

CUSTOMS INFORMATION PAPER (13) 06

Export – Best Practice for Arrival and Departure Messages

Who should read:	Exporters, freight forwarders, agents, representatives and anyone involved in the export, directly or indirectly, of goods to third countries.
What is it about:	Best practice guidance for the receiving, presenting and loading of goods for export from the UK and EU.
When effective:	Immediate
Extant until/ Expires	Until further notice

1. Introduction

Following a meeting with trade representatives, HMRC agreed to issue correspondence specifically targeted at traders involved in the receiving, presenting and loading of goods for export from the UK. HMRC will help the trade by identifying common errors in direct and indirect exports from the UK and making recommendations for best practice.

2. HMRC Action

Previously, [CIP \(10\) 33](#) and [CIP \(10\) 63](#) highlighted the procedure for completing export formalities and reported HMRC's work with the trade to improve facilitation and compliance. The [Export Best Practice Guide](#), Section 16, explains the role of the loader in the UK export processes.

Local HMRC officers will be contacting loaders within their port/airport communities to remind this sector of the trade about their responsibilities and to offer assistance. Help will be offered to reduce the incidence of non –arrival of goods and retrospective export declarations.

In **Annex A** we have identified best practice to help with the efficient movement of goods. We have also explained what happens when some of the more common mistakes are made.

3. Background

Errors are being made by those responsible for inputting arrival and departure messages onto HMRC's declaration processing system for imports and exports.

Most exports are delivered to inventory linked, electronic port or airport systems, or to ports with approved loaders who have electronic links into CHIEF (Customs Handling of Import and Export Freight).

For goods declared for export, the inputting of the electronic arrival message to CHIEF completes the presentation of the goods so that they may be cleared for the export procedure.

For those ports with no electronic links to CHIEF, on receipt of the appropriate information, HMRC will access CHIEF on the trader's behalf (see **Annex A section 1**).

4. Contacts

For further information, or assistance with compliance, please contact:

The NES Helpdesk Tel: 0292 032 6371 Fax: 0292 032 6544

Email: export.enquiries@hmrc.gsi.gov.uk

Issued on the **29 January 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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Annexe A to CIP (13) 06

Export – Best Practice for Arrival and Departure Messages

1. Getting the Input Data Right

Incorrect use of the Loader CHIEF Badge

Approved loaders please note the loader badge must **only** be used with CHIEF transactions EAL (Export Arrival), AEDL (Export Departure) and AEAC (Export Association).

The above transactions relate to the movement of consignments covered by CHIEF export declarations and should only be used at UK frontier locations that are not currently operating an export inventory linking system provided by an approved Community System Provider.

All inputs made should be an accurate and timely reflection of real time events relating to export consignments. Where your company does not have physical control of the consignment or export means of transport, you must hold supporting records provided to you by companies that do, for when HMRC carry out assurance activity.

Using the wrong reference number for Arrival and Departure messages

Care should be taken to prevent re-using previous UCRs and mis-keying UCRs.

It is imperative the arrival/departure message is entered using the correct reference number provided by the export declarant. This can be:

- MUCR/DUCR (master unique consignment reference/declaration unique consignment reference number) or
- customs entry number (EPU, CHIEF entry number, date of entry)

If the wrong reference number is used:

- The arrival/departure message will not be recorded against the correct export declaration. This means that the appropriate export declaration for the goods will not be cleared by customs for the export procedure.
- HMRC will not be able to trace shipments through a trader's books and CHIEF records, assure the business and allow official evidence for UK exporters to zero rate their goods for VAT.

Many arrivals are notified through use of inventory booking references so these should be verified with export declarants to ensure they are matched to the correct CHIEF record. If the reference number covering the goods is entered on CHIEF and CHIEF does not accept the details, the reference number should be verified with the declarant.

Inputting the Arrival Message AEAL

To make successful arrival messages at the port or airport a timely and accurate arrival message should be sent to CHIEF with the following information:

- CHIEF Reference (EPU, Entry No & Date) or UCR (MUCR or DUCR);
- Location of goods; and
- Date and time of arrival.

The Location of Goods field (30) must show the appropriate CHIEF Freight Location code, and, when one has been issued, the relevant SHED code.

If the arrival message has been input fully and correctly, CHIEF will proceed directly to acceptance, automated risk analysis and clearance. CHIEF may indicate that the goods should not be shipped pending further enquiries or submission of further paperwork or the need for a physical check. If, at the end of the process, HMRC and/or UKBA are satisfied that all is in order, HMRC will grant permission to progress and CHIEF will indicate that the goods can then be shipped.

Incorrect Completion of Form C1601 (Presentation of Goods for Export - Arrival)

At ports or export locations not controlled electronically, the trade declares goods for export and then presents the goods to Customs using a completed C1601 form. This can be obtained from the HMRC web-site, completed, and faxed to our NCH (National Clearance Hub).

Provided there is satisfactory evidence, the arrival message will be entered onto CHIEF. Once the goods are shipped the loader should complete and fax a C1602 form for direct exports. Again provided there is satisfactory evidence the NCH will enter the departure message.

Goods **must not** be shipped, or be loaded to be shipped within the export procedure, without Permission to Progress (P2P) having been granted by Customs.

2. Direct Exports

Failure to Act on CHIEF Error Messages (P9 reports)

Once export data is input onto CHIEF the system expects further action to be taken. If no arrival message is sent HMRC issues an automated CHIEF report (P9) to the export declarant who placed the data on CHIEF.

Failure to follow up P9 reports may prevent traders from zero rating their exports for VAT, receiving CAP refunds/export reliefs or from obtaining returned goods relief if the goods are re-imported.

Goods shipped without successful arrival messages do not obtain permission to progress. Exceptionally, HMRC may consider a “retrospective arrival” on receipt of an application C1603 form and explanation of the reason for non compliance and certified copy of the bill of lading or airway bill.

Retrospective arrivals are the subject of increased scrutiny by HMRC to improve the arrivals process and encourage businesses to work with us to comply with HMRC

requirements and reduce occasions of exports leaving the EU without a timely export declaration, presentation and customs clearance.

Incomplete Departure Messages

If a Departure message is required for the shipment(s) **all** of the following 6 items must be entered:

- DUCR / MUCR
- Location of Goods
- Name of vessel
- The actual date of export
- Nationality of Border Transport, and
- Mode of transport

If transport details on departure messages are not fully completed this, by default, informs HMRC of the trader's intention to record the export as being aborted/frustrated (e.g. SOE D ICS 60). The result is that official evidence will not support requests for VAT zero rating or relief from CPEI (customs procedures with economic impact) duty liabilities.

Departure Message AEDL

Use of this transaction constitutes the same form of declaration as the submission of HMRC form C1602 and is used to further process a UCR once a previously arrived consignment has been loaded onto a vessel which has now departed from the UK.

If goods relating to a previously presented UCR are no longer to be exported or are to be exported from another UK location, the AEDL screen should be used without the Border Transport Details segment being completed, which will have the effect of placing the export declaration covered by the UCR on hold and prevent CHIEF from carrying out automatic housekeeping.

Making Unauthorised Removals

If you fail to wait for HMRC/UKBA to finalise their enquiries and ship the goods regardless, you have made an unauthorised removal. This is a serious breach of legislation, particularly if the goods are destined for a sensitive destination under sanctions or embargos.

Local Clearance Procedures

Where goods declared for direct export receive permission to progress from an inland approved trader's premises an arrival message needs to be entered to CHIEF when the goods reach the UK port or airport of departure.

3. Indirect Exports

Incorrect CHIEF Declarations and ECS Records

UK exports using the Export Control System (ECS) are still being flagged up as irregular by customs offices of exit in other Member States. In some instances the goods have been sent back to the UK for clearance. The following best practice will help ensure compliance with UK export processes and may avoid unnecessary delays and costs:

For indirect exports declared to the export procedure in the UK, box 29 on CHIEF (intended office of exit) should be completed.

To improve certainty of efficient clearance at the Office of Exit from the EU, the Office of Exit must be able to view the export transaction on the Export Control System (ECS). UK indirect exports are only visible on ECS, at the EU Office of Exit, if they have previously been arrived to CHIEF at the UK Office of Export and given permission to progress by HMRC.

Printing the EAD (Export Accompanying Document) alone does not enable customs at the EU Office of Exit to clear the goods efficiently.

Local Clearance Procedures

For indirect exports of CAP or UK excise goods an arrival message is entered to CHIEF when the goods reach the UK port or airport. This is to ensure customs have the opportunity to perform anti substitution checks to ensure the goods have not been tampered with.

CUSTOMS INFORMATION PAPER (13) 07

EU Council Regulation on further restrictive measures against Iran - 1245/2012

Who should read:	Exporters, shipping agents, freight forwarders and businesses trading directly or indirectly with Iran. Traders with significant Iranian, or Iranian related trade.
What is it about:	New Regulation amending the conditions relating to the provision of equipment - to EU personnel in Iran - that could be used for internal repression.
When effective:	Immediately.
Extant until/ Expires:	Until further notice.

1. Background

- 1.1. On 21 December 2012, Council Regulation (EU) 1245/2012 (the Regulation) - amending Regulation (EU) 359/2011 concerning restrictive measures against Iran - was published in the Official Journal of the European Union, and came into force that day.
- 1.2. The Regulation amends conditions imposed by Regulation 359/2011 concerning the sale, supply, transfer or export of equipment that could be used for internal repression. Specifically, the amendment permits the provision of such equipment to EU personnel, in Iran, subject to certain conditions.
- 1.3. The full text of the Regulation can be found at:

[Regulation \(EU\) 1245/2012](#)

2. Summary of Key Measures

- 2.1. The Regulation permits the competent authorities of the Member States to authorise the sale, supply, transfer or export of equipment that might be used for internal repression - as listed in Annex III of Regulation (EU) 359/2011 - to EU staff based in Iran.
- 2.2. The Regulation states that such supplies are permitted provided that the equipment is solely intended for the protective use of personnel of the Union and its Member States in Iran.

2.3. This derogation includes the provision of technical assistance, brokering services, financing and financial assistance related to such equipment.

3. Contacts

3.1. For questions regarding export controls for strategic goods, sanctions and embargoes, contact:

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CUSTOMS INFORMATION PAPER (13) 08

EU Council Regulation on further restrictive measures against Iran

Who should read:	Exporters, shipping agents, freight forwarders exporting goods either directly or indirectly to Iran. In particular, traders with significant Iranian trade.
What is it about:	New Regulation introducing further restrictive measures against Iran.
When effective:	Immediately.
Extant until/ Expires:	Until further notice.

1. Background and Introduction

- 1.1. On 22 December 2012, Council Regulation (EU) 1263/2012 (the Regulation) - amending Regulation (EU) 267/2012) concerning restrictive measures against Iran - was published in the Official Journal of the European Union, and came into force the following day.
- 1.2. The Regulation introduces further wide ranging measures against Iran - as outlined in Council Decision 2012/635/CFSP - in view of Iran's failure to engage seriously in negotiations to address international concerns about its nuclear programme.
- 1.3. The full text of the Regulation can be found at -

[Regulation \(EU\) 1263/2012](#)

2. Summary of Key Measures

- 2.1. The new measures include specific prohibitions on the provision of, trade in, sale, supply, transfer or export, directly or indirectly to any Iranian person, entity or body, or for use in Iran, of the following:
 - Graphite and certain metals, such as aluminium and steel, in raw, waste/scrap, or semi-processed form.
 - Certain oil and gas equipment - extending the range of products already covered by existing controls.
 - Certain naval equipment and technology.
 - Natural gas that originates in Iran, or has been exported from Iran.

- Shipping services in respect of oil tankers, cargo vessels and other ships flying the Iranian flag or owned or controlled by an Iranian person, including classification services, design, construction and repair, and the making available vessels designed for the transport of oil or petrochemical products to any Iranian person.
- Enterprise Resource Planning (ERP) software specifically designed for use in nuclear, military, gas, oil, navy, aviation, financial or construction industries.

Note. The Regulation exempts certain pre-existing contracts, subject to specific conditions. Full details are set out in the Regulation.

2.2. The new Regulation also implements changes to the existing controls on transfers of funds to and from Iranian persons.

Detail

3. Graphite and Metals

- 3.1. The new Regulation introduces a prohibition on the supply, sale, transfer or export to Iran (or any Iranian person) of graphite and raw or semi-processed metals, and related technical or financial assistance. This new prohibition includes many base metals in unwrought, semi-processed (e.g. as powder, wire, rods, cables) or waste/scrap form - including iron, steel, copper, nickel, aluminium, calcium, lead, magnesium, tin, titanium, zinc and zirconium.
- 3.2. Until 15 April 2013, the new prohibition does not apply to the execution of contracts signed before 22 December 2012, or ancillary contracts necessary for the execution of such contracts.

4. Oil and Gas Equipment

- 4.1. Under the existing sanctions regime, it is prohibited to supply key oil and gas equipment - as set out in Annex VI to Council Regulation (EU) No. 267/2012 - to an Iranian person, or for use in Iran. The new Regulation extends the scope of these controls to include various pipes, tubes, casings and containers.
- 4.2. Depending on the date of their agreement, certain pre-existing contracts will continue to be exempt from this prohibition provided they are notified to the competent EU Member State authority at least 20 working days prior to engagement in the transactions, and fulfilled by 15 April 2013.

5. Marine Equipment

- 5.1. The new Regulation prohibits the sale, supply, transfer or export of specifically listed marine equipment (such as turbines, engines, propellers, navigational instruments and related parts and machinery) to Iran or any Iranian person.

5.2. Until 15 February 2013, the new measure does not apply to the execution of contracts signed before 22 December 2012, or to vessels forced into an Iranian port or Iranian territorial waters under force majeure.

6. Natural Gas

6.1. The new Regulation prohibits the purchase, transport or import of natural gas which originates in Iran, or has been exported from Iran, as well as the provision, directly or indirectly, of related services including brokering services, financing or financial assistance, insurance, re-insurance and insurance brokering. It is also prohibited to swap natural gas which originates in Iran or has been exported from Iran in exchange for natural gas streams of different origin.

6.2. These prohibitions do not apply to natural gas that has been exported from a country other than Iran when the exported gas has been combined with gas originating in Iran within the infrastructure of the exporting country.

6.3. For the purposes of these new measures, the term 'natural gas' is defined by reference to specific customs tariff classification headings and includes natural gas in liquefied or gaseous state, natural gas condensates, propane and butanes.

7. Provision of Shipping Services

7.1. The new Regulation introduces certain controls on the provision of services in respect of vessels flying the Iranian flag or owned or controlled by Iranian persons. These include prohibitions on:

- the supervision of or participation in the design, construction or repair of such vessels and their parts and related technical or financial assistance, as well as inspection, testing and certification of marine equipment and the supervision of their installation on board and related system integration;
- the provision of ship classification services of any kind; and
- the carrying out of ship surveys, inspections, audits and visits, and the issuance, renewal or endorsement of relevant certificates and documents of compliance with marine rules and Regulations.

7.2. The prohibitions outlined at 7.1 above, apply from **15 January 2013**.

7.3. The new Regulation also prohibits the making available of vessels designed for the transport and storage of oil and petrochemical products to any Iranian person, or to any other person for the purpose of transporting or storing such products that are of Iranian origin or were exported from Iran. This prohibition is also subject to an exemption relating to pre-existing contracts.

8. Enterprise Resource Planning (ERP) Software

- 8.1. The new Regulation prohibits the sale, supply, transfer or export to Iran of ERP software designed specifically for use in the nuclear, military, gas, oil, navy, aviation, financial and construction industries.
- 8.2. For the purposes of the Regulation, ERP software includes software used for financial accounting, management accounting, human resources, manufacturing, supply chain management, project management, customer relationship management, data services or access control.

9. Transfers of Funds

- 9.1. The new Regulation implements changes to the existing controls on transfers of funds to and from Iranian persons. Under existing controls, those arranging transfers to or from Iranian persons are required to submit a prior notification to the competent authority - HM Treasury in the UK - for transfers of sums exceeding EUR 10,000, and to seek prior authorisation for transfers of sums of EUR 40,000 and above.
- 9.2. For transfers relating to foodstuffs, healthcare, medical equipment or for agricultural or humanitarian purposes, there is only an obligation to submit prior notification for transfers exceeding EUR 10,000. These controls remain in place. However, the threshold for prior notification has been amended to cover sums equal to, or above EUR 10,000, as opposed to exceeding EUR 10,000.
- 9.3. The new Regulation also tightens existing controls by imposing stricter requirements on transfers between credit and financial institutions subject to the jurisdictional scope of the EU sanctions regime, and credit and financial institutions and bureaux de change domiciled in Iran and branches and subsidiaries thereof (wherever located), as well as those not domiciled in Iran but controlled by Iranian persons.
- 9.4. Where such transactions involve a sum of EUR 10,000 or more, they are no longer subject to prior notification requirements, but instead prior authorisation from the competent authority must be obtained. Such authorisation may only be granted in certain circumstances, including, but not limited to, transfers relating to a specific trade contract not prohibited by the EU sanctions regime, or regarding foodstuffs, healthcare, medical equipment or for agricultural or humanitarian purposes.
- 9.5. Transfers that relate to foodstuffs, medical equipment or agricultural or humanitarian purposes, and which involve an EU and an Iranian financial institution, are now subject to prior notification where the sum is equal to, or above EUR 10,000 but below EUR 100,000, and prior authorisation where of a sum of EUR 100,000 or more. These controls are in addition to the unilateral measures adopted by the UK in November 2011 prohibiting all transactions and business relationships between UK credit and financial institutions and their Iranian counterparts.

9.6. Further information about specific sanctions against Iran can be found on the Department for Business, Innovation and Skills website:

[Department for Business Innovation & Skills](#)

10. Contacts

10.1. For questions regarding export controls for strategic goods, sanctions and embargoes, contact:

Vivian O'horo or Tim Morris
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CUSTOMS INFORMATION PAPER (13) 09

EU Council Regulation on further restrictive measures against Iran 1264/2012

Who should read:	Exporters, shipping agents, freight forwarders and businesses trading directly or indirectly with Iran. Traders with significant Iranian, or Iranian related trade.
What is it about:	New Regulation adding to the list of natural and legal persons, entities and bodies subject to restrictive financial measures imposed under the EU sanctions regime against Iran.
When effective:	Immediately.
Extant until/ Expires:	Until further notice.

1. Background and Introduction

1.1. On 22 December 2012, Council Regulation (EU) 1264/2012 (the Regulation) - implementing Regulation (EU) 267/2012 concerning restrictive measures against Iran - was published in the Official Journal of the European Union, and came into force that day.

1.2. The Regulation adds to the list of natural and legal persons, entities and bodies subject to restrictive measures imposed under the EU sanctions regime against Iran, specifically, those to whom it is prohibited to make available, directly or indirectly, any funds or economic resources. These persons and entities are also subject to an EU asset freeze.

1.3. The full text of the Regulation can be found at:

[Regulation \(EU\) 1264/2012](#)

1.4. On 22 December 2012, Council Decision 2012/829/CFSP (the Decision) - amending Decision 2012/413/CFSP concerning restrictive measures against Iran - was also published. The Decision requires financial institutions to monitor the finances of the persons and entities identified in the Annex to the Decision.

1.5. The full text of the Decision can be found at:

[Decision 2012/829/CFSP](#)

2. Summary of Key Measures

2.1. The new measures add one individual and 18 organisations to the list of those natural and legal persons, entities and bodies subject to restrictions, specifically:

- the making available directly or indirectly, of any funds or economic resources, and,
- the freezing of assets.

2.2. Relevant institutions and other persons are asked to check whether they maintain any accounts or otherwise hold any funds or economic resources for the persons and entities identified in the Regulation. If they do, they must freeze such accounts or other funds and, unless licensed by the Treasury, refrain from dealing with the funds or making them available to such persons and entities.

2.3. A consolidated list of the persons and entities subject to financial sanctions can be found on the HM Treasury website at:

[HMT Financial Sanctions](#)

3. Contacts

3.1. For questions regarding export controls for strategic goods, sanctions and embargoes, contact:

Vivian O'horo or Tim Morris
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CUSTOMS INFORMATION PAPER (13) 10

C1603 Retrospective Export Arrival Requests

Who should read:	All those involved in international trade exports
What is it about:	A reminder to traders about completing the C1603 Retrospective Arrival Form.
When effective:	Immediately
Extant until/ Expires	Further notice

1. Background or Introduction

[Customs Information Paper \(12\) 27](#) introduced the C1601, C1602 and C1603 forms to improve the accuracy of export processing. This Customs Information Paper is being issued to remind exporters and their representatives about our requirements for the C1603 form.

2. Supporting information submitted with C1603 – Retrospective Arrivals

The National Clearance Hub is receiving a significant number of C1603 Retrospective Arrival requests without supporting information, or insufficient information. Please ensure that all C1603s are submitted to the National Clearance Hub with the following information:

1. Full entry paperwork including evidence of export.
2. A specific and detailed reason why the goods were not arrived.

This must not be a standard letter sent with all C1603s. It must be specific to the individual consignment stating the reason why the freight was not arrived prior to export.

3. The name and address of the company employed to act as the loader

This should provide the name and address of the Economic Operator who was employed by the exporter or their representative to arrive the goods, but did not.

4. Who is responsible for the goods not being arrived

This must state which person in the export process caused the freight not to be arrived. For example, did one party provide the incorrect information to another.

Failure to provide this information will cause delays to the export declarations being processed for retrospective arrival.

3. Indirect Exports

If you have exported goods without an arrival message on CHIEF for goods controlled by the Export Control System (ECS) for an indirect export, please do not submit a C1603. Please contact the ECS helpdesk (ecs.helpdesk@hmrc.gsi.gov.uk), as the National Clearance Hub is unable to assist with this scenario.

4. Processing service standards

Please note that the C1603 declarations are dealt with on a Post Clearance basis, therefore they are not subject to the general import and export route 1 clearance standards. C1603s will be processed as quickly as possible, once all the required information has been supplied.

5. Contacts

For further information, please contact:

The NCH Compliance & Technical Team

Tel: 0161 261 7061

Fax: 0161 261 7048

Email: nchtechnical@hmrc.gsi.gov.uk

The NES Helpdesk

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Fax: 0292 032 6544

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Issued on the **5 February 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

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CUSTOMS INFORMATION PAPER (13) 11

Customs and Excise Law Modernisation Project: An update

Who should read:	All those with an interest in customs and excise legislation.
What is it about:	This CIP provides an update on progress with HMRC's Customs and Excise Law Modernisation Project since April 2012.
When effective:	Immediately
Extant until/ Expires	Until further notice

1. Introduction

The original intention of the Customs and Excise Law Modernisation Project was to completely revise the Customs and Excise Management Act (CEMA) 1979, and a number of other pieces of UK legislation covering customs and excise matters, by means of a Programme Bill. With this in mind, we launched a consultation exercise in August 2011, after which we published a summary of the responses received to the consultation in May 2012.

However, despite having Ministerial support, we were unable to obtain space for such a Programme Bill because of considerable pressure on the legislative programme. We therefore have had to look at alternative ways of making our top priority legislative changes. Our intention is to make as many changes as we can by using the Finance Bills 2013 and 2014, secondary legislation and, where we can, any appropriate Home Office legislative changes.

2. Changes under the Finance Bill 2013

In last year's Budget, the Government announced three measures concerning customs matters for inclusion in Finance Bill 2013.

The first concerns HMRC's power to detain goods. An amendment to CEMA will make explicit provision for the detention of things where there are reasonable grounds to suspect that they may be liable to forfeiture. These provisions allow for a penalty to be effected if goods, detained in situ, are removed. Section 10 allows for the Tribunal to take any reasonable excuse, for removing the goods, into account.

The second relates to the definition of goods in CEMA, to make clear that it includes any creature, article, thing or property whatsoever and any container.

The third seeks to set in line with current values the penalty which can be imposed where the master of a ship or a responsible officer of the vessel has been negligent in allowing smuggling by the crew

The draft legislation for these three measures was published on 11 December 2012 and is currently out for consultation until 6 February 2013.

3. Changes using secondary legislation

We are continuing to work with our lawyers on instructions for a Statutory Instrument under the European Communities Act to remove duplications with EU law. We are continuing our research into what changes can be made under the Protections and Freedoms Act 2012.

4. Changes under Home Office legislation

We were unable to obtain space under Home Office legislation to make changes relating to our customs maritime powers. We intend however to continue to liaise with the Home Office for any future measures which could be covered by their legislation.

5. Updating the Contravention of a Relevant Rule Regulations

We are currently carrying out a scoping exercise to update the Customs (Contravention of Relevant Rule) Regulations 2003. This will take into account other legislation such as postal regulations. We intend to consult on these revisions in due course.

6. Contacts

For queries on the content of this information paper please contact:

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Issued on the **11 February 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

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CUSTOMS INFORMATION PAPER (13) 12

Tariff Classification of Set-top Boxes

Who should read:	All involved in the tariff classification of Set-top Boxes.
What is it about:	A Judgment by the Court of Justice of the European Union (CJEU) concerning the classification of certain types of Set-top boxes.
When effective:	Earliest possible date.
Extant until/ Expires	Until further notice.

1. Introduction

The CJEU has published a Judgment in respect of certain types of set-top boxes, which clarifies the scope of subheading 8528 71 13, 0% Customs duty; the subheading ceased to be valid on 30 June 2011. The Judgment has no effect on the classification of Set-top Boxes imported from 1 July 2011.

2. Background

Subheading 8528 71 13 covered;

“Apparatus with a microprocessor-based device incorporating a modem for gaining access to the Internet, and having a function of interactive information exchange, capable of receiving television signals (‘set-top boxes with communication function’)”

The CJEU were asked for a preliminary ruling relating to the structure of subheading 8528 71 in four joined cases; Digitalnet OOD (C-320/11 and C-383/11), Tsifrova Kompanioa OOD (C-330/11), M Sat Cable AD (C-382/11).

A number of questions were asked, primarily, what do the terms “modem” and “access to the Internet” mean?

In summary, the Court ruled;

“for the purposes of classification of goods under subheading 8528 71 13, a modem for gaining access to the internet is a device which, alone and without the intervention of any other apparatus or mechanism, is capable of accessing the internet and of ensuring interactivity and an exchange of information in both directions. **It is solely the capacity to gain access to the internet, and not the technique used to achieve this, that is relevant for the purposes of classification under that subheading.**”

That Combined Nomenclature must be interpreted as meaning that the reception of television signals and the presence of a modem allowing access to the internet are two equivalent functions that apparatus must perform in order to be classified under subheading 8528 71 13. In the absence of one or other of those functions, that apparatus must be classified under subheading 8528 71 19.”

HMRC policy was to exclude products from subheading 8528 71 13 that did not modulate or demodulate signals as a means of gaining access to the Internet e.g. ISDN, WLAN or Ethernet devices. This was in accordance with a Combined Nomenclature Explanatory Note (CNEN) dated 7 May 2008 that ceased to be valid with effect from 1 July 2011.

3. Claims for a refund of Customs duty

The CJEU stated that the CNEN had to be disregarded so far as the interpretation of CN subheading 8528 71 13 was concerned. Consequently, goods are classified under subheading 8528 71 13 if they are capable of receiving television signals and have a modem allowing access to the internet. The technique used to gain access to the internet is not relevant i.e. the term “modem” includes other technologies such as ISDN, WLAN, Ethernet.

If as a result of the CJEU Judgment, you wish to apply for the repayment or remission of Customs duties, please send a completed form C285, and any relevant documents to;

The National Duty Repayment Centre
Priory Court
St. Johns Road
Dover
Kent. CT17 9SH.

If you belong to Large Business Service (LBS) you should contact your LBS Customer Relationship Manager or your allocated Customs & International Trade Tax Specialist.

4. Contacts

David Harris, HMRC, Customs duty liability, Tariff Classification Service, 21 Victoria Avenue, Southend, Essex. SS99 1AA.

Telephone; 01702 367372.

Email; david.harris2@hmrc.gsi.gov.uk

Issued on the **14 February 2012** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13) 13

Changes to HMRC offices dealing with Customs Clearances of vehicle imports

Who should read:	Anyone involved in : -The permanent importation of cars & other vehicles into the UK from outside the European Union (EU) -Importation of cars and other vehicles by returning British Forces, returning British Diplomats and Foreign Diplomats to the UK.
What is it about:	Information about HMRC changes in the offices involved in the processing of vehicle imports & customs clearances
When effective:	4 March 2013
Extant until/ Expires	Until further notice

1. Background

There are currently several HMRC offices that process simplified import documentation from private individuals and non-VAT registered businesses when a motor vehicle is permanently entered into the UK.

