ARTICLE 2.9

Goods re-entered after repair and alteration

1. A Party shall not apply a customs duty to a good, regardless of its origin, that re-enters its customs territory after having been temporarily exported from its customs territory to the customs territory of the other Party for repair or alteration, regardless of whether that repair or alteration could have been performed in the customs territory of the former Party, provided that the good concerned re-enters the customs territory of that former Party within the period as specified in its laws and regulations[1].

2. Paragraph 1 does not apply to a good in the customs territory of a Party under customs control without payment of import duties and taxes that is exported for repair or alteration and that does not re-enter the customs territory under customs control without payment of import duties and taxes.

3. A Party shall not apply a customs duty to a good, regardless of its origin, imported temporarily from the customs territory of the other Party for repair or alteration, provided that the good is re-exported from the customs territory of the importing Party within the period specified in its laws and regulations[1].

4. For the purposes of this Article, "repair" or "alteration" means any operation or process undertaken on a good to remedy operational defects or material damage and entailing the re-establishment of the good to its original function, or to ensure its compliance with technical requirements for its use. Repair or alteration of a good includes restoring and maintenance regardless of a possible increase in the value of the good, but does not include an operation or process that:

(a) destroys a good's essential characteristics or creates a new or commercially different good;

(b) transforms an unfinished good into a finished good; or

(c) changes the function of a good.

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[1] In the European Union, the outward processing procedure set out in Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code is used for the purpose of this paragraph.

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