

MARKET ACCESS

There are no significant import restrictions and none with any degree of general application. Certain products, the sale of which is prohibited in Germany, can usually be imported but will not receive customs clearance and will therefore have to be re-exported. Principally, this applies to products breaching patents, trademarks or copyrights and under certain circumstances to actually or potentially dangerous consumer products or those otherwise hazardous to health.

From January 1, 1993, the member states of the EU constitute a single European market. This means that deliveries to and from Germany and other EU countries no longer qualify as imports and exports. Consequently, there are no longer any border controls of any description, no customs duties are levied, and there are no quantity or other limitations restricting intra-Union traffic in any way (apart from minor formalities for travellers).

Import Duties

The general attitude of Germany toward trade is liberal and non-discriminatory. As a member of the EC, Germany follows the EC customs regulations with respect to trade treaties, preferences, custom duties, agricultural agreements, import regulations, and rules of origin. Duties are levied, in principle, on the basis of the "transaction value", which is usually the price actually paid or payable (including all costs, charges and expenses of the sale and delivery to the first place of entry in Germany or the EC).

Import Taxes

German import turnover tax (EUST) is levied on imports at the appropriate VAT rate. In most cases, the rate is 15 percent for most food and fish products. This tax is levied on the border in the course of customs clearance and is paid by the importer in the same way as customs duties. If the importer is a business, a net burden does not result, since the EUST can be recovered in the importer's own VAT return. Within a business context, EUST is thus an in-and-out item, but entitlement to the refund is dependent upon the importer's retaining the original receipt stamped by German Customs authorities, and it is therefore essential that this documentation be carefully filed.

Customs/Storage

All large carriers maintain bonded warehouses for the storage of goods not yet cleared into the free market. These facilities are available not only at actual points of entry into the country (the major airports and harbours), but also at other business premises.

The operators of such warehouses are responsible to the Customs authorities for the duties on any goods that "*disappear*" (and might be transferred to the free market without appropriate Customs clearance), and therefore have an interest in ensuring that the facilities are secure.

A business may also apply to the local Customs authorities for permission to store uncleared goods on its own premises. This permission will usually be granted, provided there is a genuine business reason for it and provided the company and/or people responsible are regarded as reliable. No discrimination is made in this respect between Germans and foreigners.