In order to standardise processes and enhance the customer experience, it has been decided to centralise the processing of privately imported vehicles at the National Clearance Hub (NCH) in Salford. Please note this does not include vehicle imports through depositories which will continue as per the current process.

2. Details of the changes

With effect from the 4 March 2013, the NCH will process:

- All permanently imported vehicles (that is cars/other vehicles arriving from outside the EU) by non-VAT registered businesses and private individuals;
- All vehicles permanently imported by returning British Forces and British Diplomats from postings outside the EU.

Any declarations received from private and non-VAT registered importers by Personal Transport Unit (PTU) in Dover on or after the 4 March 2013 will be referred to the NCH to process.

With effect from the 4 March 2013, the PTU will process all vehicle imports and arrivals (both EU and non EU) from Foreign Diplomats and Foreign visiting forces.

Please refer to [Notice 3 Bringing your belongings and private motor vehicle to the UK from outside the EC](#) available on the [HMRC website](#).

3. Contacts

For queries on the content on this information paper please contact

Personal Transport Unit, Building 22, Priory Court,
St John's Road, Dover, Kent, CT17 9SH,

National Clearance Hub, Custom House, Furness Quay, Salford, M50 3XX,

For general advice on imports and EU movements please contact the VAT, Excise & Customs Helpline on 0845 010 9000.

Issued on the **28 February 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

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CUSTOMS INFORMATION PAPER (13) 14

Inward Processing Update – Discharge of civil aircraft and parts under Customs Code Implementing Regulations 2454/93 Article 544(c)

Who should read:	Businesses using Inward Processing (IP) who are authorised to discharge civil aircraft and parts under Article 544(c).
What is it about:	Commission working paper on the interpretation and practical application of discharges under Article 544(c).
When effective:	Immediate
Extant until/ Expires	Until further notice

1. Introduction

This paper provides updated guidance and clarification on the importation of raw materials and parts for civil aircraft and subsequent discharge under Article 544(c) of the Customs Code Implementing Provisions (Reg 2454/93). It replaces Paragraph 13.8 in Public Notice 221 which will be updated to reflect the contents of this CIP when it is reviewed later this year.

2. Background

This simplification is designed to enhance the competitiveness of the aviation industry in the EU.

Article 544(c) states:

“For the purposes of discharging the arrangements or the claim for repayment of import duties, the following shall be regarded as re-exportation or exportation:

(a) ...

(b) ...

(c) the delivery of civil aircraft, however, the supervising office shall allow the arrangements to be discharged once import goods have been used for the first time for the manufacture, repair, modification or conversion of civil aircraft or parts thereof, on condition that the records of the holder are such as to make it possible to verify that the arrangements are being correctly applied and operated;”

Following discussions in the Customs Code Committee last year the Commission produced a working paper [TAXUD/A2/SPE/2012/047/REV1-EN](#)

which is available on the Europa website. This details agreement with all Member States on the interpretation and application of simplified discharges under Article 544(c) for goods imported to Inward Processing. The paper includes a practical example of the process for discharge under Article 544(c).

3. Discharge under Article 544c

The main points agreed by the Customs Code Special Procedures Committee are:

- a) No customs declaration is required to discharge goods under Article 544(c).
- b) Although delivery of civil aircraft is regarded as re-exportation by which the Inward Processing is discharged, in practice the discharge takes place at an earlier stage by either the manufacturer or any of its suppliers irrespective of whether they are in the aeronautic industry. Discharge occurs once import goods have been used for the first time for the manufacture, repair, modification or conversion of civil aircraft or of parts for civil aircraft on condition that the records of the IP authorisation holder are detailed enough to verify that the arrangements are being correctly applied and operated. This is referred to as the 'simplified discharge by anticipation' (SDBA).
- c) The phrase 'import goods used for the first time' also covers the supply of parts to the final manufacturer or to a company which produces intermediate products.
- d) Records of the holder of the IP authorisation must contain information to enable identification of the goods or products and their allocation to civil usage. Depending on the stage of manufacture this information might be in the form of part numbers, internal company codification or serial numbers etc. Their allocation to civil usage should also be evidenced by reference to, for example, program number, purchase order, civil aircraft reference or airworthiness certificate reference.
- e) Records should also indicate the date on which the SDBA took place, for example, the date the parts were used by the final manufacturer for the first time in the manufacture of a part of civil aircraft under Inward Processing.
- f) Once goods have been discharged under Article 544(c) the goods are deemed to have Community status and are no longer subject to customs supervision under the Inward Processing procedure or any kind of End-use control. Consequently, the civil aircraft or the parts of the civil aircraft for which the import goods have been incorporated also have Community status.
- g) If the aircraft or parts are subsequently exported then Customs Procedure Codes in the 10 00 series must be used not those in the IP series (31 51).
- h) An airworthiness certificate does not necessarily have to be issued for the compensating products as the SDBA may take place for goods for which an airworthiness certificate cannot be issued, for

example for titanium or aluminium sheets to manufacture aircraft parts.

- i) If parts have been imported for repair, Article 544(c) cannot be applied. The repair may, however, be made under the standard Inward Processing procedure (and the repaired part then used for the manufacture, repair, modification or conversion of civil aircraft) and subsequently benefit from simplified discharge under Article 544(c). An authorisation for IP may be issued to cover both types of activity as long as records contain details of the repair, date the goods were repaired and the simplified discharge by anticipation date.
- j) The term repair also includes maintenance.
- k) Both new and used parts may benefit from Article 544(c) discharge.
- l) ATR movement certificates may be used for aircraft obtained after SDBA without payment of import duty as the aircraft is in free circulation.
- m) Secondary compensating products such as waste and scrap do not incur a customs debt.

4. Contacts

Queries on Customs Procedures should be directed to the Excise & Customs Helpline on Tel 0845 010 9000.

Questions can also be submitted electronically by email using the iform at the following link:

[Customs General Enquiry Form.](#)

If you have a specific query about your Inward Processing Authorisation please contact your Supervising Office.

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CUSTOMS INFORMATION PAPER (13) 15

Review of Outward Processing Relief (OPR) Customs Procedure Codes

Who should read:	Importers and their agents involved in declaring goods to Outward Processing Relief (OPR)
What is it about:	The separation of the Customs Procedure Codes (CPC) for process and repair/exchange and the deletion of unused CPCs
When effective:	1 April 2013
Extant until/ Expires	Until Further notice

1. Introduction

Annex 1(h) of Commission regulation (EU) No 113/2010 (OJ L37, dated 10/02/2010) lists the goods / movements to be excluded from trade statistics. It has therefore been necessary to review the OPR CPCs which have combined processing and repair conditions under one CPC

2. CPC Review

The review of OPR CPCs has identified the existing CPCs that need to be amended to exclude repairs and replacements and where new ones needed to be created to ensure the UK comply with the Commission regulation. It also identified several CPCs which are no longer used and will be removed from use.

2.1 OPR CPCs to be deleted

The following CPCs have not been used for the last two years and will therefore be deleted from 1st April 2013

48 00 002
48 00 003
61 21 006

2.2 CPCs to be split to implement Commission Regulation No 113/2010

The following CPCs will be split to enable the UK to meet the requirements of regulation 113/2010. Therefore with effect from 1st April 2013 these CPCs **will**

only cover the processing of OPR goods. They will no longer cover the repair of goods under OPR.

Current CPC wording	New Process only CPC wording
<p>21 00 000 - Community goods temporarily exported outside the Community for processing, repair or replacement under the standard exchange system</p>	<p>21 00 000 - Community goods temporarily exported outside the Community for processing.</p>
<p>61 21 002 - Goods exported from another Member State under an authorisation issued by a Member State other than the UK imported into the Community and entered for free circulation with outward processing being compensating products from goods exported for an authorised process in a third country or goods imported after repair either free of charge or in return for payment.</p> <p>For goods supplied free of charge or in return for payment under the standard exchange system see CPCs 48 00 002 or 48 00 003 for process or repair, and now being entered to free circulation.</p>	<p>61 21 002 - Goods exported from another Member State under an authorisation issued by a Member State other than the UK, imported into the Community and entered for free circulation with outward processing, being compensating products from goods exported for an authorised process in a third country.</p>
<p>61 21 004 - Goods imported into the Community for which outward processing relief (OPR) is being claimed, entered to customs warehousing now being entered for free circulation being compensating products obtained from goods exported from the Community under a UK or Single authorisation for an authorised process or goods previously exported from the Community under a UK or Single authorisation for an authorised repair in return for payment.</p>	<p>61 21 004 - Goods imported into the Community for which OPR is being claimed, entered to customs warehousing, now being entered for free circulation being compensating products obtained from goods exported from the Community under a UK or Single authorisation for an authorised process.</p>

61 21 008- Goods exported from another Member State for process or repair, imported to a customs warehouse after process, and now being entered to free circulation.	61 21 008 - Goods exported from another Member State for process, imported to a customs warehouse after process, and now being entered to free circulation.
61 21 009-Goods exported for repair, process or exchange under CPCs 21 00 000, 21 00 004 or 21 00 005 and on which relief is claimed in accordance with Council Regulation 150/2003.	61 21 009 - Goods exported for process or exchange under CPCs 21 00 000, 21 00 004 or 21 00 005 and on which relief is claimed in accordance with Council Regulation 150/2003.

3. New CPCs for the repair of OPR goods previously incorporated in CPCs at paragraph 2.

The following CPCs should be used from 1st April 2013 if you used one of the CPCs above and are involved in the repair of goods under OPR relief.

21 00 006 - Community goods temporarily exported outside the Community for repair or replacement under the standard exchange system.

61 21 010 - Goods exported from another Member State, under an authorisation issued by a Member State other than the UK, imported into the Community and entered for free circulation with outward processing being claimed, being goods imported after repair either free of charge or in return for payment.

61 21 011 - Goods imported into the Community, for which OPR is being claimed, exported from the Community under a UK or Single authorisation entered to customs warehousing now being entered for free circulation, being goods exported for an authorised repair in return for payment.

61 21 012 - Goods exported from another Member State, under an authorisation issued by a Member State other than the UK imported into the Community and entered for customs warehousing, now being entered for free circulation with outward processing being claimed, being goods imported after repair either free of charge or in return for payment.

61 21 013 - Goods imported to free circulation in the Community for which outward processing relief (OPR) is being claimed, being compensating products obtained from goods which were exported from the Community for the purpose of repair under CPCs 21 00 000, 21 00 004 or 21 00 005 and on which relief is claimed in accordance with Council Regulation 150/2003.

This change has no impact on the use of CPC 46 000 00 and the 48 series CPCs.

If you send goods for repair and	Exported them using CPC	You should now use CPC	
	21 00 000	21 00 006	
	Re Imported them using CPC		
	61 21 002	61 21 010	
	61 21 004	61 21 011	
	61 21 008	61 21 012	
	61 21 009	61 21 013	

The Tariff and CHIEF will be updated to reflect these changes

If your authorisation is affected by this you should contact your supervising office.

4. Contacts

For enquiries regarding this paper please contact the VAT, Excise & Customs Helpline on 0845 010 9000

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CUSTOMS INFORMATION PAPER (13) 16

Update 1 - Review of ERTS & Temporary Storage Policy

Who should read:	All international trade economic operators; trade bodies, especially those involved in the Temporary Storage (TS) of goods, Enhanced Remote Transit Sheds (ERTS) and Inland Clearance / Rail Depot [ICD/ IRD] Operators.
What is it about:	Update 1 - announcement of some of the key recommendations of the ERTS & Temporary Storage Policy Review being implemented ahead of publication of the formal Review Report
When effective:	Immediate and / or as per specific dates provided in the text.
Extant until/ Expires	31 December 2015

1.0 Background & Introduction

Temporary Storage is currently a status granted to all goods imported into the UK which after presentation to Customs, are stored in an approved place of Temporary Storage until they have been formally declared to a Customs Procedure or Use. All UK approved frontier [air]ports operate Transit Shed(s) / areas of Temporary Storage within the Customs controlled area of the [air]port which act as the place of presentation of goods to Customs.

Enhanced Remote Transit Sheds (ERTS) are premises which are located outside of the Customs controlled area of the [air]port but are still considered part of the UK Border and are controlled by the UK Customs authorities. Most imported goods are allowed to move from the frontier Transit Shed to an ERTS where they are re-presented to Customs prior to their declaration and release to an approved customs procedure or use.

[CIP \(11\) 26](#) clarified the rules for goods in Temporary Storage moving from frontier Transit Sheds to an inland ERTS / ICD and following this, [CIP \(11\) 74](#) announced the undertaking of a comprehensive review of ERTS and HMRC's Temporary Storage Policy [The Review].

The Review has now concluded and the purpose of this CIP is to provide International Trade Economic Operators and HMRC's Delivery Partners with early sight of some of the key initial recommendations and / or policy changes which will be introduced as a result of The Review recommendations and to provide the expected timescales for their introduction.

1.1 Purpose of this CIP

This CIP provides details regarding the first of The Review recommendations and policy changes which have been agreed to be implemented ahead of the formal publication of The Review report.

These are being publicised in advance to ensure all International Trade Economic Operators are provided with as much notice as possible and can therefore make any necessary arrangements to incorporate these changes into their future business and commercial operational plans.

This CIP is the first in a series of CIP's which will be published during the coming weeks with updates and information regarding the implementation of other recommendations from The Review.

The target date for the formal publication of The Review is 31/03/2013

2. ERTS Review Recommendations being implemented by issuance of this CIP

2.1 Re-branding

To create a level playing field and commence alignment of Temporary Storage policy, controls and operations with the expected Union Customs Code [UCC] legislative requirements and with other recommendations from The Review, HMRC is re-branding all current Temporary Storage facility types with new, simpler terminology as follows:

2.1.1 All Temporary Storage facilities which are located inside the customs controlled area of the UK's frontier [air]ports, e.g. current Transit Sheds and Remote Transit Sheds will become known as Internal Temporary Storage Facilities – ITSF and ITSF [R] respectively.

2.1.2 All Temporary Storage facilities which are located outside the customs controlled area of the UK's frontier [air]ports, e.g. current ERTS will become known as External Temporary Storage Facilities – ETSFs.

In addition, Approved Depositories will be known as ETSF [AD] and approved CFSP Temporary Storage Facilities will be known as ETSF [SP].

2.1.3 This change in terminology will remove legacy naming conventions and the operations that have been in place in the past and start all stakeholders focusing on the future UCC requirements. This will also ensure that there are only two basic types of Temporary Storage facility in the UK - those inside the [air]port Customs controlled area and those outside of this area.

This change is introduced with immediate effect and the new terminology should start to be used forthwith.

2.2 ETSF Approvals

The Review provided several recommendations regarding the Temporary Storage approval process and the facility approval document along with its terms and conditions.

Most of these recommendations have now been incorporated into a new ETSF approval process within the Border Force National Frontier Approval Unit [NFAU] and incorporated into a new ETSF Approval Document.

This new approval document incorporates revised and/or additional Annexes providing the Terms and Conditions required for operating an ETSF.

The revised ETSF Approval Document will provide:

- one generic approval document for all ETSFs;
- the minimum terms & conditions for ETSFs to reach to obtain approval;
- clarity regarding what is required to operate an ETSF;
- what processes can and can not be undertaken in an ETSF;
- Annexe F provides a degree of flexibility to bespoke an ETSF Approval with additional terms and conditions to assist with an operators commercial operations and their compliance; and
- Annexe X provides a capability to exempt an operator from certain terms & conditions for their particular commercial business operation, where necessary.

A copy of the new ETSF Approval Document and its Annexes is now available to view on the HMRC web site at: "[ETSF Approval](#)".

All current approved Temporary Storage Operators are advised to read this document carefully to assess what, if any, impact this may have on their operational business and ensure that you are able to conform to the terms and conditions.

2.3 New ETSF Applications

On publication of this CIP all new applications for an ETSF [or amendments to existing ERTS / ICD approvals] received by the NFAU will be dealt with under the new ETSF approval arrangements.

Enhancements have been introduced into the Temporary Storage approval process to ensure that all Temporary Storage approval applications are fully risk assessed at the earliest stage of the process and prior to arranging Border Force Supervising Officer approval visits.

Whilst this may add a small amount of time into the initial stages for some approvals, it will ensure that ETSF approval visits are only undertaken where appropriate and after all necessary background; risk and audit checks have been undertaken.

These changes are implemented with immediate effect.

2.4 ETSF Approvals for existing ERTS Approval Holders

For all existing approved ERTS Operators, a roll-out programme will be conducted by the NFAU and Border Force Supervising Offices to convert all current ERTS approvals to the new ETSF Approval.

This rolling programme will commence on **01/04/2013** and will take approximately 30 months to complete.

The programme will be managed by Border Force, who will provide assistance and advice to economic operators to ensure they can comply with the changes and enhancements being introduced and can continue to operate with a minimum of impact.

It is envisaged that the vast majority of approved ERTS Operators will receive a straight forward one to one swap from ERTS approval to ETSF approval with no impact on their business.

It is in the interest of economic operators to work closely with Border Force during the ETSF roll out programme to ensure that existing ERTS operations continue smoothly.

2.5 Approved Depositories & CFSP Approved Facilities

A similar exercise will be undertaken for all ETSF [AD] and ETSF [SP] approvals in due course and a further CIP will be issued to publicise the date of these separate programmes once they have been formally agreed with HMRCs Delivery Partners.

ETSF [AD]'s and ETSF [SP]'s are to continue to operate under their existing terms and conditions until advised otherwise.

2.6 ICD / IRD Approval Holders

With the introduction of ITSF's and ETSF's as the only types of Temporary Storage facilities operating in the UK, ICD & IRD facilities, like ERTS facilities, will no longer continue to be an approved type of Temporary Storage facility.

All ICD / IRD Approval holders will therefore need to formally apply to the NFAU for an ETSF Approval which will be treated as a new approval application as detailed at 2.3 above.

HMRC and Border Force realise that ICD / IRD Operators who wish to apply for an ETSF Approval may require time to ensure their facilities and operations meet the minimum ETSF standards and also to allow them to

apply for any other related approvals, e.g. Designated Export Place [DEP] and / or Authorised Consignee / Consignor status, if required.

Reasonable time will therefore be provided to enable these activities to be undertaken, however, ETSF applications must be made by 31/03/2014.

2.7 CIP (11) 26 – Update

CIP (11) 26 clarified the rules for goods in Temporary Storage moving from the frontier Transit Sheds to inland temporary storage locations.

Following further research and consultation by HMRC, including trade consultation via the JCCC, internal consultation within HMRC and with individual economic operators as part of the Review, HMRC has concluded the current policy and operational requirements set out in CIP (11) 26 remain extant.

This means that all goods moving under transit between the frontier Transit sheds and inland Temporary Storage locations must be physically checked in and recorded on their arrival at an External Temporary Storage Facility to enable proper discharge of the transit movement. This must be undertaken before entering the goods to another Customs Procedure or Use and/or a numbered CHIEF route of entry provided. This means goods moving under transit cannot be entered or cleared to a Customs Procedure or Use before they have physically arrived at the ETSF and been properly accounted for.

Businesses, of course, continue to have the option of entering the goods to a Customs Procedure or Use at the frontier, prior to the movement of the goods. However any goods entered to a Customs Procedure or Use whilst at the frontier Transit Shed /Remote Transit Shed which receive a numbered CHIEF Route of Entry 1; 2; 5 or any combination of these or an E9 (accounting failure) cannot be moved from the place of declaration without permission from the UK Customs Authority. For example, Border Force may agree for a physical examination to take place at the ETSF either on a specific or general basis.

For further clarification please see the details in CIP (11) 26 or consult with your Control Officer.

2.8 Review of ITSF & ITSF [R]

A review of HMRC's Internal Temporary Storage Facility Policy and operations will be undertaken during 2013 to ensure the operations and processes for these facilities align with the implementation of the recommendations of The Review and conform with the Union Customs Code legislative requirements. Further CIPs will be issued as required.

2.9 Trade Consultation

Full trade and HMRC delivery partner consultation was undertaken during the Review, with the emerging findings being delivered to, and subsequently discussed at, specific JCCC Import \ Export Sub Group meetings.

The elements of the Review recommendations being implemented by this CIP have been discussed and agreed with the trade through the proper consultation channels.

3. Contacts

By E-mail: colin.davis@hmrc.gsi.gov.uk;
cliff.atkinson@hmrc.gsi.gov.uk;
and ann.flynn@hmrc.gsi.gov.uk

By Post: For the attention of:
Cliff Atkinson & Ann Flynn,
UK Temporary Storage Policy Review Team;
H M Revenue & Customs,
10th Floor Central, Alexander House,
21 Victoria Avenue, Southend-on-Sea, Essex. SS99 1AA

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CUSTOMS INFORMATION PAPER (13) 17

Tariff Preference: Implementation of a Free Trade Agreement between the EU and Peru

Who should read:	All involved with importing from and exporting to Peru.
What is it about:	Implementation of a reciprocal preferential Free Trade Agreement between the European Union and Peru.
When effective:	1 March 2013
Extant until/ Expires	Until notified.

1. Introduction

The European Union has concluded a reciprocal preferential trade agreement with Peru, the provisions of which apply to eligible products released to free circulation in the EU or Peru on or after 1 March 2013 and are covered by a proof of preferential origin issued in the EU or Peru on or after that date. This was announced in [Official Journal \(OJ\) L56 dated 28 February 2013](#) on the European Commission website.

The agreement itself is published in [OJ L354 dated 21 December 2012](#), on the European Commission website. All of the following page references are for this agreement.

N.B. Whilst OJ L354 also refers to Colombia, the agreement between the EU and Colombia has yet to be adopted therefore the tariff elimination schedule for Colombia cannot yet be applied.

2. Tariff elimination schedules.

Certain import tariffs will be removed immediately whilst others will be reduced to nil on a staged basis.

The following link to the [EU TARIC website](#) allows you, the trader to check the duty rates yourself by inserting your tariff headings.

There are separate tariff elimination schedules for the EU or Peru, so it is important to select the correct tariff elimination table depending on whether the goods originate in the EU, or Peru.

3. How to identify the correct tariff elimination schedule

For example for heading 0301911000 Trout originating in the EU for export to Peru, refer to the tariff elimination table which begins on page 1656 of the

agreement. This shows Trout is in tariff elimination staging category O. Descriptions of each elimination stage begin on Page 121 i.e.

'0' staging

“(a) customs duties on goods originating in the European Union (hereinafter referred to as ‘originating goods’) corresponding to the tariff lines in staging category (hereinafter referred to as ‘category’) ‘0’ in the Schedule shall be eliminated entirely and such goods shall be duty-free on the date this Agreement enters into force;”

Therefore upon implementation of the agreement and provided the rules of origin are met the duty rate of all products in staging category O will be nil percent.

However heading 0703100000 Onions and Shallots, fresh or chilled originating in the EU for export to Peru have a duty base rate of 17 percent and are in staging category 3 which according to the agreement is described as:

'3' staging

“(b) customs duties on originating goods corresponding to the tariff lines in category ‘3’ in the Schedule shall be removed in four equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective on 1 January of year four;”

For this product the duty will be reduced from a base rate of 17 percent to nil percent after four years. This means that from 1 March 2013 (year one) the base rate will be 12.75 percent, then from 1 January 2014 (year two) 8.5 percent, 2015 (year three) 4.25 percent and 2016 (year four) nil percent.

4. Where to find the correct tariff elimination schedule.

Products originating in the EU for export to Peru

The tariff elimination staging categories for products originating in the EU for export to Peru begin on page 121 of the agreement and the corresponding tariff elimination table of products begins on page 1656.

Products originating in Peru for import to EU

The tariff elimination staging categories for products originating in Peru for import to EU begin on page 118 and the corresponding tariff elimination table of products begins on page 1033. Peru will also enjoy GSP+ benefits until 31 December 2013 (see Section 6)

Annex II Concerning the definition of the concept of "Originating products" and methods of administrative cooperation the table of contents is listed on page 2075 of the agreement

Definition of the concept of "originating products"

Article 2 General Requirements (page 2078)

Article 3 Cumulation of Origin (page 2078)

Article 4 Cumulation of Origin with Other Countries (page 2079)

Article 5 Wholly Obtained Products (page 2079)

Products are wholly obtained (also referred to as wholly produced) if produced in a member country of the European Union or preference receiving country and no other country has been involved in their production. The smallest addition of materials or processing in another country will disqualify a product from being wholly obtained.

Article 6 Sufficiently Worked (also known as Sufficiently Transformed) or Processed Products (page 2080)

For the purposes of Article 2, products which are not wholly obtained are considered to be sufficiently worked or processed when the conditions set out in the list in Appendix 2 are fulfilled.

Appendix 1 has introductory notes to the list of sufficiently worked or processed products on page 2093 and the list of rules of origin is in appendix 2 and begins on page 2099.

Article 7 Insufficient Working or Processing Operations (page 2080)

This lists working or processing which does not confer origin status.

Article 8 Unit of Qualification (page 2081)

Article 9 Accessories, Spare Parts and Tools (page 2081)

Article 10 Sets (page 2081)

Article 11 Neutral Elements (page 2082)

Articles 12-14 Territorial Requirements (page 2082)

Articles 15-29 Proof of Origin (page 2083)

N.B. Low value limit for non approved exporters is €6000 (£5700)

Articles 30-34 Arrangements for administrative co-operation (page 2089)

Articles 35-36 CEUTA and Melilla (page 2091)

Articles 37-38 Final Provisions (page 2092)

5. List of appendixes

Appendix 1 Introductory Notes to the List in Appendix 2 (page 2093)

Appendix 2 List of working or processing required to be carried out on non-originating materials in order for a manufacture product to obtain originating status (page 2099)

Appendix 2A Addendum to the list of working or processing required to be carried out on non-originating materials in order for a manufactured product to obtain originating status (page 2162)

Appendix 3 Specimens of movement certificate EUR.1 and application for a movement certificate EUR.1 (page 2169)

Appendix 4 Text of the invoice declaration (page 2174)

6. GSP+

Peru also currently enjoys GSP+ status and will maintain this status at least until the end of 2013 or until the entry into force of the new GSP Agreement.

7. Payment/Repayment of duty

The HMRC printed Tariff, online UK Trade tariff at www.gov.uk and CHIEF (Customs Handling of Import and Export Freight) Entry processing system will be updated in due course. In the meantime, there is a risk that you could overpay duty on products eligible for preference under the new arrangements.

If you have imported (released to free circulation) any of the qualifying products on or after 1 March 2013, and have paid the full duty rate shown in the tariff, then you may:

make a claim for repayment by either contacting the National Duty Repayment Centre (NDRC) Tel: 01304 664519, or by downloading Form C285 (application for repayment/remission)_from our website or

until CHIEF is updated, you may manually override the system and input the correct preferential rate of duty payable

Entitlement to preference, both inside and outside of any Tariff Quotas, is subject to normal requirements including the need to hold a valid proof of preferential origin (EUR1 Movement Certificate or invoice declaration) and compliance with the appropriate preferential rules of origin.

8. Contact

Ken Sherlock
HMRC
Customs Duty Liability Team
10th Floor South East - Alexander House
21 Victoria Avenue
Southend on Sea
SS99 1AA

Fax: 01702 36 7342

E mail: ken.sherlock@hmrc.gsi.gov.uk

Issued on the **21 March 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13) 18

Tariff Classification of Flat Panel Display Monitors

Updating CIP (12) 49

Who should read:	All involved in the tariff classification of flat panel display monitors of heading 8528.
What is it about:	A draft European Commission proposal concerning the classification of flat panel displays
When effective:	Earliest possible date.
Extant until/ Expires	Until further notice.

1. Introduction

[Custom Information Paper \(12\) 49](#) concerned a draft proposal by the European Commission which, if adopted, will result in an autonomous duty suspension being applied to most flat panel display monitors.

2. Update

The proposal will be subject to a Council Regulation, and it was anticipated that the Regulation would be published around April 2013.

The Commission has advised that the proposal has not been sent to the Council (as of late March 2013) as the Commission has not finalised their internal consultations.

Consequently, the proposed amendments will not be published in April 2013. Until the proposal is submitted to the Council, it is not currently possible to give a revised publication date.

3. Contacts

David Harris, HMRC, Customs duty liability, Tariff Classification Service, 21 Victoria Avenue, Southend, Essex. SS99 1AA.
Telephone; 01702 367372.
Email; david.harris2@hmrc.gsi.gov.uk

Issued on the **21 March 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

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CUSTOMS INFORMATION PAPER (13) 19

EU-US AEO Mutual Recognition & HMRC IT Systems - change to previous CIP

Who should read:	All Authorised Economic Operators (AEOs)
What is it about:	Implementation procedures of EU-US AEO mutual recognition and the impact on HMRC IT systems.
When effective:	Immediate
Extant until/ Expires	Until further notice

Introduction

[CIP \(13\) 05](#) issued in January 2013 gave information about the EU-US AEO mutual recognition. Following trade feedback some amendments have been made to section three of the CIP including a new sentence at the end of paragraph 3 and re-numbering the section for clarity. The complete updated CIP is below for reference and replaces CIP (13) 05.

