the Department of Market Support no later than two months after its expiry



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