

Customs Duty wrongly imposed – refund opportunity

On 16 August 2010, the World Trade Organisation ruled that the EC has wrongly imposed customs duty on flat-panel displays, multi-function printers and television set-top boxes, and recommended that the EC be requested to bring the relevant measures into conformity with its obligations under the General Agreement on Tariffs and Trade 1994. This could herald an opportunity for businesses to seek significant retrospective refunds of overpaid customs duty.

On 16 August 2010, the World Trade Organisation (WTO) published 'European Communities and its Member States – tariff treatment of certain information technology products' - a report into complaints from the United States, Japan and Taiwan concerning EC customs duties on flat-panel displays, multi-function printers and television set-top boxes. The WTO has held that the customs duties are in breach of the WTO's Information Technology Agreement, which aims to preclude the charging of customs duties on such goods as computer screens and printers in order to promote trade in high-tech products. The EC has until 14 October 2010 (i.e. 60 days) in which to appeal.

Action point

Duties ranging between 6% and 14% have been imposed on the products mentioned in the report. Businesses should therefore consider submitting protective refund claims in order 'to stop the clock' on time limits, albeit that it is not yet known whether the EC will opt to appeal the decision, as the amounts of duty involved could be highly significant, particularly if remedial measures are given retrospective effect.