1. Background

Authorised Economic Operator (AEO) status within the EU was introduced by Council Regulation 648/2005 and implemented by Commission Regulation 1875/2006 which took legal effect on 1 January 2008.

[CIP \(12\) 36](#) explained that, following the completion of the AEO mutual recognition agreement with US in May 2012, the EU and US were working on finalising arrangements to exchange AEO data to enable the benefits to be delivered. This CIP now explains the current state of play with the implementation of the agreement.

2. Implementation of EU – US Mutual Recognition Agreement

The EU and USA have agreed that their respective, certified, trusted traders will enjoy lower costs, simplified procedures, and greater predictability in their transatlantic activities, as a result of the mutual recognition decision signed on 4 May 2012.

This will include faster clearance at the EU frontier for US C-TPAT exporters and at the US frontier for those holding AEOS/F.

The Decision allows the EU and USA to formally recognise each other's safe traders, thereby allowing these companies to benefit from faster controls and reduced administration for customs clearance. Importantly, mutual recognition will also improve security on imports and exports, by enabling customs authorities to focus their attention on real risk areas.

The AEO mutual recognition agreement became operational on 16 July 2012 but only for EU exports to the US by EU AEO businesses that hold either the AEO or F status.

The EU and US are shortly to agree a system that allows for authorised US exporters to also receive the same benefits as an EU AEO. EU AEO businesses and authorised US businesses are required to give their consent for an exchange of data to occur between the US and EU customs authorities. The US business will be allocated an EU 'EORI-like' number which will enable the IT systems to recognise them as an authorised business and as an identifier on import declarations into the EU.

The EU AEO must obtain a MID number via the US system to enable them to be recognised on the declarations into the US. [CIP \(12\) 36](#) gives further details and links to the system [US MRA login](#)

The EU Commission and the US CBP will shortly publish an FAQ for businesses on their web page. HMRC will update the [AEO web page](#) as soon as it is available.

3. Changes to UK IT systems

The IT changes required to UK systems to enable full electronic implementation of the decision and the data sharing that will be required cannot be implemented before July 2013. Revised procedures setting out the UK implementation of the strategic solution, involving the use of the consignor field, will be issued prior to implementation.

3.1 Interim Procedure ICS

HMRC are working with the IT suppliers to agree a solution to the technical changes required for ICS. In the meantime, any US authorised business can insert their US 'EORI like' number in the produced documents field and insert Y031 in the Document Type field.

Below is an extract of the ICS XML lines which show where the code needs to be inserted:

Data-group or Data-item	XML-Tag
MESSAGE - GOODS ITEM - PRODUCED DOCUMENTS/CERTIFICATES	PRODOCDC2
MESSAGE - GOODS ITEM - PRODUCED DOCUMENTS/CERTIFICATES.Document type	DocTypDC21
MESSAGE - GOODS ITEM - PRODUCED DOCUMENTS/CERTIFICATES.Document reference	DocRefDC23
MESSAGE - GOODS ITEM - PRODUCED DOCUMENTS/CERTIFICATES.Document reference LNG	DocRefDCLNG

No code should be entered into the Consignor reference field as the system is likely to reject the data.

CHIEF

For imports into the EU, US authorised businesses can be identified on the import declaration by entering code Y031 in Box 44 together with the relevant AEO number issued by the EU to the US business, if appropriate.

Previous papers issued on this subject are CIP (11) 51 and CIP (12) 36.

4. Contacts

If you require further information on AEO please contact:

AEO Team
10th Floor West
Alexander House
21 Victoria Avenue
Southend-on-Sea, Essex SS99 1AA
Email: [AEO Team](#)

For ICS enquiries please contact:

ICS Team
10th Floor West
Alexander House
21 Victoria Avenue
Southend-on-Sea, Essex SS99 1AA
Email: [ICS Helpdesk](#)

Issued on the **22 March 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13) 20

Introduction of the Notification of Vehicle Arrivals (NOVA) online service

Who should read:	All UK importers, agents, freight forwarders and software houses who are involved with making motor vehicle import entries and which require licencing and registration with DVLA
What is it about:	It provides: <ul style="list-style-type: none">- an overview of the NOVA system; and- describes the changes that will need to be made in preparation for NOVA implementation on 15 April 2013.
When effective:	3 April 2013
Extant until/ Expires	Until further notice.

1. Background.

As a result of new legislation introduced in Finance Bill 2012, a new online notification service, 'Notification Of Vehicle Arrivals' (NOVA) will be implemented on the 15 April 2013 by HMRC, for vehicles being released to free circulation in the UK. This new online service will need to be completed **before** licensing and registering vehicles with DVLA/DVA using a V55/4 or V55/5. However, it will not apply to vehicles that are registered and licensed with DVLA/DVA using the Automated First Registration and Licensing System or the V55/1 or V55/2 form under the Secure Registration Scheme.

Vehicle registration made using a V55/4 with a V55/1 will not be required in NOVA as the transactions will be secure.

Vehicle imports where registration is applied for only using a V55/4 (for example prototypes which cannot use the secured system to register the vehicle) will need to be notified in NOVA as these transactions will not be secure.

The commodity codes of the motor vehicles covered by NOVA are listed at **Annex 1**.

The DVLA/DVA application process will entail checking HMRC's NOVA database to show that customs duty and VAT has been accounted for by way of a free circulation declaration before the vehicle can be registered and licensed for use in the UK.

NOVA will cover the following declarations to free circulation:

- imports to the UK from a country outside the European Union;
- discharge from customs regimes e.g. inward processing, customs warehousing; and
- imports from the Channel Islands where VAT is due.

2. Declaration requirements

Although NOVA will not be implemented until 15 April 2013, we are aware that some current practices when motor vehicles are entered to free circulation will impact on how NOVA will work and may mean that there is a delay in importers obtaining licences and registration from DVLA/DVA.

In order to prepare for NOVA, we would urge that particular attention is now paid to the correct completion of the following boxes on the import entry (C88):

Customs declarations using the C88

C88 Box 6

The information in the Tariff for completion of this box states "*Enter the total number of packages making up the consignment covered by the declaration. When goods are imported in bulk (e.g. grain and oil) enter 1*"

We are aware that car import entries are often declared as a bulk consignment and this box is completed simply by entering "1". The introduction of NOVA will mean that where only "1" is entered in this box only one vehicle in the total consignment will be matched to allow DVLA/DVA registration and licensing, if this box is used for matching purposes.

However it is important the number of packages entered in Box 6 of the customs declaration is consistent with the number declared in the inventory system at inventory linked sites and on the C1600 at non-inventory linked sites otherwise there will be a mismatch between CHIEF and the inventory record. Therefore, where required, "1" should continue to be entered in Box 6.

To avoid a mismatch of information between CHIEF and the NOVA computer systems we will not use the information in Box 6, and Box 41 must be used to enter the correct number of vehicles covered by the customs declaration.

C88 Box 41

All the vehicle commodity codes covered by NOVA require a supplementary unit to be entered in Box 41. You must ensure that the accurate number of vehicles covered by the declaration is entered in this box to ensure the information can be matched to allow DVLA/DVA registration and licensing.

C88 Box 31

Enter the VIN(s) (vehicle identification numbers) of the vehicle(s) to be registered at the DVLA. There is space to enter a maximum of 9801 VINs in Box 31.

Customs Freight Simplified Procedures (CFSP)

If you or your agent are authorised for CFSP and registered for the Automated First Registration and Licensing System (AFRLS) you do not need to use NOVA and can continue declaring your vehicles using CFSP, as your declaration method, in the normal way.

If you or your agent are authorised for CFSP, but are not registered for AFRLS and you wish to use CFSP to declare your vehicles to HMRC, the instructions below must be followed to ensure that your declaration includes sufficient information to enable registration of your vehicle for use on UK roads via NOVA.

As the data on the customs declaration needs to be matched with the NOVA computer system, it will not be possible to carry out this matching process if motor vehicles are declared to free circulation using LCP (Local Clearance Procedure) unless the supplementary declaration is submitted within 24hrs of the entry in the records. You will have 14 days from the date of the entry in the records to register your vehicle on the NOVA system.

If you are unable to submit the supplementary declaration within 24hrs of the LCP entry in the records, it will not be possible to declare motor vehicles using LCP.

Where vehicle importers are authorised for CFSP, or using a third party who is authorised for CFSP, they may use Simplified Declaration Procedure (SDP) for controlled goods to release goods at the frontier to free circulation. To use the SDP method of declaration you must contact your authorising office to amend your CFSP authorisation to include the commodity codes of the motor vehicles you wish to import. The Tariff headings for these commodity codes are included at Annex 1 to this CIP.

Please see CFSP information Paper 37 for instructions as to which boxes should be completed for SDI and SDW declarations. The VIN numbers of the

vehicles being released to free circulation should be entered in Box 31 where there is space for 9801 VIN numbers.

CFSP information Paper 70 details all controlled goods for CFSP purposes.

The requirements for completion of the controlled goods SFD are set out in the Customs Procedure Code (CPC) notes (CPCs 0620040, 0620061, 0622071, 0624078) which can be found in Volume 3, Part 3 of the Integrated Tariff of the UK. In addition to these requirements Box 31 must also contain the VIN of the vehicle to be registered at the DVLA. On completion of the SFD to release their vehicles to free circulation, the trader will be able to register their vehicles to NOVA.

If CPC 0622071 is used to enter goods into a customs warehouse and a SFD was not used to register the vehicle with NOVA prior to entry to warehouse, then on removal a full normal declaration must be completed by the trader who will then be able to register their vehicle to NOVA.

A full normal entry must also be completed where goods are being released to free circulation from a CPEI and NOVA registration is required.

N.B CFSP traders may choose not to use simplified procedures and instead complete a normal full declaration to release their vehicles to a Customs procedure.

3. Withdrawal of customs forms

From the 15 April 2013, with the introduction of the NOVA service the following HMRC forms will be withdrawn and no longer accepted by the DVLA/DVA:

C&E 389 - Commercial Importation of Motor Vehicles from outside the European Community by a VAT Registered Trader

C&E 388 - Motor Vehicles Brought Permanently into the United Kingdom under Customs Relief

C&E 386 - Payment of Charges Due on Motor Vehicles Brought Permanently into the UK

These forms will be replaced by the NOVA online service, which will be used by the DVLA/DVA to check that the duty and VAT has been properly notified and paid (where due) before registering and licensing the vehicle.

For those businesses that cannot use the online service a paper form will be available for completion, but processing of such forms will take longer to process by HMRC.

4. Useful Links

A formal consultation on the new online system to tackle VAT evasion was published in May 2011. You can view the [summary of responses](#) given to the paper “tackling VAT evasion on road vehicles brought into the UK” which was published in December 2011 on the HMRC website.

An overview of the new NOVA online service can also be found on our [website](#).

5. Contacts

If you have a question about the NOVA system please contact by e-mail stephen.roberts@hmrc.gsi.gov.uk or angela.nagarajah@hmrc.gsi.gov.uk

If you have any queries about customs procedures you can write to the following address:

HM Revenue & Customs
Crownhill Court
Tailyour Road
Plymouth
PL6 5 BZ

Or for e-mail enquiries please use the H M Revenue & Customs (HMRC) [online enquiry form](#) .

Issued on the **3 April 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the general import or any other general HMRC query speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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ANNEX 1 – COMMODITY CODES COVERED BY NOVA

All tariff headings commencing with:

8701
8702
8703
8704
8705
8706
8711

Also

8709 – **Excluding** 8709900000 (parts)

CUSTOMS INFORMATION PAPER (13) 20 **(Revised)**

Introduction of the Notification of Vehicle Arrivals (NOVA) online service

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What is it about:	It provides: <ul style="list-style-type: none">- an overview of the NOVA system; and- describes the changes that will need to be made in preparation for NOVA implementation on 15 April 2013.
When effective:	3 April 2013
Extant until/ Expires	Until further notice.

1. Background.

As a result of new legislation introduced in Finance Bill 2012, a new online notification service, 'Notification Of Vehicle Arrivals' (NOVA) will be implemented on the 15 April 2013 by HMRC, for vehicles either being brought into the UK from outside of the EU and released to free circulation or where purchased from another EU member state. This new online service will need to be completed **before** licensing and registering vehicles with DVLA/DVA using a V55/4 or V55/5. However, it will not apply to vehicles that are registered and licensed with DVLA/DVA using the Automated First Registration and Licensing System or the V55/1 or V55/2 form under the Secure Registration Scheme.

Vehicle registration made using a V55/4 with a V55/1 will not be required in NOVA as the transactions will be secure.

Vehicle imports where registration is applied for only using a V55/4 (for example prototypes which cannot use the secured system to register the vehicle) will need to be notified in NOVA as these transactions will not be secure.

The commodity codes of the motor vehicles covered by NOVA are listed at **Annex 1**. A list of commodity codes that temporarily will not be covered by NOVA is at **Annex 2**.

For non-EU imports, the DVLA/DVA application process will entail checking HMRC's NOVA database to show that customs duty and VAT has been accounted for by way of a free circulation declaration before the vehicle can be registered and licensed for use in the UK.

NOVA will cover the following declarations to free circulation:

- imports to the UK from a country outside the European Union;
- discharge from customs regimes e.g. inward processing, customs warehousing; and
- imports from the Channel Islands where VAT is due.

2. Declaration requirements

Although NOVA will not be implemented until 15 April 2013, we are aware that some current practices when motor vehicles are entered to free circulation will impact on how NOVA will work and may mean that there is a delay in importers obtaining licences and registration from DVLA/DVA.

In order to prepare for NOVA, we would urge that particular attention is now paid to the correct completion of the following boxes on the import entry (C88):

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However it is important the number of packages entered in Box 6 of the customs declaration is consistent with the number declared in the inventory system at inventory linked sites and on the C1600 at non-inventory linked sites otherwise there will be a mismatch between CHIEF and the inventory record. Therefore, where required, “1” should continue to be entered in Box 6.

To avoid a mismatch of information between CHIEF and the NOVA computer systems we will not use the information in Box 6, and Box 41 must be used to enter the correct number of vehicles covered by the customs declaration.

C88 Box 41

All the vehicle commodity codes covered by NOVA require a supplementary unit to be entered in Box 41. You must ensure that the accurate number of vehicles covered by the declaration is entered in this box to ensure the information can be matched to allow DVLA/DVA registration and licensing.

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Enter the VIN(s) (vehicle identification numbers) of the vehicle(s) to be registered at the DVLA. There is space to enter a maximum of 9801 VINs in Box 31.

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If you or your agent are authorised for CFSP, but are not registered for AFRLS and you wish to use CFSP to declare your vehicles to HMRC, the instructions below must be followed to ensure that your declaration includes sufficient information to enable registration of your vehicle for use on UK roads via NOVA.

As the data on the customs declaration needs to be matched with the NOVA computer system, it will not be possible to carry out this matching process if motor vehicles are declared to free circulation using LCP (Local Clearance Procedure) unless the supplementary declaration is submitted within 24hrs of the entry in the records. You will have 14 days from the date of the entry in the records to register your vehicle on the NOVA system.

If you are unable to submit the supplementary declaration within 24hrs of the LCP entry in the records, it will not be possible to declare motor vehicles using LCP.

Where vehicle importers are authorised for CFSP, or using a third party who is authorised for CFSP, they may use Simplified Declaration Procedure (SDP) for controlled goods to release goods at the frontier to free circulation. To use the SDP method of declaration you must contact your authorising office to amend your CFSP authorisation to include the commodity codes of the motor vehicles you wish to import. The Tariff headings for these commodity codes are included at Annex 1 to this CIP.

Please see CFSP information Paper 37 for instructions as to which boxes should be completed for SDI and SDW declarations. The VIN numbers of the vehicles being released to free circulation should be entered in Box 31 where there is space for 9801 VIN numbers.

CFSP information Paper 70 details all controlled goods for CFSP purposes.

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If CPC 0622071 is used to enter goods into a customs warehouse and a SFD was not used to register the vehicle with NOVA prior to entry to warehouse, then on removal a full normal declaration must be completed by the trader who will then be able to register their vehicle to NOVA.

A full normal entry must also be completed where goods are being released to free circulation from a CPEI and NOVA registration is required.

N.B CFSP traders may choose not to use simplified procedures and instead complete a normal full declaration to release their vehicles to a Customs procedure.

3. Withdrawal of customs forms

From the 15 April 2013, with the introduction of the NOVA service the following HMRC forms will be withdrawn and no longer accepted by the DVLA/DVA:

C&E 389 - Commercial Importation of Motor Vehicles from outside the European Community by a VAT Registered Trader

C&E 388 - Motor Vehicles Brought Permanently into the United Kingdom under Customs Relief

C&E 386 - Payment of Charges Due on Motor Vehicles Brought Permanently into the UK

These forms will be replaced by the NOVA online service, which will be used by the DVLA/DVA to check that the duty and VAT has been properly notified and paid (where due) before registering and licensing the vehicle.

For those businesses that cannot use the online service a paper form will be available for completion, but processing of such forms will take longer to process by HMRC.

4. Useful Links

A formal consultation on the new online system to tackle VAT evasion was published in May 2011. You can view the [summary of responses](#) given to the paper “tackling VAT evasion on road vehicles brought into the UK” which was published in December 2011 on the HMRC website.

An overview of the new NOVA online service can also be found on our [website](#).

5. Contacts

If you have a question about the NOVA system please contact by e-mail stephen.roberts@hmrc.gsi.gov.uk or angela.nagarajah@hmrc.gsi.gov.uk

If you have any queries about customs procedures you can write to the following address:

HM Revenue & Customs
Crownhill Court
Tailyour Road
Plymouth
PL6 5 BZ

Or for e-mail enquiries please use the H M Revenue & Customs (HMRC) [online enquiry form](#) .

Originally Issued on the **3 April 2013** re-issued **11 April 2013** by the JCCC Secretary HMRC, Excise, Customs Stamps & Money Directorate.

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ANNEX 1 – COMMODITY CODES COVERED BY NOVA

All tariff headings commencing with:

8701
8702
8703
8704
8705
8706
8711

Also

8709 – **Excluding** 8709900000 (parts)

ANNEX 2 - Commodity codes that temporarily do not apply to NOVA

Temporarily, the NOVA system can only cater for land vehicles covered by the commodity codes listed in Annex 1 above. While these cover the vast majority of the land vehicles brought into the UK from outside of the EU, HMRC is aware that other commodity codes are used to classify some specialist vehicles such as cranes, fork lift trucks, certain types of agricultural vehicles and plant, mobility scooters and classic cars. The Tariff headings are as follows:

- 8426;
- 8427;
- 8429;
- 8430;
- 8432;
- 8433;
- 8436;
- 8710;

- 8713; and
- 9705.

Where you have a land vehicle imported from outside of the EU that is covered by one of the tariff headings listed above, then for a short period of time and until further notice you will **not** be required to make a NOVA notification (either online or by paper) before you apply to register and license the vehicle. The DVLA is aware of this issue and will not reject such applications where a NOVA notification has not been submitted before the application to register.

Once the NOVA system has been updated to cater for the outstanding commodity codes, a revised Customs Information paper (CIP) will be issued, which will give notice of the intended changes and when all commodity codes will be covered by NOVA.

This does not affect vehicles brought into the UK from other EU countries. Vehicles in these specialist categories brought in from other EU countries will require a NOVA notification.



CUSTOMS INFORMATION PAPER (13) 21

Withdrawal of Certificate Code C634 (Proof of Origin for certain textile products)

Who should read:	All JCCC members; importers, agents, forwarders, economic operators and software houses involved with import entries for textile goods.
What is it about:	Notification of the withdrawal of document code C634
When effective:	5 April 2013
Extant until/ Expires	1 October 2013.

1. Introduction

Customs Information Paper (11) 86 dated 24 October 2011, advised that the requirement for importers of textile products to produce a non-preferential Certificate of Origin was to be withdrawn from 23 October 2011 following the repeal of Regulation (EC) 1541/98.

2. Current position

We have been advised by the EU that the associated declaration certificate code C634 should have been withdrawn with effect from 1 December 2012.

In order that the UK can withdraw this code from use as soon as possible, we have checked whether its immediate withdrawal would cause any problems for UK importers of textile goods.

Despite the requirements being withdrawn for over a year the code continues to be used significantly.

We appreciate therefore that immediate withdrawal of code C634 will clearly have an impact on textile importers and software providers and time will be needed to implement this change.

3. Action to take

In order that adjustments can be made to software and business practices, we will not switch this code off from CHIEF until **1 October 2013**.

However importers, agents and forwarders of textile goods must make early arrangements to amend their software in preparation for the removal of this code.

We will delete the code from Appendix C11 of Volume 3 of the Tariff in due course.

4. Contacts

If you have any queries about customs procedures you can write to the following address:

HM Revenue & Customs
Crownhill Court
Tailyour Road
Plymouth
PL6 5 BZ

Or for e-mail enquiries please use the H M Revenue & Customs (HMRC) [online enquiry form](#)

Issued on the **5 April 2013** by the [JCCC Secretary](#), HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general queries please call the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13) 22

Temporary Removal of goods from a Customs Warehouse and Temporary Admission of Works of Art, Collectors Items and Antiques

Who should read:	All warehousekeepers who temporarily remove goods from the customs warehousing procedure; and anyone who is involved in the importation of Works of Art, Collectors Items and Antiques to Temporary Admission.
What is it about:	The requirement to use Temporary Admission instead of the customs warehousing temporary removal arrangements for goods subject to certain activities and subject to authorisation, alternative security arrangements for Temporary Admission goods listed at Annex IX of Council Directive 2006/112/EC when used for certain activities
When effective:	30th June 2013
Extant until/ Expires	Indefinitely

1. Background

The UK policy of permitting goods to be entered to the customs warehousing arrangements and temporarily removed from the warehouse for the purpose of exhibition and similar activities has been a long established practice. However following discussions with the EU Commission and other Member States it has been confirmed that the correct customs procedure to be used is Temporary Admission (TA).

Customs Information Papers (CIP) [\(10\) 44](#), [\(11\) 18](#) and [\(11\) 71](#) have been issued on the use of the Temporary Removal arrangements. This paper supplements and where applicable, supersedes the guidance in the three CIP papers detailed above in relation to the use of temporary removal for exhibition and similar activities.

2. Action required

From 30th June 2013 all goods imported for exhibition with a view to sale, possible sale, for sale by auction or similar activities, should be entered to TA, either directly at import or on removal from a customs warehouse if a period of storage is required. If you currently use the customs warehousing

arrangements and temporarily remove goods for exhibition or similar activities you should note that from the 30th June 2013 temporary removal will no longer be authorised for these purposes, you should contact your Supervising Office, at the address below, so your customs warehouse authorisation can be amended, and this permission removed.

If you use the temporary removal arrangements from a customs warehouse **solely for the purpose of viewing** you may continue to use your current arrangements as detailed in your customs warehouse authorisation.

It should be noted that 'viewing' in the context of this paper **cannot be** applied to items temporarily removed for display at a venue which allows public access for example fairs/galleries/exhibitions.

3. TA Procedure

The use of the TA procedure for goods imported for exhibition with a view to sale, possible sale, for sale by auction or similar activities requires security to cover any Customs duty and/or Import VAT liability that may become due if the TA procedure is not correctly discharged. HMRC is aware that the use of TA may have a cost impact on businesses .To mitigate the potential cost impact on businesses HMRC is going to offer a full guarantee waiver in respect of Import VAT in the above scenarios where the following conditions are met:

- A full TA authorisation is held

Note – Before an authorisation is issued you will need to show a good compliance record, meet the financial solvency criteria, be able to demonstrate a good record keeping history and show that there are systems/procedures in place to identify and correct any errors found and to prevent them being repeated. The types of checks which we may make are similar to those detailed in Notice 117, Sections 4 to 6, which is available on the HMRC website.

- The goods are those as described in the Annex attached to this CIP and are imported for the uses detailed.

Note - If the goods are subject to both Import VAT and Customs charges, security for the full amount of Customs duty **will still be required**.

If you currently use the customs warehousing arrangements and temporarily remove goods for exhibition with a view to sale on a regular basis and do not already have a full TA authorisation you will need to apply using form C&E 1331 to take advantage of these arrangements. The completed form should be sent to:

Authorisations and Returns Team
HM Revenue and Customs
Peter Bennett House
Redvers Close
Leeds LS16 6RQ

If your application for approval is successful you will be advised on the C88 declaration completion requirements to enable these new arrangements to be used.

If you currently use the TA Simplified authorisation procedure on a regular basis for the goods and purposes detailed in this CIP and wish to obtain a full TA authorisation you should complete a C&E 1331 and send it to the address detailed above.

It should be noted that if you only import occasionally, HMRC will take the economic need and any administrative burden into consideration before granting a full TA authorisation. If you are refused a full TA authorisation for this or any other reason you can use the Simplified TA authorisation arrangements but security for Import VAT and other Customs charges will be required on entry to TA.

If you already hold a full TA authorisation and wish to take advantage of the arrangements detailed in this CIP please contact the Authorisation and Returns Team (at the above address) for further information on obtaining an approval to use them..

If your business falls under the supervision of Large Business Service (LBS), you should contact your Customer Relationship Manager or allocated Customs & International Trade Tax Specialist.

Please also note that Agents, Freight forwarders or Fast Parcel Operators who complete customs entries on behalf of an importer or deliver goods to the place where they will be used, **cannot** claim TA relief in their own name if they are not responsible for using the goods or arranging for them to be used on behalf of the importer.

4. Contacts

Further information concerning the use of the Temporary Admission procedure can be found in Notice 200 which is available on the HMRC website at www.hmrc.gov.uk or from the VAT, Excise and Customs Helpline at the number detailed below.

Issued on the **15 April 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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Annex

ANNEX IX of Directive 2006/112/EC - WORKS OF ART, COLLECTORS' ITEMS AND ANTIQUES

(a) **'Works of art'** shall mean:

Description of goods	Specific CN Code (where applicable)
Pictures, collages and similar decorative plaques, paintings and drawings, executed entirely by hand by the artist, other than plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, hand decorated manufactured articles, theatrical scenery, studio back cloths or the like of painted canvas.	9701
Original engravings, prints and lithographs, being impressions produced in limited numbers directly in black and white or in colour of one or of several plates executed entirely by hand by the artist, irrespective of the process or of the material employed, but not including any mechanical or photomechanical process.	9702 00 00
Original sculptures and statuary, in any material, provided that they are executed entirely by the artist, sculpture casts the production of which is limited to eight copies and supervised by the artist or his successors in title, on an exceptional basis, in cases determined by the Member States, the limit of eight copies may be exceeded for statuary casts produced before 1 January 1989.	9703 00 00
Tapestries, and, Wall textiles	5805 00 00 6304 00 00
made by hand from original designs provided by artists, provided that there are not more than eight copies of each.	
Individual pieces of ceramics executed entirely by the artist and signed by him.	-
Enamels on copper, executed entirely by hand, limited to eight numbered copies bearing the signature of the artist or the studio, excluding articles of jewellery and goldsmiths' and silversmiths' wares.	-
Photographs taken by the artist, printed by him or under his supervision, signed and numbered and limited to 30 copies, all sizes and mounts included.	-

(b) **'Collectors' items'** shall mean

Description of goods	Specific CN Code (where applicable)
Postage or revenue stamps, postmarks, first day covers, pre-stamped stationary and the like, used, or if unused not current and not intended to be current.	9704 00 00
Collections and collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological, paleontological, ethnographic or numismatic interest.	9705 00 00

(c) **'Antiques'** shall mean:

Description of goods	Specific CN Code (where applicable)
Objects other than works of art or collectors items which are more than 100 years old.	9706 00 00

CUSTOMS INFORMATION PAPER (13) 23

Tariff Preference: Updated information regarding Importation of goods from Israel

Who should read:	All involved with importing goods from Israel under the Tariff Preference regime.
What is it about:	A new Notice to Importers published by the European Commission updating the means by which importers can access the up to date list of postcodes relating to Israeli Settlements.
When effective:	1 February 2013
Extant until/ Expires	Until further notice.

1. Background

[CIP \(09\) 19](#) told importers about the technical arrangement through which the protocol on rules of origin in the EC-Israel Preferential Trade (Association) Agreement would be implemented. Under the terms of the arrangement, Israeli exporters would be required to show on all proofs of preferential origin (EUR1 / Invoice Declarations) the precise place of production of the goods, together with the relevant postcode.

In order to help EU customs authorities to implement the arrangement properly, the European Commission drew up a list of Settlements (and their postcodes) that are considered to be beyond Israel's borders as established in 1967.

2. Notice to Importers

On 3 August 2012 (Official Journal C 232/5), the European Commission published a new Notice to Importers, to take effect from 13 August, replacing the previous Notice issued on 25 January 2005 (OJ C20/2). The new Notice explains the revised procedure for accessing the up to date list of non-eligible Settlement locations and their postcodes.

This list has again been updated to take effect from 1 February 2013 and now gives a 7 digit zip/post code number as opposed to the previous 5 digit number.

The [list of non-eligible locations](#) as well as the previous 5 digit list can now be obtained directly from the [EU website](#).

Importers are strongly advised to read the EU-Israel Technical Arrangement at the above link as it gives precise details as to how to use and interpret each list. It is also advisable to consult the list on a regular basis – and at least before lodging a customs declaration for releasing goods to free circulation for which they intend to provide a proof of preferential origin issued in Israel.

Importers are also reminded that the “Good Faith” warning set out in [CIP \(09\) 19](#) remains extant.

3. Contacts

Steve Lamprell
HM Revenue and Customs
Customs Directorate
Duty Liability Policy
10th Floor S/E
Alexander House
21 Victoria Avenue
Southend on Sea
SS99 1AA

E-Mail: steve.lamprell@hmrc.gsi.gov.uk

Issued on the **15 April 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13) 24

Additional Rates of Duty on Goods from the USA

Who should read:	JCCC members and anyone planning to import goods from the USA.
What is it about:	An increase from 6% to a 26% additional duty rate which is as a result of the retaliatory action under the Byrd Amendment.
When effective:	1 May 2013
Extant until/ Expires	Until further notice

1. Background or Introduction

Since May 2005 additional custom duties have been applied on the import of certain goods from the United States. This was in retaliation to what was commonly know as the “Byrd Amendment”.

This paper is to provide advance notice of an increase in the duty rate and inclusion of additional Commodity codes 620462 31 10 and 620462 31 90 to the list of goods effected. All the products listed below will now be subject to an additional 26% customs duty effective from 1 May 2013.

2. Retaliatory Action

2.1 The timing of further action

Unfortunately although the Byrd Amendment has been repealed, the illegal subsidies ¹ to US business still continue.

As such, and in line with the World Trade Organisation (WTO) approved arrangements for retaliation against the US, the EU intends to increase the rate of retaliatory duty with effect from 1 May 2013.

2.2 Which goods are affected?

The goods which still attract the additional customs duty are listed below.

07104000 Sweet corn, uncooked or cooked by steaming, boiling in water, frozen

6204623110 Of denim, hand-printed by the ‘batik’ method

6204623190 Of denim, other
87051000 Crane lorries (exc breakdown lorries)
9003190010 Frames and mountings for spectacles, goggles or the like, of base metals

3. Contacts

To obtain the current rate of duty please ring the VAT, Excise and Customs Helpline with the correct customs tariff classification code between 8am to 6pm on 0845 010 9000.

If you are unsure of the classification code the Tariff Classification helpline is available from 9am – 5pm Monday -Thursday and 9am – 4.30pm Friday on 01702 366 077 . You may have up to three goods classified per phone call.

For information on the retaliatory rate of duties please contact:

Jane Murrells 01702 367301
Tariff Management jane.murrells@hmrc.gsi.gov.uk

¹ The World Trade Organisation ruling in 2004

Issued on the **18 April 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

To find out what you can expect from us and what we expect from you go to www.hmrc.gov.uk/charter and have a look at [Your Charter](#)

CUSTOMS INFORMATION PAPER (13) 25

Inward Processing – Throughput period, Bills of Discharge and Compensatory Interest calculation

Who should read:	All businesses using Inward Processing (IP) and agents/representatives who are employed by IP Authorisation holders
What is it about:	Updated guidance on IP requirements: Throughput period, Bills of Discharge and Compensatory Interest
When effective:	Immediately
Extant until/ Expires	Until further notice

1. Introduction

This is one of a series of CIP papers being issued by the IP Policy team. They will cover subjects where there have been:

- changes in IP policy;
- where current IP policy has been found to have not been implemented correctly; and
- where confirmation of existing IP policy has been sought from the EU Commission.

The contents of this and other CIPs issued by the IP Policy team will be incorporated into the next update of the IP Public Notices (221 and 221A) later this year.

Following a number of queries from traders and subsequent clarification from the EU Commission this CIP is designed to provide updated guidance and clarification of the following IP requirements:

- Throughput periods (and storage);
- Bills of Discharge (BoD); and
- Compensatory Interest calculation.

2. Throughput periods

A) IP with a Simplified Authorisation - In the case of goods entered to IP with a Simplified Authorisation, unless you request a longer period on your import entry, a fixed throughput period of 6 months will be authorised. If this is insufficient time to process your goods, you should request an extension from the Supervising Office (National Import Reliefs Unit (NIRU)) before the expiry date of the throughput period. Requests for extensions should be made in writing and provide full details of the reasons for the request.

It should be noted that Inward Processing may not be used to **store** goods after processing is completed so extensions will not be granted for this reason (see paragraph 2D below for further information on storage).

B) IP full Authorisation holders - For all other types of IP authorisation the throughput period starts either from the date you import goods to IP or the date the goods were transferred to you. You need to specify on your IP application form the throughput period you require to meet your business needs. The time limits for the throughput period for IP are based on either the legislation whereby certain products are given defined time limits (for example IP Article 542) or on consideration of the period requested by the trader on their application.

We have been working within HMRC and with traders for some time to standardise practice on the allocation of throughput periods to ensure that we are adhering to the legal conditions of the operation of the Inward Processing procedure. The throughput period must be **demonstrated** in the request for IP authorisation by the submission of a detailed end to end flow chart explaining the full process with time periods etc so that this information can be assessed by officers considering the authorisation request. HMRC may then look at whether, for example, complex processes involving sampling and quality checks throughout can be regarded as part of the processing.

C) Usual Forms of Handling (UFH) - HMRC consider that applications concerning Usual Forms of Handling (UFH) are simple operations therefore any applications for UFH will be given up to a maximum throughput period of three months.

D) Storage - Once processing is finalised the IP goods should be re-exported as soon as possible. If you need to store goods before and/or after processing you should use the **customs warehousing arrangements**. A reasonable period of storage will be permitted if it can be demonstrated this is part of the 'process' but any period of storage cannot be longer than the time taken to process the goods.

3. Bills of Discharge (Forms C&E812 and C99)

IP traders are reminded that it is a requirement of IP to submit Bills of Discharge to the Supervising Office within 30 days of the end of the agreed throughput period. **Failure to comply will lead to the suspended duties and Import VAT becoming due.**

The recent European Court of Justice ruling (Case 262-10 Dohler Neuenkirchen GmbH) ruled that the failure to supply a Bill of Discharge within the time limit incurs a customs debt under Article 204 (1) (a) of the Customs Code for ALL goods covered by the Bill of Discharge even if some of the goods had been correctly re-exported and evidence of re-export subsequently provided. CIP(13) 26 explains more about the European Court ruling.

You should ensure that you provide all the data required by law in the Bill of Discharge (as set out in Article 521(2) Customs Code Implementing Regulations 2454/93).

To make sure you are fully complying with the legal requirements you can use the Bill of Discharge forms available on our website. IP full Authorisation holders should complete the [C&E812](#) form and, for IP Simplified Authorisation holders, the new i-form [C99](#) issued last year should be completed.

Full IP Authorisation holders are required to submit NIL return Bills of Discharge monthly or quarterly (as indicated in your authorisation). This can be done by printing the C&E812, completing minimum data and signing the Declaration page for submission to your Supervising Office.

Traders who prefer to submit a schedule with the required data should ensure that all the information required by law is submitted with a signed Declaration.

4. Where to submit Bills of Discharge

For IP with a Simplified Authorisation and Non-LBS (Large Business Service) authorised IP traders, Bills of Discharge should be sent to your respective Supervising Office (see Contacts Section below). For LBS traders, where to send your Bills of Discharge is detailed in your authorisation. As these forms are required to be signed and we do not at present have a facility to accept an electronic signature, you should send a hard copy of the Bill of Discharge or fax it to your Supervising Office unless instructed otherwise.

5. Compensatory Interest - calculation for goods released to free circulation

Following a number of queries regarding the calculation period for compensatory interest we have clarified with the Commission that in the following scenarios:

- (i) Goods entered to IP suspension, then entered to a customs warehouse and then released to free circulation; and
- (ii) Goods entered to IP suspension, then entered to transit and then released to free circulation;

the compensatory interest period should run from the date of import until the goods are released to free circulation in accordance with Article 519(3) of the Customs Code Implementing Regulations which states that "Interest shall be applied on a monthly basis, starting with the first day of the month following the month in which the import goods for which a customs debt is incurred were first entered for the arrangements. The period shall close on the last day of the month in which the customs debt was incurred."

6. Contacts

General queries on Customs Procedures should be directed to the Excise & Customs Helpline on Tel 0845 010 9000.

Questions can also be submitted electronically by email using the iform at the following link:

[Customs General Enquiry Form](#).

If you have a specific query about your Inward Processing Authorisation please contact your Supervising Office:

For IP with a Simplified Authorisation this is National Import Reliefs Unit, Abbey House, Head St, Enniskillen, Northern Ireland, BT74 7JL. E-mail - niru@hmrc.gsi.gov.uk (or visit the [NIRU Website](#) for further details).

For IP authorised LBS Traders this will be the contact named in your authorisation.

For Non-LBS authorised traders this is CITEX – Authorisations and Returns Team, 2nd floor East, HMRC, Fitz Roy House, Castle Meadow Road, Nottingham, NG2 1BD.

Issued on the **22 April 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

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CUSTOMS INFORMATION PAPER (13) 26

Inward processing / Customs Warehousing - ECJ Cases C262/10 and C 28/11

Who should read:	All warehouse keepers and businesses who use or operate a Customs Warehouse and all businesses who operate Inward Processing
What is it about:	Notification of two European Court of Justice cases and their impact on businesses that operate/use a Customs Warehouse and/or operate Inward Processing
When effective:	Immediately
Extant until/ Expires	Until further notice

1. Background

The impact of an ECJ ruling results in the European Commission and Member States considering the impact of the judgement on the operation of the procedure. As a result of that process this paper clarifies for businesses that operate/use a Customs Warehouse and/or operate Inward Processing their obligations following the publication of two European Court of Justice (ECJ) cases concerning Customs Warehousing and Inward Processing.

The Customs Warehousing case ECJ 28-11 concerns the delayed entry in the stock records of goods removed from customs warehousing and the Inward Processing case ECJ 262-10 concerns the failure to supply the Bill of Discharge within the legal time limit.

2. Customs Warehousing

The first case is ECJ 28-11 Eurogate Distribution GmbH which concerns the delayed entry in the stock records when goods were removed from a Customs Warehouse. Eurogate operated a private customs warehouse. Although re-export declarations were drawn up at the time the goods were removed from the customs warehouse, the stock records were not updated until some time after the removals had taken place.

The Commission confirmed that delayed entry in the stock records incurred a customs debt under A 204 (1) (a) of the Customs Code even if the goods had been re-exported as the provisions contained in Article 859 of the Implementing Regulations are not fulfilled.

Businesses are therefore reminded to ensure that an appropriate entry into the stock records of details relating both to the receipt and discharge of the goods, is undertaken at the time of a placement into and prior to removal from the customs warehouse to avoid incurring a customs debt. Where a Customs Warehouse operates an overnight update to their Duty Management System they should ensure that real time updates which meet the requirements of this ruling are applied to the commercial systems that feed them.

3. Inward Processing

The second case is ECJ 262-10 Dohler Neuenkirchen GmbH which concerns the failure to supply the Bill of Discharge in accordance with Article 521 of the Implementing Provisions within the time limits. Even though some of the goods had been correctly re-exported and evidence of re-export provided, a customs debt under Article 204 (1) (a) of the Customs Code had been incurred for ALL goods covered on the Bill of Discharge as the provisions contained in Article 859 of the Implementing Regulations are not fulfilled.

Businesses should ensure that you have procedures in place to submit your Bills of Discharge (including nil returns where required) within the time specified in your authorisation to avoid incurring a customs debt for all goods contained on the Bill of Discharge even those that have been re-exported.

You should ensure that you provide all the data required by law in the Bill of Discharge (as set out in Article 521(2) Customs Code Implementing Regulations 2454/93).

Businesses using the Inward Processing with a Simplified Authorisation monitored by NIRU are given a standard six months throughput period. You should ensure that you submit your Bill of Discharge no later than 30 days after that throughput period ends.

4. Contacts

Queries on Customs Procedures should be directed to the Excise & Customs Helpline on Tel 0845 010 9000.

Questions can also be submitted electronically by email using the iform at the following link:

[Customs General Enquiry Form](#).

If you have a specific query about your Inward Processing Authorisation please contact your Supervising Office.

Issued on the **22 April 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

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CUSTOMS INFORMATION PAPER (13) 27

Inward Processing – Authorisations and responsibilities of agents and IP Authorisation holders

Who should read:	All businesses using Inward Processing (IP) and agents/representatives who are employed by IP traders.
What is it about:	IP Issues including: retrospective IP Authorisations, restriction of coverage of IP with a Simplified Authorisation, IP Authorisation holders' and agents' responsibilities.
When effective:	Immediately
Extant until/ Expires	Until further notice

1. Introduction

This is one of a series of CIP papers being issued by the Inward Processing (IP) Policy team. They will cover subjects where there have been:

- changes in IP policy;
- where current IP policy has been found to have not been implemented correctly; and
- where confirmation of existing IP policy has been sought from the EU Commission.

The contents of this and other CIPs issued by the IP Policy team will be incorporated into the next update of the IP Public Notices (221 and 221A) later this year.

This particular CIP provides updated guidance and clarification of the following IP related issues:

- retrospective IP Authorisations;
- revised rules regarding the use of IP with a Simplified Authorisation;
- EORI numbers; and
- advice for IP traders using an agent/representative.

2. Retrospective IP authorisations

2.1 Retrospective IP authorisation may only be considered for traders who are seeking full IP Authorisation, not for those who use IP with a Simplified Authorisation (where the request for authorisation is made by means of the submission of a customs declaration (Article 497(3) type authorisations)).

2.2 The EU Commission has confirmed that any goods which require an economic test cannot be subject to a retrospective authorisation as there is no provision in the Customs Code for the economic test to be carried out retrospectively.

3. Exclusions from IP with a Simplified Authorisation

Revised rules regarding the use of IP with a Simplified Authorisation were announced last year in [CIP \(12\)17](#). This is a reminder that goods in Chapter 93 and Chapter 97 of the Tariff and all goods above the value of £500,000 (regardless of the Tariff classification) can no longer use IP with a Simplified Authorisation. Businesses intending to process any such goods under IP will need to submit an application for full IP Authorisation at least 30 days prior to any start date using form [C&E810](#).

4. Economic Operator Registration and Identification (EORI) numbers

4.1 All companies involved in International Trade (including importing, exporting, Inward Processing and other CPEI procedures) have been required to have an EORI number since they were introduced in July 2009 as part of the EU Safety and Security Regulations. You must ensure that you quote your EORI number on all IP Application Forms, Customs Declarations, Bills of Discharge and in any correspondence with your Supervising Office. Please do not confuse your VAT number with your EORI number.

4.2 When completing your customs import and (re)export declarations please ensure that the name and address in boxes 2 and 8 on a declaration (Consignor and Consignee) MATCH the EORI number you enter in these fields. Companies should be particularly careful where they are a subsidiary to ensure that the correct EORI and name and address are supplied on the declarations. The details of the holder of the EORI authorisation including name and address are held on a central EU database. **Any changes to details must be notified to the EORI team at the following email address eori@hmrc.gsi.gov.uk.**

4.3 Please keep your EORI records up to date. Further information on EORI numbers can be found in the [Frequently Asked Questions \(FAQs\)](#) on the EORI Web page.

5. Using an agent/representative

A) Information provided to agents/representatives

5.1 We have had a number of incidences recently where IP traders have been obliged to pay suspended duties and Import VAT because the agent/representative did not follow the correct import/re-export processes for IP. The most common issue was that an incorrect re-export CPC had been used which effectively removes the IP goods from Customs Control (Article 203 Customs Code).

5.2 When using an agent/representative, you should ensure that your instructions are clear that the goods are under the **Inward Processing procedure** and the correct Customs Procedure Codes (CPCs) should be used at import and re-export. **Express Parcel Operator or other Bulking CPCs should not be used under any circumstances for IP (re)exports.**

5.3 As it is the IP authorisation holder who is ultimately responsible for ensuring that all the conditions of IP are met and who will bear the cost responsibility for the debt, we would recommend that instructions to agents/shippers are made in writing and evidenced in your IP records and that you develop your own assurance checks to confirm that your instructions have been complied with. If you send instructions by email this may include keeping “read” receipts.

B) Documentation received from agents/representatives

5.4 We have also recently seen issues around the lack of documentation (such as Export declarations and CHIEF/Transit declaration reference numbers) being kept in IP traders’ records. This can also lead to the trader having to repay duties and Import VAT suspended under IP. **When using an agent/representative, you should request evidence of (re)export** in the form of CHIEF declaration reference numbers and/or prints from the National Export System (or their commercial equivalent reports that show the relevant evidence of export data including the CPC and customs clearance codes).

The Export Policy team’s [Best Practice Guide](#) (Section 43) describes what information can be considered as proof of export.

6. Contacts

Queries on Customs Procedures should be directed to the Excise & Customs Helpline on Tel 0845 010 9000.

Questions can also be submitted electronically by email using the iform at the following link: [Customs General Enquiry Form](#).

If you have a specific query about your Inward Processing Authorisation please contact your Supervising Office:

For IP with a Simplified Authorisation this is NIRU - Abbey House, Head St, Enniskillen, Northern Ireland, BT74 7JL. E-mail - niru@hmrc.gsi.gov.uk (or visit the [NIRU Website](#) for further details).

For IP authorised Large Business Service (LBS) Traders this is your Customer Relationship Manager (CRM).

For non LBS authorised traders this is CITEX – Authorisations and Returns Team, 2nd floor East, HMRC, Fitz Roy House, Castle Meadow Road, Nottingham, NG2 1BD.

Issued on the **22 April 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

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CUSTOMS INFORMATION PAPER (13) 28

Airworthiness Certificate Scheme - New Customs Procedure Codes (CPCs) to permit removal from customs warehousing

Who should read:	Importers and their agents involved in declaring goods to the airworthiness certificate scheme (AWC)
What is it about:	Introduction of two new customs procedure codes to allow goods to permit the airworthiness certificate scheme (free circulation) to be claimed upon release from Customs Warehousing
When effective:	1 June 2013
Extant until/ Expires	Until Further notice

1. Introduction

The airworthiness certificate scheme described in [EC Regulation 1147/2002](#) permits the importation of aircraft parts free of customs duty provided certain conditions are met. This CIP introduces two new CPCs to permit aircraft parts removed from Customs Warehousing to benefit from relief as long as the airworthiness certificates are available upon removal from the customs warehouse.

2. Changes to the scheme in the UK

2.1 Previously the airworthiness certificate scheme was allowed only on direct imports.

2.2 Following consultation with the Commission it has now been established that the scheme can be used for goods that are in a suspensive regime prior to release to free circulation.

Persons not established in the EU may use the scheme provided the type of representation on the C88 (SAD) is indirect -Box 14 should be coded 3.

2.3 To facilitate this two new CPCs are being introduced to allow release from Customs Warehousing to the airworthiness scheme. (Please see section 3 below).

3. Introduction of new CPCs

3.1 The new CPCs will be available for use from **1 June 2013**

3.2 The new CPCs are as follows

- 40 71 013
Customs warehouse removals - parts, components and other goods, falling within tariff Chapters 25-99, of a kind to be incorporated in or used in the manufacture, repair, maintenance, rebuilding, modification or conversion of civil aircraft, for which an airworthiness certificate has been issued by a party authorised by aviation authorities within the community or in a third country, identified as eligible for end-use relief in the Tariff.

- 40 71 014
Customs warehouse removals - parts, components and other goods, falling within tariff Chapters 25-99, of a kind to be incorporated in or used in the manufacture, repair, maintenance, rebuilding, modification or conversion of civil aircraft, for which an airworthiness certificate has been issued by a party authorised by aviation authorities within the community or in a third country, identified as NOT eligible for end-use relief.

3.3 The paper tariff will be updated in due course.

4. Contacts

For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

For queries on this paper please contact

Marie Campbell
HM Revenue & Customs
10th Floor West
Alexander House
21 Victoria Avenue
Southend-on-Sea
SS99 1AA
Email: Marie.Campbell@hmrc.gsi.gov.uk

Traders classified as part of the Large Business Service should contact their Customer Relationship Manager.

Issued on the **23 April 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13) 29

Current Month Adjustments

Who should read:	Anyone requesting a current month adjustment (CMA).
What is it about:	Introduction of a lower limit for CMA applications.
When effective:	1 June 2013
Extant until/ Expires	Not applicable

1. Background

As part of the customs duty repayment process HMRC offers a service of amending deferment accounts if applications are received within the same month that the overpayment is made. This means that deferment account holders do not require a repayment as the correct amount of duty and other taxes is debited from their account the following month.

2. Changes to current process

From 1 June 2013 CMA's will not be accepted if the total amount to be adjusted is import VAT only **and** the total value is less than £250. Any claims that are below this amount will be treated as a normal repayment application and if valid will be processed within the standard 30 days; as per previous CIP (11) 14. We are introducing this due to the high amount of CMA's that are submitted each month and the requirement to make the adjustment before the end of the month.

Also please ensure that only one CMA application is submitted to the NDRC as duplicate applications via different methods, for example fax and email, causes unnecessary extra work for the teams. The time spent resolving duplicate and sometimes triplicate submissions takes resource away from the adjustments and could lead to some adjustments not being processed within the tight timescale.

The CMA process is a facilitation that HMRC offers and therefore if multi applications do continue to be submitted we will consider removing the facilitation for repeat offenders so that compliant customers are not disadvantaged.

3. Contacts

National Duty Repayment Centre
Priory Court
St Johns Road
Dover
Kent
CT17 9SH

General Enquiries: 01304 664 523

Email: ndrcenquiries@hmrc.gsi.gov.uk

Issued on the **24 March 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13) 30

Import Control System - ICS

Who should read:	JCCC members, Carriers, Software suppliers and all businesses involved with International Trade & Imports into the EU.
What is it about:	This CIP provides details about: <ul style="list-style-type: none">• ICS software release 5 and the new ICS Technical Specification (version 2.3)• The new schemas and WSDL files that are compatible with this release and• TPVS down time• ICS downtime
When effective:	Immediately
Extant until/ Expires	Further notice

1. Introduction

ICS Release 5 is scheduled for implementation to the live system on the 1 July 2013.

This CIP has been issued to inform all ICS users of the changes within this software release and explain how the changes will affect trade users.

2. ICS Technical Interface Specification

The ICS [Technical Interface Specification](#) (TIS) (version 2.3) provides details of the changes required to ICS software for this release. The [schemas](#) and [WSDL files](#) have been updated to include these changes

The [Trader Test Pack](#) which is also available on this link above remains unchanged:

The Release 5 software will be made available for testing on the Third Party Test and Validation System (TVPS) as of 10/05/2013.

4. ICS Live Downtime - Release 5

It will be necessary for HMRC to take the ICS System down in order to apply Release 5 changes. This will affect both those who access ICS via the Government Gateway and those who use a Community System Provider (CSP).

This downtime is currently scheduled for the 1 July 2013 (TBC) we cannot provide the exact details of the downtime period at this stage but those responsible for submitting ICS declarations should ensure they have an acceptable Business Continuity Plan in place.

Further information on the Release 5 downtime will be provided via the [HM Revenue & Customs](#) website.

5. Release 5 Changes

Gross Mass: in instances where Special Circumstance Indicator 'E' (Authorised Economic Operator) is used then the need to input attribute 'Gross mass' is optional (TIS Appendix D, Condition C592 refers).

Total Number of Items: this release provides validation to ensure that the 'Total Number of Items' field on a declaration contains the correct information and agrees with the number of items declared on the declaration (TIS Appendix D, Technical Rule TR0811 refers).

Kind of packages (Box 31): this release provides a new code 'VS' (Bulk, scrap metal) to be reflected in condition C062, when used it removes the ability to input number of packages (TIS, Appendix D, Condition C062 refers).

5. Future ICS and Third Party Validation Service (TPVS) downtime

Third Party Validation Service (TPVS)

To allow essential maintenance work to take place, TPVS will be unavailable from Thursday 9 May 17:00 to Friday 10 May 09:00.

CSP and Trader Front End access to ICS

Additionally further maintenance work will take place which will directly impact upon ICS services. ICS will be unavailable from 06:00 Saturday 11th May to 20.30 Sunday 12 May. This will affect both those who access ICS via the Government Gateway and those who use a Community System Provider (CSP). For further information on HMRC services impacted by this downtime, please go to [HM Revenue & Customs](#)

Carriers who lodge their ICS declarations using the Trader Front End (TFE) will not be able to send or receive messages during this time.

All relevant safety and security data should be retained by Carriers, but there is no UK Customs requirement to send any ICS data retrospectively for goods which have departed foreign and already arrived in the UK during the period

of downtime. Where goods have departed and are due to arrive in the UK after the system has been restored, an ICS message will still be required.

For those Carriers and/or their agents who require an MRN to meet their commercial requirements in another Member State, then these ICS declarations should be made retrospectively upon system restore.

6 . Contacts

All ICS related queries should be sent to the ICS Helpdesk at ics.helpdesk@hmrc.gsi.gov.uk

Issued on the **3 May 2013** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13) 31

Review of Low Value Bulking Imports (LVBI) – A progress update and next steps

Who should read:	<ul style="list-style-type: none">• LVBI approved operators and their agents or representatives.• Those who seek LVBI approval for the first time.
What is it about:	An update on what has been happening since we announced the LVBI review, where we are now and the next steps we will be taking. There is no action to be taken at this stage, but affected operators need to be aware of forthcoming changes
When effective:	Immediately
Extant until/ Expires	All eligible operators have been approved under the new scheme terms and conditions

1. Background

We announced a far-reaching review of LVBI in [CIP \(12\) 26](#). When the review was completed, the recommendations were presented to the JCCC in October 2012. Your representatives approved the findings and the review moved into implementation phase. Much work has been completed internally, and the review team has been speaking to certain affected trade groups individually to update them on progress. We are now in a position to update everyone on what has been happening, where we are and what will happen next. We published an article in the latest Customs Newsletter. This CIP is intended to reach those who may not have read the article.

2. Review activity

2.1. What were the accepted recommendations?

The accepted recommendations from the review can be found in Annex A to this CIP. Please note that one or two have been suitably adapted in light of subsequent experience.

2.2. Where are we now?

We are almost ready to circulate the revised terms and conditions of the new scheme to existing approval holders. These are still subject to legal clearance. Existing approval holders will be asked whether they wish to continue to hold

an approval under these new conditions and to certify that they are able to comply with them. This is to enable us to target the re-approval process only on those operators who are certain they require re-approval and can comply. Applicants for first-time approval will also be sent the terms and conditions to ensure they still wish to pursue their applications.

Applicants will then be asked to complete a simple application form. You will then receive a visit from an Officer of HMRC who will ensure you understand your obligations under the new scheme.

2.3. What will the re-approval process look like?

- The National Rejected Imports Team (NRIT) (the authorising office for LVBI) (see [CIP \(12\) 55](#) for more details) at Reading will issue revised terms and conditions for the new LVBI scheme to approved traders and new applicants for them to indicate whether or not they wish to be re-approved.
- Existing approved (and new applicant) operators will be expected to return a signed copy of the terms and conditions or indicate that they do not wish to seek re-approval.
- The NRIT will send out an approval application form to those traders seeking re-approval. There will be a simplified version for AEO approved traders to use.
- The trader will then return the completed application form to the NRIT.
- The NRIT will then commission the appropriate HMRC officer to visit the applicant. HMRC will decide whether the applicant should be re-approved and will advise the NRIT accordingly.

2.4. What should I do if I am seeking LVBI approval for the first time?

New applicants or those who have applied in the recent past will be dealt with as part of this re-approval exercise. We know some recent applicants are frustrated at what must seem a lack of progress, but we hope the content of this CIP re-assures you that this is not so. We will process your applications as soon as we can, but you will appreciate that it would be wasteful to approve you now under the existing scheme and then cancel your approval and seek to re-approve you again all in the space of a few weeks.

We ask that you do not pressure NRIT to process your application now. This is counter-productive and diverts staff from preparing for the new scheme.

2.5. What do I need to do now?

You need do nothing now except bear with us.

Inevitably, all this will take some time. We cannot visit everyone at once and there will be pressures in certain areas where a large number of approved traders are located together. In order to start the new scheme on a level basis and provide certainty of treatment, we will announce the start date as soon as all the signed terms and conditions are returned to us, even if you haven't been visited and re-approved by then (which you will almost certainly not be!). If we waited until everyone had been formally approved, it would take much longer before we were able to introduce the scheme.

This means in practice that, provided you were approved under the existing scheme, you will continue to be *de facto* approved to operate LVBI from this date, but must operate it in accordance with the new scheme terms and conditions. This will continue until you have been visited by HMRC and your re-approval application formalised. You should not assume, however, that any such application will be successful. This interim arrangement applies only to existing operators within the scheme. New applicants must wait for approval before beginning to operate the scheme.

2.6. What if I import goods from the Channel Islands?

Generally speaking, LVBI operators importing qualifying goods from the Channel Islands will be treated like any other LVBI approved operator. However, recommendation 16 applies solely to Channel Islands operators, despite the use of Low Value Consignment Relief (LVCR) having been removed for mail order sales last year. This recommendation and the separate CPCs (one existing and one new) required to operate LVBI under these conditions will be shown in the annex to the terms and conditions referred to above.

3. Contacts

If you have any queries on the content of this paper, please contact

Tony Borton
Customs Directorate
Alexander House
Southend-on-Sea

01702 361769

tony.borton@hmrc.gsi.gov.uk

However, we ask that due to resource pressures and the need to move this work forward quickly without delay, only urgent queries are made.

Issued on the **8 May 2013** by the JCCC Secretary HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000. To find out what you can expect from us and what we expect from you go to www.hmrc.gov.uk/charter and have a look at [Your Charter](#)

Annex A to CIP (13) 31 - Review recommendations

Recommendation 1

That we utilise any freight targeting system development opportunity to push the requirements of LVBI.

Recommendation 2

That all LVBI clearance locations be fully inventory linked where this is not already the case unless the location is covered by an HMRC approved ASN, which provides data at goods item level.

Recommendation 3

That for goods up to the value of £15, where there is neither a VAT nor a duty liability, and provided that the header level data is the same, a higher number of manifest items may be bulked together as a single CHIEF item. However, for items worth between £15 and £135, where there is a VAT liability (even if zero rated), that each goods item should be declared as a separate item on CHIEF beneath header level (subject to the CHIEF capacity of 99 items). For goods up to the value of £15, "package count" must be completed with the total number of goods, i.e. manifest items included within the CHIEF item.

Recommendation 4

That where a trader is AEO authorised they should have automatic access to LVBI as an administrative facility, including a simplified approvals process. For non-AEO traders there will be a more formal application process, which will include terms and conditions, which the trader will have to sign.

Recommendation 5

Where an LVBI approval has been revoked, a CHIEF profile will be set up to prohibit the trader from using their CHIEF badge for any future LVBI declaration.

Recommendation 6

We will publish within the Approval letter a full list of penalties available to HMRC and BF in cases of non-compliance and the internal review process applicable in cases of loss of approval.

Recommendation 7

That a voluntary referral system will be introduced as part of a MoU to allow operators to report suspected non-compliance to HMRC and BF after the goods have been through customs clearance, i.e. where we have not already detected anything when the goods were under control.

Recommendation 8

That the Approval letter will state that HMRC has the right to vary the terms and conditions of the LVBI authorisation to fight new or continuing threats and risks.

Recommendation 9

That the existing exclusion of commercial goods from LVBI be removed subject to the existing value limits, but also subject to the adoption of recommendation 3 by authorised traders.

Recommendation 10

That the rules around the use of LVBI for goods intended for delivery to other EU Member States or for non-EU third countries should be clarified and confirmed in the revised scheme terms and conditions..

Recommendation 11

That goods intended for delivery to a third country and with no Consignee in the EU cannot be cleared to free circulation in the EU using LVBI.

Recommendation 12

That the joint-working exercises between Uxbridge LC and Heathrow BF staff continue, supported by the Flexible Deployment Team.

Recommendation 13

That the revised valuation method, being developed for postal imports, should also be considered for use for LVBI goods.

Recommendation 14

That ECSM review the content of the existing LVBI route 3 CHIEF profile to ensure that it is fit for its purpose.

Recommendation 15

That CHIEF completion rules for country of dispatch and other fields at header level are publicised, and the penalties for mis-declaration re-stated.

Recommendation 16

That imports of fresh produce grown in the Channel Islands may be declared as a single item on CHIEF, with no limit on the number of individual manifest items contained within it.

CUSTOMS INFORMATION PAPER (13) 32

Export Declarations: Requirement for statistical value and update of certain export CPC Tariff notes

Who should read:	All involved with completing and submitting declarations to CHIEF for goods being exported outside the EU.
What is it about:	(i) Completion of Box 46 on SAD export / re-export declarations. (ii) Amendment to the Tariff CPC completion notes for CPC 10 00 042, 10 00 096, 10 00 097 & 10 00 098
When effective:	14 July 2013.
Extant until/ Expires	Until notified.

1. Background

The mandatory data elements (SAD boxes) required to be completed on SAD export / re-export declarations are laid down in Commission Regulation 2454/93 Annex 37. For full export declarations this includes box 46 (statistical value). This applies whether a direct export outside the EU from the UK or an indirect export from the UK via another Member State.

The EU Export Control System (ECS) works alongside CHIEF (Customs Handling of Import and Export Freight) system to pass messages to other Member States. If mandatory data elements are not completed on CHIEF, and forwarded to ECS, this results in a validation rejection from ECS not visible to the trade, which means that goods cleared by CHIEF will encounter difficulties at the EU office of exit as no UK ECS record will be available when the Export Accompanying Document (EAD) is scanned to process and finalise an indirect export.

Mandatory data such as statistical value is also required for statistical purposes relating to external trade under Commission Regulation (EU) No 113/2010.

To ensure mandatory data concerning Box 46 (statistical value) is correctly captured the settings on CHIEF will be amended.

2. Statistical value validation to be amended on CHIEF

Where CPC settings on CHIEF currently require a statistical value, changes will be made to stop either a blank value or nil value being declared and to require input of a positive statistical value in Box 46. Statistical value will also be set as required for CPCs:

- 10 00 096
- 10 00 098
- 31 07 002
- 31 71 000
- 31 71 003

These change will be implemented on CHIEF export CPCs on 14 July 2013. Notice is given to allow exporters / agents to update their systems and procedures in preparation.

3. Amendment to Tariff CPC completion notes

The following CPC completion notes in the Tariff Volume 3 Appendix E1 have been reviewed and updated (see Annex A). These changes will be implemented on CHIEF and apply on 14 July 2013, the Tariff Volume 3 Appendix E1 will be amended in due course. Notice is given to allow exporters / agents to update their systems and procedures in preparation.

10 00 042	The completion notes have been amended to clarify what goods are covered and the NCTS Transit procedures that apply when they are cleared for onward movement to other EU Member States. As this is a Customs clearance request and not an export declaration a C21 customs clearance request will replace the need for a SAD (C88) declaration.
10 00 096 10 00 097 10 00 098	The Tariff completion notes have been amended to clarify what goods are covered and to identify the requirement for completing Box 46 (stat). The notes also identify the importance of completing Box 33 (Commodity Codes) where box 29 for indirect export has been completed to avoid difficulties at the EU office of exit.

Contacts

For enquiries regarding this paper please contact the VAT, Excise and Customs Helpline on 0845 010 9000.

Issued on the **16 May 2013** by the [JCCC Secretary](#) HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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Annex A

10 00 042	
1. Goods covered	<p>C21 Customs clearance request for non EU goods travelling en route via the UK or non EU goods removed from a Temporary Storage facility:</p> <ul style="list-style-type: none"> • For direct exit from UK outside the EU • Departing the UK under NCTS Transit procedures for onward movement to another EU Member State • Departing the UK under NCTS Transit procedures for onward movement to another EU Member State for exit from the EU <p>NOTE - If the goods will exit the EU from an another EU Member State and an Exit Summary Declaration (EXS) is required, CPC 10 00 046 should be made unless:</p> <ul style="list-style-type: none"> • the NCTS declaration contains the exit summary declaration data; and • the office of destination is also the customs office of exit or the office of destination is outside the EU. <p>An NCTS declaration is required for all goods to be moved under Community/common transit or TIR unless simplified procedures for air, sea or rail are used.</p>
2. Notice	216 at CCS-UK airports
3. Status of goods	T1 - goods not in free circulation
4. Specific fields on the declaration	<p>Box 6 – Packages.</p> <p>Bulked goods enter 1 (with the exception of licensed goods)</p> <p>Box 40: previous document - enter 'Z' followed by the document type code (see Appendix C12) followed by the document reference</p> <p>Box 44: If departing the UK under NCTS Transit procedures enter AI code 'TRANS'.</p>
5. Additional documents	
6. Security required	For goods moving under NCTS Transit the normal guarantee requirements for the transit procedure concerned apply .
7. Additional information	Declaration should be in the format IECR (Insert export clearance request)
8. Pre-export action	—
9. Post-export action	—
10. VAT	—
11. Notes	<p>Useful contact details:</p> <ul style="list-style-type: none"> • General Customs (including NES enquiries) -VAT, Excise & Customs Helpline Phone: 0845 010 9000 • NES Helpdesk Phone: 029 20326371 email: export.enquiries@hmrc.gsi.gov.uk • For Transit the NCTS helpdesk at the CCTO, Harwich Monday to Friday 08:00 - 17:00 Tel: 01255 244 709 email: NCTS helpdesk • Website: hmrc.gov.uk

10 00 096	
1. Goods covered	Personal effects in free circulation exported from the UK outside the EU. This CPC must not be used for: <ul style="list-style-type: none"> ○ CAP goods ○ commercial goods ○ non EU goods on which all import charges have not been paid ○ goods subject to licensing, any other CPC or regime controls
2. Notice	275 - Customs export procedures
3. Status of goods	T2 - goods in free circulation and not subject to any other regime controls
4. Specific fields on the declaration	<p>Additional information and completion notes for other boxes on the declaration are given in Volume 3 Part 1 of this Tariff.</p> <p>Box 1 – 1st sub division enter:</p> <ul style="list-style-type: none"> ○ 'CO' for export to an EU Special Territory (see Tariff Volume 1 Part 2 Section 1), ○ 'EX ' for export outside the EU; or ○ 'EU' for export to an EFTA country <p>2nd sub division: enter code 'D'.</p> <p>Box 2 – enter 'GBPR' and the Full name and address of the private individual for all declarations made to this CPC.</p> <p>Box 14(1): Enter the code for representation: 1 - self representation 2 - direct representation 3 - indirect representation</p> <p>Box 17: Enter the code for the non EU country of ultimate destination, see Appendix C1 for Country Codes</p> <p>Box 29: Office of exit</p> <ul style="list-style-type: none"> ○ Indirect Export -where export will be made via another EU country the Office of Exit in that EU country must be declared as the movement is required to be controlled by the EU Export Control System (ECS). ○ If the goods are being exported via another EU country under a Single Transport Contract (STC) leave Box 29 blank (in Box 44 an Additional Information (AI) statement must completed - see below). ○ Direct export - where goods are being exported outside the EU direct from the UK leave box 29 blank. <p>Box 31: For each item declared enter a clear description of the goods. Include package marks, number and kind and any container numbers where relevant.</p> <p>Box 33: Enter the Commodity Code to 8 digits of the goods being declared for export (see Volume 2 of the Tariff), further information about classifying goods is available in Notice 600 - Classifying your imports or exports). This is particularly important where box 29 for indirect export has been completed to avoid difficulties at the EU office of exit</p> <p>Box 40 - (previous document - Appendix C12 identifies the possible types of documents and codes to be declared) :</p> <ul style="list-style-type: none"> ● identify the relevant document and reference that provides an audit link to the consignment. For example to identify a packing list enter:

	<ul style="list-style-type: none"> ○ 'Z' (for previous document) ○ followed by code '271' (for packing list) ○ followed by the packing list reference eg 1234 <p>the above components would be entered as 'Z-271-1234'</p> <p>Box 44: Additional Information</p> <ul style="list-style-type: none"> ▪ For export under a Single Transport Contract enter Additional Information (AI) statement 'STC99' (see Appendix C9). <p>Box 46 statistical value - see Volume 1 Part 14 Section 3 and the box completion note in Volume 3 Part 1</p>
5. Additional documents	<p>Any licences or certificates required for goods being exported must be identified in Box 44 using the appropriate:</p> <ul style="list-style-type: none"> ○ licence/certificate codes indicated in Appendix C11; and ○ document status code indicated in Appendix C12
6. Security required	-
7. Additional information	-
8. Pre-export action	<p>Goods must be presented to Customs at the office of export or other designated place. EU safety and security legislation sets minimum time limits for goods to be presented to Customs:</p> <ul style="list-style-type: none"> ○ for 'deep sea' containerised cargo, at least 24 hours before the goods are loaded ○ for 'short sea' containerised cargo, at least 2 hours before leaving the port ○ for air traffic, at least 30 minutes before departure from an airport ○ for rail and inland waters traffic, at least 2 hours before departure ○ for road traffic, at least 1 hour before departure ○ for supplies for ships and aircraft at least 15 minutes before departure. <p>All declarations must be submitted electronically to CHIEF, see Volume 3 Part 1 paragraph 1.9.5 of this Tariff.</p> <p>Exceptionally a paper Export Declaration (C88/ESS) may be submitted for input by HMRC (Customs Input Entry (CIE)). CIE declarations must be submitted to the National Clearance Hub (NCH) at Salford for processing .</p> <p>If copies are emailed or faxed, originals should not be sent unless specifically requested by NCH. NCH will process CIE requests between 09.00 and 17.00, Monday to Friday (excluding Bank Holidays).</p>
9. Post-export action	—
10. VAT	<p>This CPC is restricted to private exportations where there is no commercial interest. Export entries to this CPC cannot be used as official evidence for VAT zero rating as they are deemed non-commercial.</p>
11. Notes	<p>Goods imported into the EU are in free circulation in the EU if all import formalities have been completed and all duties, levies or equivalent charges have been paid and not refunded. Goods originating in the EU are also in free circulation.</p> <p>Useful contact details:</p> <ul style="list-style-type: none"> • General Customs (including NES enquiries) -VAT, Excise & Customs Helpline Phone: 0845 010 9000 • NES Helpdesk Phone: 02920 326371 Email: export.enquiries@hmrc.gsi.gov.uk • Website: hmrc.gov.uk

10 00 097	
1. Goods covered	<p>Free circulation goods (other than those of no statistical interest) being exported outside the EU that are:</p> <ul style="list-style-type: none"> o less than £800 in value o weigh less than 1,000 Kgs; and o not dutiable or restricted. <p>The consignment must be to one final customer (as declared in box 8 of the declaration) and the total value of the single consignment must not exceed £800 in total.</p> <p>This CPC must not be used for bulking of multi consignments shipped to multi consignees.</p>
2. Notice	275 - Customs export procedures
3. Status of goods	T2 - goods in free circulation and not subject to any other regime controls
4. Specific fields on the declaration	<p>Additional information and completion notes for other boxes on the declaration are given in Volume 3 Part 1.</p> <p>Box 1 - 1st sub division enter:</p> <ul style="list-style-type: none"> • 'CO' for export to an EU Special Territory (see Tariff Volume 1 Part 2 Section 1) • 'EX' for export outside the EU; or • 'EU' for export to an EFTA country <p>2nd sub division: enter code 'D'.</p> <p>Box 8 - consignee: enter the full name and address of the person to whom the goods are to be delivered</p> <p>Box 17: Enter the code for the non EU country of ultimate destination, see Appendix C1 for Country Codes</p> <p>Box 29: Office of exit</p> <ul style="list-style-type: none"> o Indirect Export -where export will be made via another EU country the Office of Exit in that EU country must be declared as the movement is required to be controlled by the EU Export Control System (ECS). o If the goods are being exported via another EU country under a Single Transport Contract (STC) leave Box 29 blank (in Box 44 an Additional Information (AI) statement must completed - see below). o Direct export - where goods are being exported outside the EU direct from the UK leave box 29 blank. <p>Box 31: For each item declared enter a clear description of the goods. Include package marks, number and kind and any container numbers where relevant.</p> <p>Box 33: Enter the Commodity Code to 8 digits of the goods being declared for export (see Volume 2 of the Tariff), further information about classifying goods is available in Notice 600 - Classifying your imports or exports). This is particularly important where box 29 for indirect export has been completed to avoid difficulties at the EU office of exit</p> <p>Box 40 - (previous document - Appendix C12 identifies the possible types of documents and codes to be declared) :</p> <ul style="list-style-type: none"> o identify the relevant document and reference that provides an audit link to the consignment. For example to identify a packing

	<p>list enter:</p> <ul style="list-style-type: none"> o 'Z' (for previous document) o followed by code '271' (for packing list) o followed by the packing list reference eg 1234 <p>the above components would be entered as 'Z-271-1234'</p> <p>Box 44: Additional Information</p> <ul style="list-style-type: none"> ▪ For export under a Single Transport Contract enter Additional Information (AI) statement 'STC99' (see Appendix C9). <p>Enter a Unique Consignment reference number (UCR), see Volume 3 Part 1 of this Tariff</p> <p>Box 46 statistical value - see Volume 1 Part 14 Section 3 and the box completion note in Volume 3 Part 1</p>
5. Additional documents	<p>Any licences or certificates required for goods being exported must be identified in Box 44 using the appropriate:</p> <ul style="list-style-type: none"> o licence/certificate codes indicated in Appendix C11; and o document status code indicated in Appendix C12
6. Security required	-
7. Additional information	-
8. Pre-export action	<p>Goods must be presented to Customs at the office of export or other designated place. EU safety and security legislation sets minimum time limits for goods to be presented to Customs:</p> <ul style="list-style-type: none"> o for 'deep sea' containerised cargo, at least 24 hours before the goods are loaded o for 'short sea' containerised cargo, at least 2 hours before leaving the port o for air traffic, at least 30 minutes before departure from an airport o for rail and inland waters traffic, at least 2 hours before departure o for road traffic, at least 1 hour before departure o for supplies for ships and aircraft at least 15 minutes before departure. <p>All declarations must be submitted electronically to CHIEF, see Volume 3 Part 1 paragraph 1.9.5 of this Tariff.</p> <p>Exceptionally a paper Export Declaration (C88/ESS) may be submitted for input by HMRC (Customs Input Entry (CIE)). CIE declarations must be submitted to the National Clearance Hub (NCH) at Salford for processing.</p> <p>If copies are emailed or faxed, originals should not be sent unless specifically requested by NCH. NCH will process CIE requests between 09.00 and 17.00, Monday to Friday (excluding Bank Holidays).</p>
9. Post-export action	—
10. VAT	<p>Documentary evidence of export is required to support a claim to VAT zero rating. The UK supplier must ensure that they obtain and keep official or commercial evidence for all consignments. If evidence of export is not obtained within the specified time limit then the supply must not be zero-rated. For Full details on VAT time limits for exports and zero rating see Notice 703</p>
11. Notes	<p>11.1 Goods imported into the EU are in free circulation in the EU if all import formalities have been completed and all duties, levies or equivalent charges have been paid and not refunded. Goods originating in the EU are also in free circulation.</p>

	<p>11.2 Authorised MOU operators should use CPC 10 00 067 / 10 00 077 and submit Supplementary declarations using CPC 10 00 007</p> <p>11.3 Useful contact details:</p> <ul style="list-style-type: none"> • General Customs (including NES enquiries) -VAT, Excise & Customs Helpline Phone: 0845 010 9000 • NES Helpdesk Phone: 02920 326371 Email: export.enquiries@hmrc.gsi.gov.uk • Website: hmrc.gov.uk
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10 00 098	
1. Goods covered	<ul style="list-style-type: none"> • Free circulation goods that are excluded from external trade statistics under Commission Regulation (EU) No 113/2010 Annex I (non-stat goods), being exported outside EU (see Notice 275 Section 14); or • free circulation goods being exported to the Channel Islands
2. Notice	275 - Customs export procedures
3. Status of goods	T2 - goods in free circulation and not subject to any other regime controls
4. Specific fields on the declaration	<p>Additional information and completion notes for other boxes on the declaration are given in Volume 3 Part 1</p> <p>Box 1 – 1st sub division enter:</p> <ul style="list-style-type: none"> • 'CO' for export to an EU Special Territory (see Tariff Volume 1 Part 2 Section 1) • 'EX' for export outside the EU; or • 'EU' for export to an EFTA country <p>2nd sub division: enter code 'D'.</p> <p>Box 17: Enter the code for the non EU country of ultimate destination, see Appendix C1 for Country Codes</p> <p>Box 29: Office of exit</p> <ul style="list-style-type: none"> ○ Indirect Export -where export will be made via another EU country the Office of Exit in that EU country must be declared as the movement is required to be controlled by the EU Export Control System (ECS). ○ If the goods are being exported via another EU country under a Single Transport Contract (STC) leave Box 29 blank (in Box 44 an Additional Information (AI) statement must be completed - see below). ○ Direct export - where goods are being exported outside the EU direct from the UK leave box 29 blank. <p>Box 31: For each item declared enter a clear description of the goods. Include package marks, number and kind and any container numbers where relevant.</p> <p>Box 33: Enter the Commodity Code to 8 digits of the goods being declared for export (see Volume 2 of the Tariff), further information about classifying goods is available in Notice 600 - Classifying your imports or exports). This is particularly important where box 29 for indirect export has been completed to avoid difficulties at the EU office of exit.</p> <p>Box 40 - (previous document - Appendix C12 identifies the possible types of documents and codes to be declared) :</p>

	<ul style="list-style-type: none"> ○ identify the relevant document and reference that provides an audit link to the consignment. For example to identify a packing list enter: <ul style="list-style-type: none"> ○ 'Z' (for previous document) ○ followed by code '271' (for packing list) ○ followed by the packing list reference eg 1234 the above components would be entered as 'Z-271-1234' <p>Box 44 - additional information:</p> <ul style="list-style-type: none"> • Enter a Unique Consignment reference number (UCR), see Volume 3 Part 1 of this Tariff • For export under a Single Transport Contract enter Additional Information (AI) statement 'STC99' (see Appendix C9). <p>Box 46 statistical value - see Volume 1 Part 14 Section 3 and the box completion note in Volume 3 Part 1</p>
5. Additional documents	Any licences or certificates required for goods being exported must be identified in Box 44 using the appropriate: <ul style="list-style-type: none"> ○ licence/certificate codes indicated in Appendix C11; and ○ document status code indicated in Appendix C12
6. Security required	-
7. Additional information	-
8. Pre-export action	Goods must be presented to Customs at the office of export or other designated place. EU safety and security legislation sets minimum time limits for goods to be presented to Customs: <ul style="list-style-type: none"> ○ for 'deep sea' containerised cargo, at least 24 hours before the goods are loaded ○ for 'short sea' containerised cargo, at least 2 hours before leaving the port ○ for air traffic, at least 30 minutes before departure from an airport ○ for rail and inland waters traffic, at least 2 hours before departure ○ for road traffic, at least 1 hour before departure ○ for supplies for ships and aircraft at least 15 minutes before departure. <p>All declarations must be submitted electronically to CHIEF, see Volume 3 Part 1 paragraph 1.9.5 of this Tariff.</p> <p>Exceptionally a paper Export Declaration (C88/ESS) may be submitted for input by HMRC (Customs Input Entry (CIE)). CIE declarations must be submitted to the National Clearance Hub (NCH) at Salford for processing</p> <p>If copies are emailed or faxed, originals should not be sent unless specifically requested by NCH. NCH will process CIE requests between 09.00 and 17.00, Monday to Friday (excluding Bank Holidays).</p>
9. Post-export action	-
10. VAT	Documentary evidence of export is required to support a claim to VAT zero rating. The UK supplier must ensure that they obtain and keep official or commercial evidence for all consignments. If evidence of export is not obtained within the specified time limit then the supply must not be zero-rated. For Full details on VAT time limits for exports and zero rating see Notice 703
11. Notes	11.1 Goods imported into the EU are in free circulation in the EU if all import formalities have been completed and all duties, levies or equivalent charges have been paid and not refunded. Goods

originating in the EU are also in free circulation.

11.2 Non-Stat goods being exported by Authorised SDP/LCP MOU operators should use CPC 10 00 068 for SDP / CPC 10 00 078 for LCP and use CPC 10 00 008 for their supplementary declarations .

11.3 Useful contact details:

- General Customs (including NES enquiries) -VAT, Excise & Customs Helpline Phone: 0845 010 9000
- NES Helpdesk Phone: 02920 326371 Email: export.enquiries@hmrc.gsi.gov.uk
- Website: hmrc.gov.uk

CUSTOMS INFORMATION PAPER (13) 33

Upgrade to the New Computerised Transit System (NCTS) and the Export Control System (ECS) to accommodate the accession of Croatia (HR) to the European Union.

Who should read:	Exporters, agents and other economic operators who submit declarations to Customs Handling Import Export Freight (CHIEF), and Principals, agents and other economic operators responsible for submitting Transit declarations to the NCTS.
What is it about:	Upgrade to the NCTS and ECS on 1 July 2013
When effective:	Immediately
Extant until/ Expires	Until further notice

1. Reason for Upgrade

An upgrade (KEL 25) to the NCTS and ECS services is being implemented throughout the EU to accommodate the technical functionality facilitating the accession of Croatia (Hrvatska Republic) to the European Union as the 28th Member State from the 1 July. Goods to Croatia will no longer be considered an export for customs purposes from that date.

The ECS and NCTS services will be unavailable from 08:00 until 23:59 on the 1 July 2013 to implement this upgrade.

This CIP has been issued to inform all NCTS users of the changes within this software release. It is also to inform those exporters' or agents etc who will be submitting export declarations that CHIEF will queue the declarations during the unavailability period. There are practices recommended below to minimise the impact on these traders.

2. Services affected

1) NCTS

The technical changes taking place in this upgrade consist of an:

- amendment of a technical rule (TR9250) to allow for the UK system to recognise Turkish characters as a further facilitation following the expansion of the Common Transit Convention in December 2012 to include Turkey.
- amendment of conditions, rules and codelists (C001, C035, R905, R908 and Codelists 63 and 71) to allow for the accession of Croatia to the EU

from the 1 July. As Croatia has been a member of the Common Transit Convention since July 2012 no impact is expected by this change.

- amendment of a condition (C060) for the introduction of new kind of Packages Code 'VS' (Bulk Scrap Metal). The code should be included in the NCTS web application following the upgrade. Third party software may need amending to make this code available.

Other corrective fixes include:

- Where items are part packaged resulting in the one item showing as having '0' (zero) as the Number of Packages, it must reflect the same 'Marks and Numbers' used in the original package or a rejection will take place. In this case the system was previously showing the incorrect rejection reason as R021. The system has been amended to ensure that it correctly shows the rejection reason as TR0022.
- Aligned to the incorrect rejection reason above, where the error relates to a numerical field where '0' is not permitted, an error Type of 15 (not supported in this position) has been incorrectly shown. Following the upgrade, in circumstances where '0' is not permitted, a correct error type of 12 (incorrect code value) will be generated.

II) ECS

As the ECS is not a trader facing system, there will be minimal impact as a result of the upgrade. All normal export formalities should be completed prior to leaving the UK, but during the period of unavailability we are advised that CHIEF will queue the declarations until the ECS is restored.

Therefore, declarations which are submitted during the unavailability period may not be communicated to the office of exit by the time of the presentation of the goods. For indirect exports, we recommend that the presenter requests the endorsement of the Export Accompanying Document (EAD) as a fallback document and for proof of exit of the goods.

In all situations where the exporter/declarant has reason to believe that the export formalities have not been finalised because of the unavailability or where you are advised by CHIEF at the 45 days stage that the goods have not exited the EU, the EAD should be forwarded to the ECS Helpdesk in Harwich to ensure that the Export can be completed properly.

3. Contacts

Geoff Page
HMRC
Export and Transit Policy
Customs Directorate
geoff.page@hmrc.gsi.gov

Issued on the **30 May 2013** by the [JCCC Secretary](#) HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

To find out what you can expect from us and what we expect from you go to

www.hmrc.gov.uk/charter and have a look at [Your Charter](#)

CUSTOMS INFORMATION PAPER (13) 34

Compliance with Community Transit

Who should read:	Traders using transit procedures
What is it about:	Changes to transit inquiry procedures, identification of main compliance issues, and consultation on revision of transit web pages.
When effective:	Immediately
Extant until/ Expires	N/A

1. Review of transit inquiry procedures

The Central Community Transit Office (CCTO) is revising its procedures to help customers get their response to our queries right first time.

2. Compliance with the transit regime

Letters of inquiry will contain more detailed information and/or specific questions. In response, we anticipate customers will provide us with more detailed information, including an explanation of the circumstances giving rise to irregularities. It is hoped this approach will help clarify the issues and assist customers in identifying measures which will improve their future compliance, help to avoid a protracted inquiry process, make the process easier for our customers and avoid the penalties for non-compliance.

3. The main causes for concern

During January to March 2013 the main issues giving cause for concern in the CCTO were:

- **Failure to produce transit movements at the office of destination**

For transit, failure to produce the goods at the office of destination is a contravention of Customs law. It is the duty of the carrier or recipient of the goods, who accepts them knowing that they are moving under Community transit, to produce the goods intact at the customs office of destination by the prescribed time limit.

“Production” also implies informing Customs that the goods are travelling under Community transit.

The carrier or recipient should produce the TAD to the Office of Destination. Authorised Consignees should report arrival of the movement on NCTS. If this is not done within 7 days of the date stated by the Office of Departure, the CCTO will issue an inquiry request. During the period April 2012 to March 2013 12.3% of all movements originating in the UK were not discharged within the proper timescales.

- for further information see the European Commission's Transit Manual Part VII.

- **Ship's spares**

To avoid an inquiry, principals intending to move ships spares should ensure that pre-notification procedures are agreed in advance with the office of destination responsible for discharge of the transit movement.

- **Non-response to movement inquiry requests**

Traders should respond to the inquiry letter within 28 days. They should provide evidence that the transit procedure has ended correctly. In accordance with Article 366 of Regulation 2454/93, the only forms of evidence which we can accept are:

- A document certified by the customs authorities of the Member State/common transit country of destination identifying the goods and establishing that they have been presented at the office of destination. For this purpose principals can request customs at the office of departure to endorse a copy of the TAD with the phrase "Alternative proof – 99202";
- A customs document issued in a third country entering the goods for a customs-approved treatment or use;
- A document issued in a third country, stamped by the customs authorities of that country and certifying that the goods are considered to be in free circulation in the third country concerned.

Failure to respond or to provide satisfactory evidence will result in the CCTO calling for payment of the debt - for further information see the Transit Manual Part VII and UK Supplement to the Transit Manual paragraphs 3.6.4 to 3.6.10 and 3.7.3 - 3.7.4.

- **Irregularities occurring under Fallback**

The carrier or recipient must present the SAD copy 5 at the Office of Destination. If this is not done within one month of the date stated by the Office of Departure, the CCTO will issue an inquiry request - for

further information, see the Transit Manual Part V and the UK Supplement to the Transit Manual paragraph 4.2.4.

- **C18 charges demands (transit debt) not being paid promptly**

We issue a post clearance demand note (C18) informing the appropriate person that a customs debt is due. The amount of debt will be based upon evidence presented by the debtor in accordance with Article 14 of Council Regulation (EEC) No 2913/92 of 12 October 1992 which states that “for the purposes of applying customs legislation, any person directly or indirectly involved in the operations concerned shall provide the customs authorities with all the requisite documents and information, irrespective of the medium used, and all the requisite assistance at their request and by any time limit prescribed”. We will charge interest on the customs debt if it is not paid within ten days from the date of issue of the C18 - for further guidance on this topic see Notice 199. Failure to provide all requisite documentation may result in the issuing of a Civil Penalty.

- **Non-response to requests for information to support transit simplification approvals action**

Unless full information to support an application is received, the CCTO cannot grant approval - for further information see the Transit Manual Part VI and UK Supplement to the Transit Manual Section 5. At annual review non-response to requests for information about the use of the comprehensive guarantee may also seriously compromise the very close co-operation criteria for a reduction in guarantor cover.

- **Non completion of the 'unloading remarks message' (IE44) declaration on NCTS**

Authorised Consignees must complete this action in line with the conditions of their transit simplification approval annex. Goods may not be moved before receipt of the 'goods release' message. If a rejection message is received the Consignee should contact the NCTS Helpdesk or their Local Control office as soon as possible. See Regulation 2454/93 Article 408 and Transit Manual Part VI, section 3.6.3.

- **Irregularities concerning goods being indirectly exported**

Principals are reminded that where goods are being indirectly exported via a UK office of exit and are moved under the Community transit procedure, the transit movement must be ended at the UK office of destination and the goods released from the transit procedure before they can be exported to a third country.

Information and advice on the various import, export and transit regimes may be found on the HMRC website at www.hmrc.gov.uk and associated government websites such as www.gov.uk. Support for individual movement problems can be obtained by contacting the appropriate CCTO processing team.

Address:

Central Community Transit Office
Custom House
Main Road
Harwich
Essex
CO12 3PG

Helpdesk telephone number: 01255 244709

For transit advice, please contact one of the team email addresses:

ncts.helpdesk@hmce.gsi.gov.uk

charges-team.ccto@hmrc.gsi.gov.uk

inboundmovements.ccto@hmrc.gsi.gov.uk

outbound-movements.ccto@hmrc.gsi.gov.uk

national-simplifications.ccto@hmrc.gsi.gov.uk

[Transit Manual](#)

[UK Supplement to the Transit Manual](#)

4. Update of transit webpage

We are starting to review the transit web pages and are seeking your input. We have removed several outdated documents and added a document on the EDIFACT NCTS route. We will take out anything that is unhelpful and improve the layout of the pages to make them easier to follow.

The Community/common transit and TIR web pages offer a range of support for traders, to help understand how to move goods across the EU, under customs control, without paying duty and other taxes.

Please let us know whether the web pages are laid out in a logical fashion. Can you find what you need easily? Does it contain all the information that you need? Do you want us to add more information to the transit web pages? Please send us your feedback within a month of the date of this CIP to james.odell@hmrc.gsi.gov.uk .

[The Community/common transit and TIR web page](#)

Issued on **3 June 2013** by the [JCCC Secretary](#) HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

To find out what you can expect from us and what we expect from you go to **www.hmrc.gov.uk/charter** and have a look at [Your Charter](#)

CUSTOMS INFORMATION PAPER (13) 35

UK Balance of Competences Review

Who should read:	All businesses involved in international trade; trade associations; civil society groups; consumer groups; and individuals interested in EU action on international trade.
What is it about:	The UK Government is conducting a review of the effect of EU action on international trade, and how this affects the UK's national interests. This review provides a unique opportunity to state your views about EU international trade laws and to influence the wider debate about the UK's relationship with the EU.
When effective:	Immediately
Extant until/ Expires	March 2014

1. Background

The Balance of Competences review is a comprehensive Government audit of what the EU does and how it affects the UK. It is intended to make a serious contribution to the debate about how to modernise, reform and improve the EU, and we are seeking your views.

Among other things the review will be considering whether the EU strikes the right balance between regulating imports and exports and facilitating international trade; whether harmonisation of laws at EU level is beneficial to the UK; and what are the advantages and disadvantages of EU action on international trade.

This review provides a unique opportunity for everyone affected by EU rules on international trade to express their views and to submit evidence to the Government. The evidence received will then be used to write a report, setting out all the arguments about the advantages and disadvantages of EU action. These reports will help to inform the debate about the UK's relationship with the EU.

We are requesting input from anyone with relevant knowledge, expertise or experience. We would welcome contributions from businesses, individuals, civil society organisations, think-tanks, governments and governmental

bodies. We welcome input from those within the UK or beyond our borders. We are particularly seeking views from those who can support their arguments with relevant examples, data or statistics.

2. Reviews of the Internal Market: Free Movement of Goods and Trade and Investment

There are 32 separate reviews looking at all areas of EU action. Two of these reviews will be looking at EU action on international trade.

The 'Review of the Internal Market: Free Movement of Goods' will cover trading in goods within the internal market (also known as the 'single market'); EU customs procedures; and EU intellectual property legislation. Further details can be found in the [Call for Evidence for the Internal Market: Free Movement of Goods review](#) on the www.gov.uk website.

The 'Review of Trade and Investment' will cover trading in goods and services outside of the EU. Further details can be found in the [Call for Evidence for the Trade and Investment Review](#) on the www.gov.uk website.

The 'call for evidence' for these two reviews was launched on 16 May, and the period for submitting evidence will end on 6 August 2013. The 'Call for Evidence' documents explain the scope of the reviews and include a series of broad questions on which we are asking contributors to focus their responses.

Final reports will be published in December 2013, alongside copies of the evidence received.

3. Contacts

If you have any questions about the review, or would like to contribute, please contact:

Lee Barham, Customs Directorate,
Lee.barham@hmrc.gsi.gov.uk
Tel: 0207 147 0141

Andrew Waller, Customs Directorate
Andrew.waller1@hmrc.gsi.gov.uk
Tel: 0207 147 3274

Evidence can be submitted by post or e-mail to:

E-mail: hmrc.balance-of-competences@hmrc.gsi.gov.uk

HM Revenue and Customs
Room 3E10
100 Parliament Street
London
SW1A 2BQ

Issued on the **5 June 2013** by the [JCCC Secretary](#) HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

To find out what you can expect from us and what we expect from you go to www.hmrc.gov.uk/charter and have a look at [Your Charter](#)

CUSTOMS INFORMATION PAPER (13) 36

Croatia Accession to the European Union

Who should read:	JCCC Membership, Trade Organisations, Other Government Departments and anyone involved with importing goods from or exporting to Croatia.
What is it about:	Entry into force and accession of Croatia to the EU
When effective:	Immediate
Extant until/ Expires	01 July 2013

1. Background

Entry into force and accession of Croatia to the EU is expected to take place on 1 July 2013. Croatia will become the 28th Member of the European Union.

Further CIPs covering specific arrangements and requirements for particular Customs regimes and procedures may be issued as necessary.

2. Transition

When Croatia accedes to the EU certain measures will need to be in place to facilitate the transitional arrangements.

A information document on [Accession of the Republic of Croatia to the EU](#) is available at www.europa.eu.

HMRC are currently reviewing the transitional arrangements and it is envisaged that there may be a need for further regime specific CIPs to be issued in advance of Croatia's accession.

3. Contacts

Please email comments or concerns to: John Nightingale, Customs Directorate john.nightingale@hmrc.gsi.gov.uk

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

To find out what you can expect from us and what we expect from you go to www.hmrc.gov.uk/charter and have a look at *Your Charter*

CUSTOMS INFORMATION PAPER (13) 37

Tariff Preference: Derogation from Rules of Origin-for certain products imported from Peru eligible for a quota

Who should read:	All involved with importing from Peru
What is it about:	A retrospective derogation, from the normal rules of origin for certain products listed in EC regulation 404/2013 imported from Peru eligible for a quota.
When effective:	1 March 2013
Extant until/ Expires	Until notified

1. Introduction

The European Commission has recently agreed to a retrospective derogation from the normal preferential rules of origin, which enables producers in Peru to export to the European Community, under the provisions of the preferential trade agreement between the European Union and Peru (see Customs Information Paper CIP (13) 17, available on the HMRC.gov.uk website). The agreement is available on the European Commission website (see Official Journal [OJ L354 dated 21 December 2012](#)).

Details of the products to which the derogations apply and their quotas are published in the annex to [European Commission regulation 404/2013 published in Official Journal L121 dated 3 May 2013](#).

2. Where to find the derogated rules of origin

For products listed in part A of the Annex to EC regulation 404/2013, refer to the rules of origin in Appendix 2A to Annex II (page 2162) of the EU-Peru trade agreement (see OJ L354 dated 21 December 2012).

For products listed in part B of the Annex to EC regulation 404/2013, refer to the rules of origin in Appendix 5 to Annex II (page 2176) of the EU-Peru trade agreement.

The derogations apply, within the limits of first come first served tariff quotas to eligible products, which are transported directly from Peru; released to free circulation in the European Union from 1 March 2013 and covered by an EUR1 (endorsed in box 7), or invoice declaration with the following derogation endorsement:

Derogation- Regulation (EC) No. 404/2013 'Product originating in accordance with Appendix 2A of Annex II' or

Derogation- Regulation (EC) No. 404/2013 'Product originating in accordance with Appendix 5 of Annex II'

3. Claims to quota and documentary requirements.

To make a claim to the appropriate tariff quota, you **must** insert the tariff quota order number (as listed in EC regulation 404/2013) in box 39 of the import declaration (SAD), in every case where the goods are covered by a EUR1/invoice declaration bearing the derogation endorsement. Also one of the following document codes must be inserted in box 44 of the SAD either:

U068 for "Product originating in accordance with Appendix 2A of Annex II" (of the EU-Peru trade agreement) or

U069 for "Product originating in accordance with Appendix 5 of Annex II". You must also include the EUR1 certificate number and correct document status code.

If the EUR1/invoice declaration does not bear an endorsement it can be assumed the products are not covered by the derogation, and a regular non-quota claim to preference can be made subject to the satisfaction of all relevant conditions, including compliance with the normal preferential rules of origin.

HM Revenue & Customs (HMRC) will consider retrospective claims to quota on eligible products which were released to free circulation on or after 1 March 2013 and which are covered by a retrospectively issued EUR1 or invoice declaration bearing the above derogation endorsement.

4. Payment/repayment of duty.

The HM Revenue & Customs (HMRC) printed Tariff, online UK Trade tariff at www.gov.uk and CHIEF (Customs Handling of Import and Export Freight) Entry processing system will be updated in due course. In the meantime, there is a risk that you could overpay duty on products eligible for the preferential quota.

If you have already paid the full rate of Customs Duty on eligible products which were released to free circulation on or after 1 March 2013, you should send the endorsed retrospectively issued EUR1, with a claim to repayment on Form C285 (available from the HMRC website) to:

HM Revenue & Customs
National Duty Repayment Centre
Priory Court
St John's Road
Dover
Kent
CT17 9SH

5. Further information

You can obtain further information from:

Ken Sherlock
HM Revenue & Customs
Customs Directorate, Customs Duty Liability
10th Floor South East, Alexander House
21 Victoria Avenue
Southend-on-Sea
SS99 1AA

Fax: 01702 367342

Email: ken.sherlock@hmrc.gsi.gov.uk

Issued on the **10 June 2013** by the JCCC Secretary, HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000. To find out what you can expect from us and what we expect from you go to www.hmrc.gov.uk/charter and have a look at [Your Charter](#)

CUSTOMS INFORMATION PAPER (13)38

The draft Union Customs Code (UCC)

Who should read:	JCCC members, freight forwarders, shipping agents, exporters, importers, trade bodies and any other economic operators involved in international trade.
What is it about:	Update on the negotiations on the Union Customs Code
When effective:	Immediate.
Extant until/ Expires	31 October 2013

1. Introduction

CIP (12)06 announced that work had commenced to recast the Modernised Customs Code (Regulation (EC) 450/2008 of the European Parliament and of the Council of 23 April 2008) – known as the MCC.

That work has now largely concluded. The recast – the Union Customs Code (UCC) – has been agreed by the European Council and European Parliament. The text is still subject to (non-substantive) amendment by linguists to ensure all language versions are consistent, so cannot be considered final.

This CIP provides a link to the agreed (draft) text.

2. Detail

The original proposal for the UCC was made by the European Commission in February 2012 and was published on their website.

The European Council and European Parliament have examined the text and agreement has now been reached on essentially the final text. This text is available on the European Parliament website entitled [Proposal for a Regulation of the European Parliament and Council laying down the UCC](#) (this is 255 pages long).

It is still subject to final change while it is further examined by lawyer linguists to ensure that the versions to be published in each of the Community languages are consistent.

The UCC will not be published prior to 24 June 2013, so it will not repeal the Modernised Customs Code (MCC) before that Regulation is due to enter into effect. A proposal put forward by the European Commission to postpone the effective date of the MCC has also been agreed.

This Regulation – to change the 24 June date in the MCC to 1 November – will be published in the Official Journal around 19 June.

Discussions on the Commission Delegated and Implementing Acts which will fill out the details are not expected to commence until the New Year. Our general expectation is that these Acts will draw inspiration from the draft MCC Implementing Provisions that were previously discussed and development frozen in late 2011. Until the Commission release the first draft of these Regulations we have no better information to offer.

3. Changes introduced by the UCC compared to the MCC.

The main change introduced in the UCC is to the empowerments – the process the European Commission must follow in preparing Commission Regulations.

Other notable changes are:

Timetable and Transitional Arrangements. Though the UCC will begin to take effect from 1 May 2016, changes to some IT systems and associated procedures *may* be subject to transitional arrangements and hence which could be delayed until as late as the end of 2020. Negotiations to agree the “work programme” are expected to start in the Customs Code Committee soon – we expect them to conclude by the end of 2013.

Centralised Clearance (CC) is retained. To cater for national arrangements that could be impacted, the need for an authorisation to operate nationally can be waived by the national customs authority. Where authorisation is required, economic operators will need to hold AEO(c) status; holding AEO(s) status will not be sufficient.

Self Assessment. Authorisation is required and to gain an authorisation, economic operators will need to hold AEO(c) status; holding AEO(s) status will not be sufficient.

Simplifications. Currently used simplifications (eg level II and STC) have been largely secured where the MCC would have withdrawn them, typically through the UCC providing means for detailed rules to be contained in the Commission Regulations. Detailed rules (including those relating to authorisation) will be laid down in the Commission Regulations.

Guarantees.

Actual debts: It will be possible to gain a reduction from the (existing) normal rule that requires a full guarantee for established debts (typically those covered by deferment). This reduction – for which economic operators will need to hold AEO(c) status; holding AEO(s) status will not be sufficient – will be subject to authorisation. We do not know, yet, at what level the partial guarantee will be set – this will be set in the Commission Regulations.

Potential debts: As expected, a mandatory full guarantee requirement will be introduced – typically this will impact on temporary storage and special procedures. This guarantee requirement may be reduced or waived for authorised traders that meet the AEO(c) criteria.

Valuation. The UCC contains the necessary empowerment to allow the “prior sales” arrangements to continue, both European Council and European Parliament feel its continuation is important. Detailed rules will be laid down in the Commission Regulations.

Temporary Storage. It will continue to operate as a status (as now) and not become a “special procedure” as anticipated by the MCC. We understand the Commission’s aim is to have “minimum change” to current arrangements. The time limit to keep goods under temporary storage will be increased to 90 days, both for sea and air freight, but without possibility of extension. Authorisation will be required to operate a temporary storage facility.

4. Contacts

Queries on this paper should be addressed to the UCC team

e-mail international.documents@hmrc.gsi.gov.uk

Issued on the **20 June 2013** by the JCCC Secretariat HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13)39

Accession of Croatia to the EU on 1 July 2013: Impact on Transit and Export Procedures

Who should read:	Anyone involved in the export of goods to Croatia and/or the movement of goods to or from Croatia under the Community/common transit (CT) or TIR procedures.
What is it about:	Impact of Croatia's accession to the EU on the transit and export procedures.
When effective:	Immediately.
Extant until/ Expires	N/A.

1. Introduction

This information paper supplements [CIP \(13\)36](#). It provides information on the impact that Croatia's accession to the EU on 1 July 2013 will have on the transit (Community/common transit and TIR) and export procedures, including some of the transitional arrangements that will apply.

For information on the changes being made to the NCTS and ECS to facilitate the accession of Croatia, see also [CIP \(13\)33](#).

2. Community/common transit (CT)

i. CT movements to or from Croatia commencing prior to 1 July 2013 but arriving at destination after that date

All CT procedures started prior to 1 July 2013 moving to or from Croatia must be ended properly (i.e. the goods and required documents presented to the office of destination or authorised consignee within the prescribed time limit) even if the goods arrive at their destination on or after 1 July 2013.

Goods which are moving under external transit (T1) on 1 July 2013 will require proof of Community status (e.g. a T2L) in order to enter them to free circulation free of customs duties. A T2L cannot be issued prior to 1 July 2013 for exports to or imports from Croatia. However, from 1 July 2013, traders can apply to the relevant Customs authority (from where the goods were consigned) for a retrospective T2L. See Section 2.6 of the [Transit Manual Supplement](#) for information on how to obtain a T2L in the UK.

A full list of documents acceptable for proving Community status can be found in Part II, Section 4 of the [Transit Manual](#).

ii. Movements to or from Croatia by sea on or after 1 July 2013

Goods carried on authorised regular shipping services

Proof of Community status will not be required for any Community goods carried to or from Croatia on an authorised regular shipping service.

However CT (T1), using either the NCTS or a manifest declaration under the sea simplified procedure, will be required for any non-Community goods carried.

In order to operate an authorised regular shipping service or use the sea simplified procedure to or from ports in Croatia, shipping companies will need to apply to the National Simplifications Team to have their authorisations amended (see section 5 of this paper).

Goods carried on other shipping services

CT will not be required for goods carried to or from ports in Croatia. However proof of Community status will be required for any Community goods carried. Shipping companies may therefore wish to apply to the National Simplifications Team (address at section 5) to become an authorised consignor for Community status purposes.

iii. Movements to or from Croatia by air on or after 1 July 2013

CT will be required for any non-Community goods carried by air to or from airports in Croatia, if the goods are loaded or reloaded at an airport in Croatia or other EU Member State (currently this is an optional requirement, however it is a mandatory requirement from 1 July 2013). This can be either as a declaration on the NCTS or on a manifest under the air simplified procedure. Any airline that already holds an authorisation to use the air simplified procedure will need to have its authorisation amended in order to use it for movements to or from airports in Croatia (see section 5).

iv. Goods moving to, from or via Croatia on or after 1 July 2013 other than by air or sea

Internal transit (T2) will no longer be needed for movements to, from or via Croatia provided the goods are in free circulation in Croatia or the current 27 Member States on or after 1 July 2013 (the current T2 arrangements to, from or via the other common transit countries will be unaffected.) External transit (T1) will still be required for goods not in free circulation in Croatia or in the current 27 Member States.

v. Community/common transit guarantees and guarantee waivers

With effect from 1 July 2013 CT guarantees and guarantee waivers must provide cover in Croatia as well as the existing 27 Member States. This includes the requirement for the guarantor (bank or other approved financial institution) to provide an address for service in Croatia.

Guarantees/waivers that do not include Croatia will cease to be valid on 1 July 2013. Those that currently include Croatia for common transit purposes will need to be amended to reflect Croatia becoming an EU Member State. The National Simplifications Team in Harwich is currently in the process of contacting all current holders of CT comprehensive guarantees and guarantee waivers inviting them to take out a replacement guarantee or waiver. Any holders who have not yet heard from the National Simplifications Team can contact them at the address shown in section 5.

3. TIR for movements to or from Croatia

TIR can only be used in the EU for movements which:

- begin or end in a non-EU country,
- are destined for an EU Member State via a non-EU country, or
- consist of consignments for 'split delivery' to destinations in the EU and in non-EU countries.

From 1 July 2013 TIR cannot therefore be used to or from Croatia for movements taking place entirely within the customs territory of the enlarged EU.

4. Exports to Croatia

i. When an export declaration is required

An export declaration will be required where goods arrive at the UK frontier before 1 July 2013. If goods arrive at the UK frontier on or after the 1st July 2013 an export declaration will not be required.

ii. Supplementary declarations for goods exported using the Local Clearance Procedure or Simplified Declaration Procedure

If the initial declaration was made before 1st July 2013, a supplementary declaration must be provided even if the supplementary declaration is due after this date.

5. Contacts

To apply for an amendment to or a new authorisation for comprehensive guarantee/guarantee waiver, authorised regular shipping service, air or sea simplified procedure or authorised consignor status:

National Simplifications Team
Custom House
Main Road
Harwich
Essex
CO12 3PG
Phone 01255 244725
Fax 01255 244784

For further information on the content of this Customs Information Paper:

NCTS Enquiries: E-mail the [NCTS Helpdesk](#)

Other Transit queries: Bill.Hudson@hmrc.gsi.gov.uk

General Export queries:

National Export System (NES) Helpdesk
Tel: 02920 326371
Fax: 02920 326546
Email: [NES Helpdesk](#)

Export Control System (ECS) Helpdesk:

For queries relating only to ECS (for example undischarged export declarations, queries against a Movement Reference Number (MRN), processing of Export Accompanying Documents (EADs) in the UK as Office of Exit). Please email the [ECS Helpdesk](#).

Issued on the **20 June 2013** by the JCCC Secretariat HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13) 40

Import Control System - ICS

Who should read:	JCCC members, carriers, Software suppliers and all businesses involved with International Trade & imports into the EU
What is it about:	This CIP provides additional information about: ICS Software Release 5: Outstanding trader response messages not downloaded prior to the 1 July Release 5 implementation date.
When effective:	Immediately
Extant until/ Expires	Not applicable

1. Introduction

ICS Release 5 is scheduled for implementation to the live system on the 1 July 2013 (for specific details see CIP (13) 30 refers).

This CIP has been raised to inform all ICS Users of an issue within this software release and explain how this will affect trade users.

2. Trader Response Messages

When ICS Release 5 is implemented the version of the UK ICS Namespace Schemas will be changed from Schema Version 5 to Schema Version 6.

HMRC have identified that currently there are a large number of messages that are still waiting to be downloaded by trade users, these messages will be in the UK ICS Namespace Schema Version 5 format. If these ICS 'Trader Response Messages', have **not** been downloaded prior to 1 July release then, when requested after the release, the messages will be returned using the previous ICS namespace (Schema Version 5) that was enforced at the time the messages were generated.

This is in line with how we handle stored messages: they are returned back **unmodified** to the traders, however this may cause some confusion if traders are expecting all response messages requested after the release, to be using the new ICS Namespace (Version 6). In effect trade software may reject these messages as not conforming to the expected format.

All newly generated trader response messages on or after 1 July, will obviously comply with the new Release 5 Namespace changes and align with the published schemas on the HMRC web site.

In summary:

- 'Trader Response Messages' not downloaded prior to 1 July release will when requested after the release be returned using the previous ICS Namespace (Version 5) that was enforced at the time the messages were generated;
- Any new messages generated after 1 July 2013 will comply with the new Release 5 Namespace changes and align with the published schemas on the HMRC web site.

To remove the number of current stored messages with Schema Version 5 and to avoid any possibility of message rejections, the trade may like to request and acknowledge any of their response messages still waiting to be downloaded before 1 July.

3. Contacts

All ICS related queries should be sent to the ICS Helpdesk at **ics.helpdesk@hmrc.gsi.gov.uk**.

Issued on the **20 June 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13) 41

Changes to the Notification of Vehicle Arrivals (NOVA) online service

Who should read:	All UK importers, agents, freight forwarders and software houses who are involved with making motor vehicle import entries and which require licensing and registration with DVLA
What is it about:	The list of commodity codes listed in the previous customs paper on NOVA has been expanded to cover all vehicles.
When effective:	1 July 2013
Extant until/ Expires	Until further notice.

1. Background

A new online notification service, 'Notification Of Vehicle Arrivals' (NOVA) was implemented on 15 April 2013 by HMRC for vehicles either being brought into the UK from outside of the EU and released to free circulation or where purchased from another EU member state. Details of this were given in [CIP \(13\) 20 Notification of Vehicle Arrivals](#)

2. Changes to the system

The previous CIP listed the commodity codes covered by NOVA and explained that, temporarily, vehicles imported under certain commodity codes were not required to be notified to NOVA.

However, with effect from the 1 July, the list of commodity codes covered by NOVA has been increased to include specialist vehicles such as cranes, fork lift trucks, certain types of agricultural vehicles and plant, mobility scooters and classic cars. The new full list of Tariff headings is in Annex 1.

3. What tariff headings are being added?

From 1 July, the following will be added to the existing list:

- 8426;
- 8427;
- 8429;
- 8430;
- 8432;
- 8433;

- 8436;
- 8710;
- 8713;
- 9705; and
- 9706.

This list, and the full list enclosed below in Annex 1, applies to all vehicles that have yet to be registered with the DVLA by 1 July, including those which have been imported before this date.

4. Useful Links

An overview of the new NOVA online service can also be found on our [website](#).

5. Contacts

If you have a question about the NOVA system please contact by e-mail stephen.roberts@hmrc.gsi.gov.uk or angela.nagarajah@hmrc.gsi.gov.uk

If you have any queries about customs procedures you can write to the following address:

HM Revenue & Customs
Crownhill Court
Tailyour Road
Plymouth
PL6 5 BZ

Or for e-mail enquiries please use the H M Revenue & Customs (HMRC) [online enquiry form](#) .

Issued on the **20 June 2013** by the JCCC Secretary Customs, Directorate. HMRC

If you have a question about the general import or any other general HMRC query speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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**ANNEX 1 – COMMODITY CODES COVERED BY NOVA FROM 1
JULY 2013**

From 1 July 2013, vehicles imported from outside the EU should be notified in NOVA if they fall under the tariff headings listed immediately below. This relates to all vehicles that have yet to be registered with the DVLA by this date including those which have been imported before the 1 July.

- 8426;
- 8427;
- 8429;
- 8430;
- 8432;
- 8433;
- 8436;
- 8701;
- 8702;
- 8703;
- 8704;
- 8705;
- 8706;
- 8709 (except for 8709900000 (parts))
- 8710;
- 8711;
- 8713;
- 9705; and
- 9706

CUSTOMS INFORMATION PAPER (13) 42 Anti Dumping Duty on Chinese Ceramics

Who should read:	All traders with security held for the provisional anti dumping duty on Chinese Ceramics
What is it about:	Alternative procedures for dealing the large number of security deposits that now require adjustment
When effective:	Immediately
Extant until/ Expires	Once all deposits have been adjusted.

1. Introduction

Council Regulation 1072/2012 imposed provisional anti dumping duty on certain ceramic tableware and kitchenware originating in the Peoples Republic of China with effect from 16 November 2012.

Council Regulation 412/2013 has now been issued which imposes definitive anti dumping duty on the following commodity codes for certain goods from China.

6911 1000 90	6912 0010 11
6912 0010 91	6912 0030 10
6912 0050 10	6912 0090 10

HMRC holds many thousands of security deposits for these entries that now require adjustment by the National Duty Adjustment Centre at the National Clearance Hub. This is going to be a significant undertaking from both HMRC and the Trade.

2. Change in process for this Anti dumping duty measure only.

To assist with this process, we propose that traders who have more than 50 entries requiring adjustment can submit their claims in a schedule. This schedule must include the following information:

- EPU
- Entry Number
- Date
- Trader Reference (box 7)
- Supplier Name (including provisional code and definitive code)
- Duty Paid
- Duty Payable

- Person to receive the payment (Importer or Agent)

The National Clearance Hub will then contact traders directly to request selected documentation if required.

If traders who have in excess of 50 entries with deposits believe it will not be possible to provide schedules, please contact the National Clearance Hub as soon as possible to discuss alternative arrangements.

Where traders have less than 50 entries, we will require copies of entries and invoices to action the repayments. Please contact NIDAC if you have any specific problems with this requirement.

Queries should be addressed to NIDACAdjustingTeam@HMRC.gsi.gov.uk or telephone 0161 261 5527.

3. Contacts

National Import Duty Adjustment Centre
Custom House
Salford
M50 3XX

Telephone: 0161 261 5527

Email: NIDACAdjustingTeam@HMRC.gsi.gov.uk

Issued on the **28 June 2013** by the [JCCC Secretary](#) HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13) 43

Valuation of fruit & vegetables - New Customs Procedure Code for use with Standard Import Values

Who should read:	Importers and agents that declare fruit and vegetables using Standard Import Values (SIVs)
What is it about:	The introduction of a Customs Procedure Code (CPC) to declare that the value of the goods has been established using a SIV
When effective:	1 September 2013
Extant until/ Expires	Until further notice

1. Background

Commission Regulation 543/11, Title IV, contains the detail on the entry price system and the methods of valuation to be used to establish the import value certain fruit and vegetables. One of the methods for valuation is to use a standard value published by the Commission in the 'L' series of the Official Journal of the European Union. This value is referred to as the Standard Import Value or SIV. This CIP introduces a CPC that must be declared when a SIV has been used.

2. New CPC

To identify the use of SIVs and in accordance with Commission Regulation 2454/93, Annex 38 the following CPC is to be incorporated into CHIEF:

40 00 E02

Imports of fresh fruit and vegetables listed in Annex XVI, Part A to Commission Regulation 543/11, declared to home use with the customs value and duty calculated using a Standard Import Value (SIV).

Use of this CPC will be restricted to those commodities where SIVs apply and Box 43 (Valuation method) of the declaration must be left blank.

This CPC will go live on CHIEF on 1 September 2013 but is now available for testing on the CHIEF HMUT service. The paper Tariff will be updated in due course.

3. Contacts

Please email comment or queries to steve.lamprell@hmrc.gsi.gov.uk

Issued on the **4 July 2013** by the JCCC Secretariat HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13) 44

Tariff Preference: Temporary Derogation from Rules of Origin for – Peaches Pears and Pineapples in fruit juice from Swaziland

Who should read:	All involved with importing peaches, pears and pineapples in fruit juice under preference from Swaziland.
What is it about:	A temporary retrospective derogation from the normal preferential Rules of Origin for peaches, pears and pineapples in fruit juice exported from Swaziland which are released into free circulation in the EU on or after 1 January 2013 and until 31 December 2014.
When effective:	1 January 2013
Extant until/ Expires	1 January 2015

1. Introduction

The EU has recently agreed to temporary retrospective derogations from the normal preferential Rules of Origin which enable producers in Swaziland to export to the EU under preference:

- Peaches, pears and/or pineapples or mixtures of these in fruit juice tariff headings 2008 40 90, ex 2008 70 98, and ex 2008 97 98.

which have been processed from non-originating fruit shall be regarded as originating in Swaziland.

The derogations apply within the limits of first come first served Tariff Quotas to eligible products within:

- tariff headings 2008 40 90 and ex 2008 70 98 that are released for free circulation in the EU between **1 January 2013 and 31 December 2013**
or
- tariff heading ex 2008 97 98 that are released for free circulation in the EU between **1 January 2014 and 31 December 2014**

and

- Are covered by form EUR1 bearing in box 7 the following derogation endorsement:
“Derogation – implementing Decision 2013/243/EU”

2. Claims to quota and documentary requirements

To make a claim to the appropriate tariff quota, you **must** insert the tariff quota order number 09.1628, as listed in the annex to [European Commission Implementing Decision 2013/243/EU](#), (see European Commission Official Journal L141 28 May 2013) in box 39 of the import declaration (SAD), in every case where the goods are covered by a EUR1/invoice declaration bearing the derogation endorsement. Also the document code **U094**, EUR1 certificate number and document status code must be inserted in box 44 of the SAD.

If the EUR1/invoice declaration does not bear an endorsement it can be assumed the products are not covered by the derogation, and a regular non-quota claim to preference can be made subject to the satisfaction of all relevant conditions, including compliance with the normal preferential rules of origin.

HM Revenue & Customs (HMRC) will consider retrospective claims to quota on eligible products which were released to free circulation on or after 1 January 2013 and which are covered by a retrospectively issued EUR1 or invoice declaration bearing the above derogation endorsement.

3. Payment/repayment of duty.

The HM Revenue & Customs (HMRC) printed Tariff, online UK Trade tariff at www.gov.uk and CHIEF (Customs Handling of Import and Export Freight) Entry processing system will be updated in due course. In the meantime, there is a risk that you could overpay duty on products eligible for the preferential quota.

If you have already paid the full rate of Customs Duty on eligible products which were released to free circulation on or after 1 January 2013, you should send the endorsed retrospectively issued EUR1, with a retrospective claim to quota 09.1628 on Form C285 (available from the HMRC website) to:

HM Revenue & Customs
National Duty Repayment Centre
Priory Court
St John's Road
Dover
Kent
CT17 9SH

4. Further information

You can obtain further information from:

Ken Sherlock
HM Revenue & Customs
Customs Directorate, Customs Duty Liability
10 Floor South East, Alexander House
21 Victoria Avenue
Southend-on-Sea

SS99 1AA

Fax: 01702 367342

Email: ken.sherlock@hmrc.gsi.gov.uk.

Issued on the **11 July 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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Tariff Preference: changes to the list of GSP beneficiary countries.

Customs Information Paper (13) 45	
Who should read:	All those involved with importing from South Sudan, The former Netherlands Antilles, (Bonaire, Sint Eustatius and Saba, Curacao and Sint Maarten).
What is it about:	Retrospective changes made to the list of GSP beneficiary countries in particular the addition of South Sudan and the dissolution of The Netherlands Antilles.
When effective:	1 January 2013
Extant until/expires:	Until further notice

1. Introduction

The EU has agreed to provide the Republic of South Sudan which is now an independent state, GSP rates of duty under the special arrangements for 'least developed countries' as specified in [article 11 of EC regulation 732/2008](#) (see European Commission Official Journal L211/2008).

The Netherlands Antilles has been dissolved. Bonaire, Sint Eustatius and Saba, Curacao and Sint Maarten (Dutch part) are now overseas countries and territories of the Kingdom of Netherlands. Therefore they are eligible for preferential tariff rates under GSP or [article 35 of the Overseas Association Decision](#) (see European Commission official journal L314/2001).

[Annex 1 of EU regulation 496/2013](#) replaces the existing list of GSP beneficiary countries in EC regulation 732/2008. The current GSP agreement continues until 31 December 2013.

The above changes take effect from 1 January 2013.

2. Payment/repayment of duty

The HM Revenue & Customs (HMRC) printed Tariff, online UK Trade tariff at www.gov.uk and CHIEF (Customs Handling of Import and Export Freight) Entry processing system will be updated in due course. In the meantime, there is a risk that you could overpay duty on products eligible for the preferential import rates.

If you have already paid the full rate of Customs Duty on eligible products which were released to free circulation on or after 1 January 2013, you should send the endorsed

retrospectively issued GSP form A or EUR1 (whichever is appropriate), with a claim to repayment on Form C285 (available from the HMRC website) to:

HM Revenue & Customs
National Duty Repayment Centre
Priory Court
St John's Road
Dover
Kent
CT17 9SH

3. Further information

You can obtain further information from:

Ken Sherlock

HM Revenue & Customs

Customs Directorate, Customs Duty Liability

10th Floor South East, Alexander House

21 Victoria Avenue

Southend-on-Sea

SS99 1AA

Fax: 01702 367342

Email: ken.sherlock@hmrc.gsi.gov.uk

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Issued on the **22 July 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13) 46

Tariff Preference – Lifting of trade restrictions between the EU and Myanmar and restoration of Myanmar's GSP preferential status.

Who should read:	Anyone involved with exports from or imports to Myanmar (Burma)
What is it about:	Lifting of certain trade restrictions between the EU and Myanmar
When effective:	3 May 2013
Extant until/ Expires	Until further notice

1. Lifting of trading prohibitions

In 2008 the European Commission passed [Regulation EC No 194/2008](#) (Official Journal L66 10 March 2008) imposing restrictive measures on trade between the EU and Myanmar, because of its political situation and human rights violations. This included prohibiting trade of certain commodities listed in Annex 1 of the regulation.

The situation in Myanmar has since improved and to encourage the positive changes to continue, the European Commission has lifted the restrictive measures, **with the exception of the arms embargo and the embargo on equipment which might be used for internal repression** by passing [Council Regulation \(EU\) 401/2013](#). (Official Journal L121 3 May 2013). This lists the remaining restrictions and repeals Regulation EC No 194/2008. It takes effect from 3 May 2013.

2. Restoration of GSP preferential status

The European Commission has also passed [Regulation EU No 607/2013](#) (Official Journal L181 29 June 2013) repealing [Council Regulation EC No 552/97](#) (Official Journal L85 27 March 1997) which had temporarily withdrawn Myanmar's GSP preferential status.

Myanmar's GSP preferential status has been restored retrospectively with effect from 13 June 2012 and it continues to enjoy the status of a Least Developed Country.

3. Payment/Repayment of duty

The HMRC printed Tariff, online UK Trade tariff at www.gov.uk and CHIEF (Customs Handling of Import and Export Freight) Entry processing system will be updated in due course. In the meantime, there is a risk that you could

overpay duty on products eligible for preference under the revised arrangements.

If you have imported (released to free circulation) any of the qualifying products on or after **13 June 2012**, and have paid the full duty rate shown in the tariff, then you may:

make a claim for repayment by either contacting the National Duty Repayment Centre (NDRC) Tel: 01304 664519, or by downloading Form C285 (application for repayment/remission) from our website hmrc.gov.uk

This does not apply to imports of those commodities listed in annex 1 of Regulation EC No 194/2008 made before **3 May 2013**.

Entitlement to preference, both inside and outside of any Tariff Quotas, is subject to normal requirements including the need to hold a valid proof of preferential origin (GSP Form A or invoice declaration) and compliance with the appropriate preferential rules of origin.

3. Contacts

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If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

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CUSTOMS INFORMATION PAPER (13) 47

Tariff Preference – Implementation of Free Trade Agreement between EU and Colombia

Who should read:	All involved with importing from and exporting to Colombia.
What is it about:	Implementation of preferential trade agreement between the European Union and Colombia.
When effective:	1 August 2013
Extant until/ Expires	Until further notice

1. Background or Introduction

The European Union has concluded a reciprocal preferential trade agreement with Colombia. The provisions of which apply to eligible products released to free circulation in the EU or Colombia, on or after **1 August 2013** and are covered by a proof of preferential origin issued in the EU or Colombia on or after that date. Preferential trade provisions between the EU and Peru have already been implemented and were announced in Customs Information Paper (13) 17.

The trade agreement between the EU and Colombia and Peru has been published in the [Official Journal \(OJ\) L354 dated 21st December 2012](#), on the European Commission website.

Reference numbers quoted are for this agreement unless specifically stated.

2. Tariff elimination schedules.

Some import tariffs will be removed immediately whilst others will be reduced on a staged basis eventually to nil.

The following link to the [EU TARIC website](#) allows you, the trader to check the duty rates by inserting your tariff headings.

There are separate tariff elimination schedules dependent on whether goods originate in the EU or Colombia, so it is important to select the correct one.

3. Where to find the correct tariff elimination schedule.

Products originating in the EU for export to Colombia.

The tariff elimination staging categories, for products originating in the EU begin on page 105 of the agreement and the corresponding tariff elimination table of product headings begins on page 184.

Products originating in Colombia for import to the EU

The tariff elimination staging categories, for products originating in Colombia for import to the EU begin on page 115 of the agreement and the corresponding tariff elimination table of products begins on page 426.

4. How to identify the correct tariff elimination schedule

For example for heading 0301930000 Carp originating in the EU for export to Colombia, refer to the tariff elimination table (which begins on page 184 of the agreement) which shows Carp is in tariff elimination staging category A. Then refer to the corresponding tariff elimination staging categories on page 105 of the agreement and category A is described as:

“Customs duties on goods originating in the European Union (hereinafter referred to as ‘originating goods’) corresponding to the tariff lines in staging category A shall be completely eliminated and such goods shall be free from any custom duty on the date this Agreement enters into force.”

So upon implementation of the agreement and provided the rules of origin are met the duty rate will be nil for all headings in staging category A.

However heading 07031000 Onions and Shallots are in staging category B which according to the agreement:

“Customs duties on originating goods provided for in the tariff lines in staging category B shall be eliminated in four equal cuts, beginning on the date this Agreement enters into force; the remaining cuts shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.”

For this heading the duty will be reduced from a base rate of 15 percent to nil percent after four years. This means that from 1 August 2013 (year one), the base rate will be 11.25 percent, then from 1 January 2014 (year two) 7.5 percent, 2015 (year three) 3.75 percent and 2016 (year four) nil percent.

5. Annex II Concerning the definition of the concept of "Originating products" and methods of administrative cooperation the table of contents is listed on page 2075 of the agreement

Definition of the concept of "originating products"

Article 2 General Requirements (page 2078)

Article 3 Cumulation of Origin (page 2078)

Article 4 Cumulation of Origin with Other Countries (page 2079)

Article 5 Wholly Obtained Products (page 2079)

Products are wholly obtained (also referred to as wholly produced), if produced in a member country of the European Union, or preference receiving country and no other country has been involved in their production.

The smallest addition of materials or processing in another country will disqualify a product from being wholly obtained.

Article 6 Sufficiently Worked (also known as Sufficiently Transformed) or Processed Products (page 2080)

For the purposes of Article 2, a product which is not wholly obtained is considered to sufficiently worked and hence originating, when it meets its condition/s (also known as rules of origin) listed in Appendix 2 (page 2099). Appendix 1 (page 2093) has introductory notes to Appendix 2.

Article 7 Insufficient Working or Processing Operations (page 2080)
This lists working or processing which on its own does not confer origin status.

Article 8 Unit of Qualification (page 2081)

Article 9 Accessories, Spare Parts and Tools (page 2081)

Article 10 Sets (page 2081)

Article 11 Neutral Elements (page 2082)

Articles 12-14 Territorial Requirements (page 2082)

Articles 15-29 Proof of Origin (page 2083)
N.B. Low value limit for non approved exporters is €6000 (£5700)

Articles 30-34 Arrangements for administrative co-operation (page 2089)

Articles 35-36 Ceuta and Melilla (page 2091)

Articles 37-38 Final Provisions (page 2092)

6. List of appendixes

Appendix 1 Introductory Notes to the List in Appendix 2 (page 2093)

Appendix 2 List of working or processing required to be carried out on non-originating materials in order for a manufactured product to obtain originating status (rules of origin) (page 2099)

Appendix 2A Addendum to the list of working or processing required to be carried out on non-originating materials in order for a manufactured product to obtain originating status (page 2162)

Appendix 3 Specimens of movement certificate EUR.1 and application for a movement certificate EUR.1 (page 2169)

Appendix 4 Text of the invoice declaration (page 2174)

7. Payment/Repayment of duty

The HMRC printed Tariff, online UK Trade tariff at www.gov.uk and CHIEF (Customs Handling of Import and Export Freight) Entry processing system will be updated in due course. In the meantime, there is a risk you could overpay duty on products eligible for preference under the new arrangements.

If you have imported (released to free circulation) any of the qualifying products on or after 1 August 2013, and have paid the full duty rate shown in the tariff, then you may:

make a claim for repayment by either contacting the National Duty Repayment Centre (NDRC) Tel: 01304 664519, or by downloading Form C285 (application for repayment/remission) from our website hmrc.gov.uk or until CHIEF is updated, you may manually override the system and input the correct preferential rate of duty payable

Entitlement to preference, both inside and outside of any Tariff Quotas, is subject to normal requirements including the need to hold a valid proof of preferential origin (EUR1 Movement Certificate or invoice declaration) and compliance with the appropriate preferential rules of origin.

Colombia remains eligible for the special incentive arrangement for sustainable development and good governance (also known as GSP+) under [article 8 of EC regulation 732/2008](#), at least until the end of 2013.

8. Contacts

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If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13) 48

Customs Duty Repayments

Who should read:	Importers and Agents requiring repayment of Customs Duty.
What is it about:	Implementation of a new repayment database.
When effective:	Immediately
Extant until/ Expires	31/10/2013

1. Introduction

All repayments of customs duty are processed by the National Duty Repayment Centre (NDRC) in Dover. The current database used to record these repayments is to be replaced with an expected go live date of 2 September 2013.

2. Implications

The new database will help improve the repayment process for both customers and staff processing the claims. Currently specific information such as names and addresses has to be keyed onto the system every time an application is received. The new database is designed to securely store this type of information and other generic data.

As the database is a new system and not just an upgrade there will need to be significant training in its use and this in turn may affect service levels in the short term. Testing and training is due to start on 21 August 2013 and will still be in place at some level until the end of October.

During this time the team will endeavour to meet the service standard of 30 days but there will be some occasions when this may not be possible. Under section 127 of the Finance Act 1999 interest can be claimed for any delay in making a customs duty repayment. The starting point for any interest claim is the 31st working day after the making of the claim. If your repayment is not made within 30 days and you require interest to be paid then a claim must be submitted to NDRC, interest will not be paid unless a claim is received. Interest is not applicable for delays where NDRC request further information in support of the application.

NDRC are already dealing with a high volume of claims and would ask that phone calls to the office are kept to an absolute minimum during the transition/training time so as not to exacerbate the situation

3. Contacts

National Duty Repayment Centre
Priory Court
St Johns Road
Dover
Kent
CT17 9SH

General Enquiries: 01304 664 523

Email: ndrcenquiries@hmrc.gsi.gov.uk

Issued on the **7 August 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13) 49

Tariff Preference: Implementation of Reciprocal Preferential Trade Agreement between EU - Central America

Who should read:	Everyone involved with importing from or exporting to Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama)
What is it about:	The entry into force on 1 August 2013 of a reciprocal preferential trade agreement between the EU and Central America.
When effective:	1 August 2013
Extant until/ Expires	Until further notice

1. Introduction

The European Union has concluded a reciprocal preferential trade agreement with three of the six Central American countries (Honduras, Nicaragua and Panama see Official Journal ([OJ](#)) [L204 31 July 2013](#)). The provisions of the agreement apply to eligible products released to free circulation in the EU and these Central American signatory countries, on or after **1 August 2013** (the date of provisional entry into force of the trade aspects of the Agreement), and are covered by a proof of preferential origin (EUR1 Movement Certificate or invoice declaration) issued in the EU or Central America on or after that date.

However the trade provisions will not initially apply to Costa Rica, El Salvador and Guatemala which have yet to finalise formal signatures.

The agreement has been published in the European Union [Official Journal \(OJ\) L346 dated 15th December 2012](#), which is published on the European Commission website.

Reference numbers quoted are for the agreement unless specifically stated.

2. Tariff elimination schedules

Some import tariffs will be removed immediately whilst others will be reduced on a staged basis eventually to nil. Details of how to find the correct tables of tariff elimination schedules and corresponding tariff elimination staging categories are below. You should also check the additional notes on staging categories.

The following link to the [EU TARIC website](#) allows you to check the duty rates by inserting your tariff headings.

How to identify the tariff elimination schedule appropriate to your product.

Products originating in the EU for export to Central America

The tariff elimination table for products originating in the EU begins on page 118. Find your product heading and note the tariff elimination staging category. Details of the Tariff Elimination staging categories begin on page 109.

For example asparagus in Tariff Heading 0709 20 00 originating in the EU is in staging category A which states:

“3(a) duties on goods provided for in the items in staging category A in a Party's Schedule shall be eliminated entirely and such goods shall be duty-free on the date of entry into force of this Agreement;”

Hence the duty rate for all headings in staging category A will be nil from 1 August.

However, sweetcorn in Tariff Heading 0709 90 60 originating in the EU is in tariff elimination staging category B which states:

“3(b) duties on goods provided for in the items in staging category B in a Party's Schedule shall be removed in three equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective January 1 of year three;”

Hence for this heading start with the base rate of 9.4 EUR/100 kg/net, reducing to 6.27 EUR/100 kg/net from 1 August 2013 (year one), 3.13 EUR/100 kg/net from 1 January 2014 (year two) then nil from 1 January 2015 (year three).

Products originating in Central America (not including Panama) for export to EU

The tariff elimination schedule for products originating in Central America is on page 719 of the agreement, find your product heading and note the tariff elimination staging category. Details of the corresponding tariff elimination staging categories begin on page 109 of the agreement.

For example cabbage lettuce (head lettuce) in Tariff Heading 0705.11.00 originating in Central America is in tariff elimination staging category A which states:

“(a) duties on goods provided for in the items in staging category A in a Party's Schedule shall be eliminated entirely and such goods shall be duty-free on the date of entry into force of this Agreement;”

Hence the duty rate for all headings in staging category A will be nil from 1 August 2013.

However, Ostrich eggs in Tariff Heading 0407.00.20 originating in Central America are in tariff elimination staging category C which states:

“3(c) duties on goods provided for in the items in staging category C in a Party's Schedule shall be removed in five equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective January 1 of year five;”

For this heading start with the base rate CA of 10 percent reducing to 8 percent from 1 August 2013 (year one), 6 percent from 1 January 2014 (year two), 4 percent from 1 January 2015 (year three), 2 percent from January 2016 (year four) and nil from 1 January 2017 (year five). However the additional notes 2 a, and 2b below also needs to be considered because there is also a base rate for each country:

“2(a) if by applying the staging categories to the CA base rate, a tariff higher than the base rate of one of the Republics of the CA Party [Central American signatory country] is obtained, the applicable tariff for that Republic shall be its base rate;

2(b) if by applying the staging categories to the CA base rate, a tariff lower or equal to the base rate of one of the Republics of the CA Party is obtained, the applicable tariff for that Republic shall be the result of applying the staging category to the CA base rate.”

Products originating in Panama for export to EU

There is a separate tariff elimination table for products originating in Panama which begins on page 1302 of the agreement. The corresponding tariff elimination staging categories are on page 109. (The above note 2a and 2b also applies).

3. Special treatment on bananas

For HS heading 0803.00.19 (fresh Bananas, excluding plantains) there is a separate table Appendix 3 on page 117, listing the preferential customs duty rates and (starting from the 1 August 2013) the dates from which they are applied. Please note duty rates for periods prior to 1 August 2013 cannot be retrospectively applied.

4. Annex II - Concerning Definition of ‘originating products and methods of Administrative Co-operation begins on page 1803 and includes:

Cumulation of origin Article 3 (page 1805)

Wholly obtained products Article 4 (page 1806)

Sufficiently worked or processed products Article 5 (page 1807)

Insufficient working or processing Article 6 (page 1807)

Unit of qualification Article 7 (page 1808)

Accessories spare parts and tools Article 8 (page 1808)

Sets Article 9 (page 1808)

Neutral elements Article 10 (page 1808)

Proof of origin Articles 14 - 26 (page 1809)

Arrangements for administrative co-operation Article 29 (page 1813)

Ceuta and Melilla Article 34 page 1814

Appendix I – Introductory Notes to Annex II (page 1815)

Appendix 2 – List of working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain originating status (Rules of Origin) (page 1820)

Appendix 2A = Addendum to the list of working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain originating status (Rules of Origin) (page 1885)

5. Payment/Repayment of duty

The HMRC printed Tariff, online UK Trade tariff at www.gov.uk and CHIEF (Customs Handling of Import and Export Freight) Entry processing system will be updated in due course. In the meantime, there is a risk you could overpay duty on products eligible for preference under the new arrangements.

If you have imported (released to free circulation) any of the qualifying products on or after 1 August 2013, and have paid the full duty rate shown in the tariff, then you may:

make a claim for repayment by either contacting the National Duty Repayment Centre (NDRC) Tel: 01304 664523 (open Mon-Fri between 9am and 3pm), or by downloading Form C285 (application for repayment/remission) from our website hmrc.gov.uk or

until CHIEF is updated, you may manually override the system and input the correct preferential rate of duty payable

Entitlement to preference, both inside and outside of any Tariff Quotas, is subject to normal requirements including the need to hold a valid proof of preferential origin (EUR1 Movement Certificate or invoice declaration) and compliance with the appropriate preferential rules of origin.

6.GSP

Honduras and Nicaragua are currently eligible for the special incentive arrangement for sustainable development and good governance (also known as GSP+) under [article 8 of EC regulation 732/2008](#), Panama is a standard GSP beneficiary country. Each of these countries will keep their current GSP status at least until 31 December 2013 or when the current GSP arrangements expire.

7. Contacts

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Issued on the **9 August 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Customs helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13) 50

Import Control System - ICS

Who should read:	JCCC members, carriers, Software suppliers and all businesses involved with International Trade & imports into the EU
What is it about:	This CIP provides additional information about: ICS Software Release: EU-3 rd Country AEO Mutual Recognition and system downtime.
When effective:	Immediately
Extant until/ Expires	Not applicable

1. Introduction

CIP (13) 05 and (13) 19 provided information about the EU AEO Mutual Recognition Agreement (MRA) including interim procedures in advance of intended IT changes.

This CIP has been raised to inform all ICS Users of a forthcoming software release and explain how this will affect trade users.

2. ICS Downtime

It will be necessary for HMRC to take the ICS System down in order to apply MRA release changes. This will affect both those who access ICS via the Government Gateway and those who use a Community System Provider (CSP).

This downtime is currently scheduled for Saturday 31 August, with the intention of performing the release between 12.00 and 16.30. Those responsible for submitting ICS declarations should ensure they have an acceptable Business Continuity Plan in place.

Further information on the ICS MRA release will be provided via the [HM Revenue & Customs](#) website.

Carriers who lodge their ICS declarations using the Trader Front End (TFE) will not be able to send or receive messages during this time.

All relevant safety and security data should be retained by carriers, but there is no UK Customs requirement to send any ICS data retrospectively for goods

which have departed foreign and already arrived in the UK during the period of downtime. Where goods have departed and are due to arrive in the UK after the system has been restored, an ICS message will be required.

For those carriers and/or their agents who require an MRN to meet their commercial requirements in another Member State, then these ICS declarations should be made retrospectively upon system restore.

3. ICS MRA IT Change

The ICS interim procedure explained within CIP (13) 19 will no longer be applicable. The August ICS MRA release will enable the ICS 'consignor' field to accept third Country 'EORI-like' numbers, thus recognising these details as an authorised business and as an identifier on import Entry Summary declarations (ENS) into the EU.

These changes will allow ICS to accept any future MRA information, related to the EORI-like number as and when it is made available by the EU Commission.

4. Contacts

If you require further information on AEO please contact:

AEO Team
10th Floor West
Alexander House
21 Victoria Avenue
Southend-on-Sea
Essex. SS99 1AA

All ICS related queries should be sent to the ICS Helpdesk at **ics.helpdesk@hmrc.gsi.gov.uk**.

Issued on the **13 August 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13) 51

Tariff Preference: Derogation from Rules of Origin-for certain products imported from Colombia eligible for a quota

Who should read:	Anyone involved with importing from Colombia
What is it about:	A derogation from the normal rules of origin, for certain products listed in EC regulation 740/2013 imported from Colombia eligible for a quota.
When effective:	1 August 2013
Extant until/ Expires	Until notified

1. Introduction

The European Commission has recently agreed, to a derogation from the normal preferential rules of origin, that enables producers in Colombia to export to the European Union, under the provisions of the preferential trade agreement between the European Union and Colombia, (see Customs Information Paper CIP (13) 47, available on the HMRC.gov.uk website).

A similar derogation for Peru has already been implemented (see Customs Information Paper CIP (13) 37).

2. The eligible products and where to find the derogated rules of origin

Details of the products to which this derogation applies and their quotas are published in the annex to [European Commission regulation 740/2013 published in Official Journal L204 dated 31 July 2013](#) available on the European Commission website.

The derogated rules of origin are in Appendix 2A to Annex II (page 2162) of the EU-Colombia and Peru trade agreement which is available on the European Commission website (see Official Journal [OJ L354 dated 21 December 2012](#)).

3. Derogation conditions

The derogations apply, within the limits of first come first served tariff quotas, to eligible products which are transported directly from Colombia; released to free circulation in the European Union on or after **1 August 2013** and covered by an EUR1 (endorsed in box 7) or invoice declaration with the following derogation endorsement:

Derogation- Regulation (EC) No. 740/2013 'Product originating in accordance with Appendix 2A of Annex II'

4. Claims to quota and documentary requirements.

To make a claim to the appropriate tariff quota, you **must** insert the tariff quota order number (as listed in the annex to EC regulation 740/2013) in box 39 of the import declaration (SAD), in every case where the goods are covered by a EUR1/invoice declaration bearing the derogation endorsement. Also the following document code must be inserted in box 44 of the SAD:

U068 - this indicates "Product originating in accordance with Appendix 2A of Annex II" (of the EU-Colombia and Peru trade agreement).

If the EUR1/invoice declaration does not bear an endorsement it can be assumed the products are not covered by the derogation, and a regular non-quota claim to preference can be made subject to the satisfaction of all relevant conditions, including compliance with the normal preferential rules of origin.

HM Revenue & Customs (HMRC) will consider retrospective claims to quota on eligible products which were released to free circulation on or after 1 August 2013 and which are covered by a retrospectively issued EUR1 or invoice declaration bearing the above derogation endorsement.

5. Payment/repayment of duty.

The HM Revenue & Customs (HMRC) printed Tariff, online UK Trade tariff at www.gov.uk and CHIEF (Customs Handling of Import and Export Freight) Entry processing system will be updated in due course. In the meantime, there is a risk that you could overpay duty on products eligible for the preferential quota.

If you have already paid the full rate of Customs Duty on eligible products which were released to free circulation on or after 1 August 2013, you should send the endorsed retrospectively issued EUR1 or invoice declaration, with a claim to quota on Form C285 (available from the HMRC website) to:

HM Revenue & Customs
National Duty Repayment Centre
Priory Court
St John's Road
Dover
Kent
CT17 9SH

6. Further information

You can obtain further information from:

Ken Sherlock
HM Revenue & Customs
Customs Directorate, Customs Duty Liability
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If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Customs helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13) 52

The EU Commission's position on use of home printed baggage tags by airlines

Who should read:	All Airport/Airline Operators and Airline trade associations
What is it about:	This paper outlines the EU Commission's position concerning airlines proposals to test/introduce the use of home printed baggage tags
When effective:	Immediately
Extant until/ Expires	Until further notice

1. Background

It has recently come to the Commission's attention that some airlines have introduced, and may further widen usage of home-printed baggage tags instead of the baggage tags provided for in Article 196 of the Customs Code Implementing provisions (IPCC). In response the Commission has issued a note to all Member States outlining their position regarding such arrangements.

The purpose of this CIP is to alert you to the Commission's view on this issue.

2. The Commission's view on the use of home printed baggage labels

The Commission is aware that the legal provisions related to baggage registration at EU airports have remained unchanged since 1993 and they are currently working on potential improvement of these legal provisions. They understand that technical developments might open possibilities to enhance the current legal framework, and that there might be an economic interest to consider changing current practices. In accordance with this principle the Commission is maintaining close cooperation with IATA with a view to further analysis and exploration of the benefits and the risks, which the concept of home printed baggage tags might entail.

Although nothing in EU customs legislation prevent operators from carrying out test programmes, which would feature a use in parallel with current and to-be-tested tags, it is considered by the Commission that such programmes needs to be co-ordinated. Therefore where testing occurs, and given the transnational nature of air baggage travel, a change only to the necessary parts application of Article 4c of the IPCC would be advisable. This would require the full involvement of, and authorisation by, all national customs authorities that might be responsible for the transport of baggage under the

test conditions. It should also entail keeping the European Commission informed of its actual implementation and results as required by the last paragraph of Article 4c.

The Commission discourages any proposals by airlines or airports to introduce non-coordinated initiatives which are not in line with current EU customs legislation. By allowing passengers to travel without the baggage tags defined in law (models are provided in Annex 30 of IPCC) there is a risk that the passengers' baggage could be considered as non-EU baggage as it would be more difficult for customs officials to distinguish between intra-EU and non-EU arrivals. This may lead to delays for passengers.

3. Contacts

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If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13) 53

Anti-dumping duty on Bicycle parts - the de minimis limit

Who should read:	Those importing bicycle parts originating in China
What is it about:	Changes to the calculation of ADD on bicycle parts when the de minimis limit is exceeded
When effective:	1 September 2013
Extant until/ Expires	On incorporation into Notice 770

1. Background

Anti-dumping duty (ADD) is an import duty designed to allow the EU to take action against goods that are sold at less than their normal value. It is applied to a number of imports one of which is essential bicycle parts originating in China. Relief is given to those with exemptions (granted by the Commission) or to those authorised under end-use if the amount declared to free circulation is below the monthly de minimis limit. ([Commission Regulation 88/97](#)).

2. Changes to operation of the de minimis limits

2.1 Current rules

End-use authorised traders importing bicycle parts below the de minimis rule may release 299 of each essential part per calendar month to free circulation without paying ADD.

Previously if more than 299 were released a customs debt was incurred on the whole amount. For example releasing 305 would mean ADD was payable on all 305 parts not just the six extra.

2.2 New Procedures

Following discussions at the Customs Code Committee in Brussels the Member States have agreed to change the operation of the de minimis rules to ensure uniformity across the EU. Now a trader releasing more than 299 of each essential bicycle part will only be liable for ADD on the excess. In the example above this would mean ADD becomes due on 6 parts in that month. ($305-299=6$).

However in conjunction with this the committee has also determined that if a company repeatedly exceeds the de minimis limit their authorisation will be revoked and duty will subsequently apply to all essential bike part imports. For the purposes of this CIP repeatedly is defined as more than 3 times in a calendar year.

2.3 Definition of "parts"

Recently Customs Directorate was asked whether the de minimis rules allowed 299 bicycle wheels or 598 bicycle wheels (that is 299 pairs). For most of the essential parts in this regulation only 299 are allowed under the de minimis rules. However where two of the essential parts imported are required to manufacture a bicycle (for example wheels or brakes) traders may import up to 598 of these parts in order to manufacture the 299 bicycles. Basically a pair in these circumstances these are considered "one part" for the purposes of setting the de minimis limits. An authorised trader could import 299 front wheels and 299 back wheels per month and remain within their limit.

Other parts are limited to 299 per month.

2.4 Effective date

The new procedures on the customs debt will take effect in the UK from the 1 September 2013.

3. Contacts & further information

Essential bicycle parts are defined in Article 1 of [Council Regulation 71/97](#)

For more information on the application of ADD please refer to [Notice 376 Anti-dumping and countervailing duties](#) and to the [ADD web pages](#) for a list of items attracting ADD.

The assurance rules for bicycle parts are in [Notice 770 imported Goods: End-use relief](#) which will be updated by the end of November 2013.

Queries on end-use can be submitted via e-mail using the [HMRC online enquiry form](#).

Issued on the **27 August 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

To find out what you can expect from us and what we expect from you go to www.hmrc.gov.uk/charter and have a look at [Your Charter](#)

Tariff Preference - Publication of European Commission notice to importers concerning tuna declared as originating in Thailand.

Customs Information Paper (13) 54	
Who should read:	Anyone involved with importing tuna from Thailand.
What is it about:	Publication of European Commission notice to importers about tuna declared as originating in Thailand that may not be eligible for preferential treatment and the possible consequences.
When effective:	1 August 2013
Extant until/expires:	Until further notice

1. Introduction

The European Commission has published a notice to importers ([2013/C 220/05 Imports of tuna products from Thailand into the European Union](#)) on the European Commission website. It informs European operators that following investigations, there are reasonable doubts concerning the proper application of the preferential tariff treatment and the applicability of proofs of origin presented in the European Union, for canned tuna and frozen tuna loins of HS subheading 160414, declared as originating in Thailand that in fact are not eligible for preferential treatment.

2. Recommended action to check entitlement to preferential treatment

If you make a claim to preferential treatment for these products, you are strongly advised to take all necessary precautions to ensure they are entitled to it. Section 2 of public notice 826 Tariff Preference Imports (available on the hmrc.gov.uk website) explains how to do this.

3. Use of good faith defence

From **1 August 2013** (the date of publication of the European Commission notice), if you declare these products as originating in Thailand and they are found not to be entitled to preference, you **will not** be able to use the defence of good faith as specified in the [fifth subparagraph of article 220 \(b\) of Council Regulation \(EC\) 2913/1992](#) and will be liable to pay the full rate of import duty.

4. Contacts

Ken Sherlock

HMRC

Customs Directorate, Customs Duty Liability
10th Floor South West,
Alexander House
21 Victoria Avenue
Southend On Sea
Essex
SS99 1AA

Fax 01702 367342

ken.sherlock@hmrc.gsi.gov.uk

Issued on the **29 August 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

To find out what you can expect from HM Revenue & Customs (HMRC) and what they expect from you have a look at [Your Charter](#)

Simplified C285 form for use by private individuals

Customs Information Paper (13) 55	
Who should read:	Private Individuals importing goods for their own use.
What is it about:	Simplified version of C285 repayment and remission claim form for use by private individuals.
When effective:	With immediate effect
Extant until/expires:	N/A

1. Background

Council Regulation 2913/92 (also known as the Customs Code), enables Customs authorities to repay or remit Customs duties where it is subsequently established that the duties are not legally due or the existence of a special situation under the Customs Code is established, which enables the repayment or remission of such duties.

We require applications for repayment or remission of Customs duties to be made on form C285 which can be found on the HMRC website.

2. New simplified C285 form for use by private individuals claiming repayment or remission of customs duties.

Customer feedback has suggested that some of the information requested on the existing C285 form is confusing and more relevant to business importers rather than private individual importers. In response to this feedback, we have introduced a simplified version of the C285 specifically for use by private individuals importing goods for their own use. This form is called C285 (PI) and includes explanations of what is required in each field.

The [C285\(PI\) application for repayment/remission](#) can be found alongside the original C285 on the HMRC website.

Please note that all business importers and agents must continue using the original C285 when making a claim for repayment or remission of customs duties.

3. Contacts

National Duty Repayment Centre
Priory Court
St Johns Road
Dover
Kent
CT17 9SH

Email: ndrcenquiries@hmrc.gsi.gov.uk

Issued on the **9 September 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

[Your Charter](#) explains what you can expect from us and what we expect from you. For more information go to **hmrc.gov.uk/charter**

Customs Duty Repayments - new database

Customs Information Paper (13) 56	
Who should read:	Importers and Agents requiring repayment of Customs Duty.
What is it about:	Implementation of a new repayment database. Follow up to CIP (13) 48
When effective:	Immediately
Extant until/expires:	31/12/2013

1. Background

CIP (13) 48 was issued to inform customers that there may be possible delays in repayment applications for customs duty due to the implementation of a new database. The expected go live date was the 2 September and implementation and training would impact on service until the end of October.

2. Current Position

We regret to inform customers that the implementation date has had to be delayed and revised go live date is now the end of September. Therefore the impact on service may extend until the end of November.

During this time the team will endeavour to meet the service standard of 30 days but there will be some occasions when this may not be possible. Under section 127 of the Finance Act 1999 interest can be claimed for any delay in making a customs duty repayment. The starting point for any interest claim is the 31st working day after the making of the claim. If your repayment is not made within 30 days and you require interest to be paid then a claim must be submitted to NDRC, interest will not be paid unless a claim is received. Interest is not applicable for delays where NDRC request further information in support of the application.

NDRC are already dealing with a high volume of claims and would ask that phone calls to the office are kept to an absolute minimum during the transition/training time so as not to exacerbate the situation

3. Contacts

National Duty Repayment Centre
Priory Court
St Johns Road
Dover
Kent
CT17 9SH

General Enquiries: 01304 664 523

Email: ndrcenquiries@hmrc.gsi.gov.uk

Issued on the **10 September 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13) 57

New Returned Goods Relief CPC 00 00 061

Who should read:	All those interested in using RGR to re-import empty EU pallets, containers and re-usable packings at inventory linked locations.
What is it about:	A new CPC 00 00 061 to be used with form C21 at locations with an inventory linked system
When effective:	1 st September 2013
Extant until/ Expires	No end date

1. Background

Where the re-import of empty EU pallets, containers and packings (deemed as reusable) at inventory linked locations takes place, it has become apparent that it would be helpful for a specific CPC to be created for the re-import of these goods for clearance at ports/airports with inventory linked systems.

2. Use of the new CPC 00 00 061

CPC 00 00 061 must be used at inventory linked locations with a form C21 to clear eligible goods from the inventory.

Eligible goods are empty pallets, containers and packings which are clearly intended to be for re-use. For example shrink wrap would not be considered re-usable.

Empty pallets, containers or packings re-imported at a Non-inventory linked site

When empty pallets, containers or packings are to be imported at a non-inventory linked port or airport and/or a C88 is used to declare the goods CPC 61 23 F01 is available for use. Please see Volume 3 Appendix E2 of the UK Tariff for the full details of the CPC 61 23 F01.

Filled or loaded Pallets, containers or packings:

Where pallets, containers or re-usable packings are being re-imported filled or loaded, a C88 declaration in respect of the goods contained in or on the pallets, containers or packings must be submitted. Statement identifier PAL05 must be entered in Box 44 of the declaration to show that the EU pallets, containers or packings are RGR goods being re-imported. (Information on PAL statement identifier codes are contained in Volume 3 Appendix C9 in the UK Tariff)

Full information on the use of RGR is contained in Notice 236 Customs: importing returned goods free of duty and tax available at www.hmrc.gov.uk

3. Contacts

For further information please contact:

NIRU@hmrc.gsi.gov.uk

Telephone: 03000 572100

Fax number : 03000 518701

Issued on the **17 September 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

Your Charter explains what you can expect from us and what we expect from you. For more information go to **hmrc.gov.uk/charter**

New Returned Goods Relief CPC 00 00 061

Customs Information Paper (13) 57	
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What is it about:	A new CPC 00 00 061 to be used with form C21 at locations with an inventory linked system
When effective:	1 September 2013
Extant until/expires:	No end date

1. Background

Where the re-import of empty EU pallets, containers and packings (deemed as reusable) at inventory linked locations takes place, it has become apparent that it would be helpful for a specific CPC to be created for the re-import of these goods for clearance at ports/airports with inventory linked systems.

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Filled or loaded Pallets, containers or packings:

Where pallets, containers or re-usable packings are being re-imported filled or loaded, a C88 declaration in respect of the goods contained in or on the pallets, containers or packings must be submitted. Statement identifier PAL05 must be entered in Box 44 of the declaration to show that the EU pallets, containers or packings are RGR goods being re-imported. (Information on PAL statement identifier codes are contained in Volume 3 Appendix C9 in the UK Tariff)

Full information on the use of RGR is contained in [Notice 236 Customs: importing returned goods free of duty and tax](#) available at www.hmrc.gov.uk

3. Contacts

For further information please contact:

NIRU@hmrc.gsi.gov.uk

Telephone: 03000 572100

Fax number : 03000 518701

Issued on the **17 September 2013** by the JCCC Secretariat HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

[Your Charter](#) explains what you can expect from us and what we expect from you. For more information go to **hmrc.gov.uk/charter**

CUSTOMS INFORMATION PAPER (13) 58

Route 3 Entry Processing

Who should read:	All traders involved in the import and export of freight
What is it about:	Entries selected for post clearance checks by the National Clearance Hub
When effective:	Immediately
Extant until/ Expires	Until further notice

1. Introduction

It has been noted by the National Clearance Hub that some traders are not submitting route 3 entries within the specified time limits.

This Customs Information Paper is to remind traders of the requirements when entries are selected for route 3 post clearance action.

2. Route three entry paperwork requirements

2.1 General Route 3 Entries

Traders are reminded that unless the entry has been previously pre-lodged or under any other specific advised circumstances (e.g. CFSP), all **original** Route 3 entry documents must arrive at the NCH for post clearance action within three working days from the date and time of clearance.

2.2 Banana Weighing Certificates

The exception to this is where traders clear banana consignments based on provisional weights with the official weighing taking place inland. The route 3 entries with weighing certificates must be submitted to the National Clearance Hub within 30 days from the date of acceptance.

A freepost service has been made available for use by the trade to assist in meeting this requirement.

FREEPOST RRBK – CGRL – RCUA
HMRC – National Clearance Hub
Route 3 Entries
Custom House
Furness Quay

Salford, M50 3XX

Wherever possible A4 size envelopes are to be used and Route 3 entries should be despatched to the NCH on a daily basis. An audit of entries received will be carried out.

The route 3 clearance process is a trader facilitation provision to reduce clearance times at the port. Traders who regularly fail to submit their entries on a post clearance basis within the agreed time may have this facility withdrawn, and be required to present the documents prior to clearance.

Failure to comply with these requirements may also result in Civil Penalty action.

3. Contacts

The National Clearance Hub – Route 3 Team

Telephone: 0161 261 5178

Email: nchrout3/cars@hmrc.gsi.gov.uk

Issued on the **17 September 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

Your Charter explains what you can expect from us and what we expect from you. For more information go to **hmrc.gov.uk/charter**

CUSTOMS INFORMATION PAPER (13) 59

Clarification on the import of goods using individual bank guarantees (MOP S) as security

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Who should read:	Importers/Agents importing goods under the Temporary Admission regime, or any other regime using MOP S (Individual Bank Guarantee)
What is it about:	Standardisation of import entries using MOP S
When effective:	Immediate
Extant until/ Expires	Until further notice

1. Introduction

The purpose of this Customs Information Paper is to clarify the rules on import entries declaring Method of Payment S (Individual Bank Guarantee), as a means of securing potential customs charges.

2. Future requirements regarding CHIEF declarations

All import entries declaring Method of Payment S must be accompanied with a copy of a completed C&E250. If use of MOP S is attempted without a copy of a C&E250, then your goods could be denied clearance until a valid security deposit is in place.

Previously HMRC has accepted letters from Financial Institutions setting out the terms of individual guarantees, HMRC will no longer accept these letters as a form of security and will insist on the C&E 250. The C&E 250 form has now been updated.

3. Post Clearance Control of individual bank guarantees

Once you have received clearance, the original document should be forwarded to NTAS/Guarantee Seat, Salford within 5 working days, quoting the import entry number that it relates to. (Please keep a copy for your records)

Guarantee Seat/NTAS
HMRC
Custom House
Furness Quay
Salford Quays
Salford
M50 3XN

4. Contacts

For further information, please contact the NCH Compliance & Technical Team, 5th Floor, Custom House, Furness Quay, Salford, M50 3XX.

Tel: 0161 261 5419

Email: nchtechnical@hmrc.gsi.gov.uk

Your query will be forwarded to the appropriate HMRC department.

Issued on the **17 September 2013** by the JCCC Secretary HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

Your Charter explains what you can expect from us and what we expect from you. For more information go to hmrc.gov.uk/charter

CUSTOMS INFORMATION PAPER (13) 60

Low Value Bulking of Imports (LVBI)

Who should read:	LVBI approved operators and their agents or representatives. Those who seek LVBI approval for the first time.
What is it about:	a) Confirmation that LVBI goods entered under certain customs procedure codes (CPCs) must be declared at item level requiring a 10 digit commodity code. b) notice of revised Terms and Conditions
When effective:	1 October 2013
Extant until/ Expires	Until further notice

1. Background

Recommendation three of the LVBI review, set out in Annex A to [CIP \(13\) 31](#) stated that goods with an intrinsic value per consignee of between £15 and £135 (i.e. subject to CPC's 40 00 005, 49 00 005 and 49 00 011) should be declared at goods item level on CHIEF. This requirement will take effect from the date of implementation of the new terms and conditions. Further to this, the letter which accompanied the new terms and conditions, which was sent to all existing and new LVBI applicants, set out the ongoing technical considerations relating to the length of the commodity code and advised of the data that will be required for declarations at item level.

2. Review Decision

It has been agreed that from **1 October 2013**, goods declared to CPC's 40 00 005, 49 00 005 and 49 00 011 must be declared at item level on CHIEF.

This will require completion of a 10 digit commodity code in box 33. The existing declaration completion rules for these CPC's as set out in the Tariff should be applied, but for assistance are summarised below.

It is necessary to complete boxes 1, 2, 5, 6, 8, 14, 15a, 22, 30, 33, 36, 37, 38, 40, 41, 42, 44, 45 and 47. All should be completed in the normal way except:

Boxes 2 (consignor) and 8 (consignee): leave blank at header level but give details for each item at item level. If there is only a single item, enter this data at header level;

Box 22 (currency and invoice amount): enter details as required. Completion of box 42 makes this mandatory;

Box 31 (description of the goods): enter details for each item;

Box 33 (commodity code): enter details for each item to ten digit level;

Box 41 (supplementary units): only if required by the declared commodity code;

box 42: enter details for each item;

Box 44: enter AI statement BULKD and the LVBI approval number in box 44 at item level. AI statement 00200 signifies that there are several consignees and consignors, and can be declared in box 44 at header level.

Box 45: must be completed as both boxes 22 and 42 are required.

3. LVBI Terms and Conditions

The revised LVBI terms and conditions are attached in **Annex A**.

4. Contacts

Enquiries on LVBI should be made to the VAT, Excise & Customs Helpline on 0300 200 3700.

Queries can also be made using the [online enquiry form](#) at www.hmrc.gov.uk or sent in writing to

CITEX Written Enquiry Team
HM Revenue & Customs
Crownhill Court
Tailyour Road
Plymouth
PL6 5BZ

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

Issued on the **24 September 2013** by the JCCC Secretary HMRC, Customs Directorate.

[Your Charter](#) explains what you can expect from us and what we expect from you. For more information go to hmrc.gov.uk/charter

CIP (13) 60 Annex A

LOW VALUE BULKING IMPORTS (LVBI) – TERMS & CONDITIONS

1. Who may use the LVBI procedure?

The LVBI procedure may only be used by persons **who have been approved** for the purpose by HM Revenue & Customs (HMRC). To be eligible for approval, an applicant or his agent/customs broker must:

- a) be connected to a phase 1.5 or 2 inventory system at the place where they clear their goods to free circulation. The system must be capable of showing goods data at individual item level. The only exception to this requirement is for those operators who operate an Anti-Smuggling Net (ASN) approved by HMRC, provided it is able to show goods information at individual item level
- (b) have a good record of compliance with all HMRC requirements;
- (c) meet the financial solvency conditions set down by HMRC (Article 14j of Regulation 2454/93);
- (d) demonstrate that their premises and storage facilities are suitable for HMRC and Border Force (BF) purposes, safe to work in and comply with all applicable Health and Safety requirements.

2. When can the LVBI procedure be used?

The LVBI procedure may be used only where:

- a) none of the goods concerned are liable to excise duty;
- b) none of the goods are subject to any licensing requirement, other prohibition or restriction or infringe an Intellectual Property Right (IPR) on import;
- c) none of the goods are commercial samples or demonstration items which should use CPC 40 00 C30 instead;
- d) *per consignee*, the total 'intrinsic value' for Customs duty purposes (i.e. excluding freight and insurance) is no more than 150 euros (£135 at this time) for CPC's 40 00 005
- e) *per consignee*, the total 'intrinsic value' for import VAT purposes (i.e. excluding freight and insurance) is no more than the 'low value consignment relief' (£15 at this time) for CPC's 40 00 003, 49 00 003.

- f) each consignment has been despatched direct from a third country (or special territory) and is addressed to a consignee in the EU (not in another third country);
- g) none of the goods are imported into the United Kingdom in the post under the rules of the Universal Postal Union;
- h) all the goods concerned have arrived in the UK on the same aircraft or vessel;
- i) all the goods concerned are physically identifiable and separate from other, non-bulked, items;
- j) all the goods concerned are identified on a manifest;
- k) in the case of goods subject to a commercial transaction, there is a supporting invoice for each of the goods concerned, available on request;
- l) none of the goods are to be warehoused in the UK subject to a further retail sale.

LVBI may not be used in conjunction with a simplified procedure, such as the Customs Freight Simplified Procedure (CFSP). Any application for retrospective use of LVBI will not be allowed.

HMRC has the right to vary the terms and conditions of the LVBI scheme (and thus, by default, your specific approval). This may occur at short or no notice. However, where possible, we will publicise any changes in advance.

3. How to complete an import declaration under LVBI:

- a) The appropriate Customs Procedure Code (CPC) must be entered in box 37, as shown below (see also Appendix E2 of Volume 3 of the UK Tariff).

Goods imported from outside the EU

With a total intrinsic value per consignee of £15 or less: **40 00 003**

With a total intrinsic value per consignee of more than £15: **40 00 005**

Goods imported from any of the EU Special Territories (except the Channel Islands)

With a total intrinsic value per consignee of £15 or less: **49 00 003**

With a total intrinsic value per consignee or more than £15: **49 00 005**

Fresh produce imported from the Channel Islands: **49 00 012**

Other goods imported from the Channel Islands: 49 00 011

It is a misdeclaration to use these CPC codes incorrectly, or without LVBI approval. In particular, you must not allow other legal persons to enter goods using your LVBI authorisation.

For CPCs 40 00 003, 49 00 003 and 49 00 012

It is necessary to complete boxes 1, 2, 5, 6, 14, 15a, 30, 36, 37, 40, 42 and 44. All should be completed in the normal way except:

Box 2 (consignor): if the consignors are various, enter 00200 in each line of the name and address fields (otherwise complete in the usual way);

Box 8 (consignee): enter 00200;

Box 14 (Declarant/Representative) : enter name of agent/broker where relevant.

Box 31 (description of the goods): enter 'various' at item level;

Box 44 (bulk declaration): enter AI statement BULKD and the LVBI approval number at item level. AI statement 00200 signifies that there are several consignees and consignors, and can be made in box 44 at header level. However, we will not require this where it is given in box 2 instead.

For CPCs 40 00 005, 49 00 005 and 49 00 011

It is necessary to complete boxes 1, 2, 5, 6, 8, 14, 15a, 22, 30, 33, 36, 37, 38, 40, 41, 42, 44, 45 and 47. All should be completed in the normal way except:

Boxes 2 (consignor) and 8 (consignee): leave blank at header level but give details for each item at item level. If there is only a single item, enter this data at header level;

Box 22 (currency and invoice amount): enter details as required. Completion of box 42 makes this mandatory;

Box 31 (description of the goods): enter details for each item;

Box 33 (commodity code): enter details for each item;

Box 41 (supplementary units): only if required by the declared commodity code;

box 42 enter details for each item;

Box 44 enter AI statement BULKD and the LVBI approval number in box 44 at item level. AI statement 00200 signifies that there are several consignees and consignors, and can be declared in box 44 at header level.

Box 45 must be completed as both boxes 22 and 42 are required.

4. Your records and accounts

You are required to keep your customs records and accounts in accordance with the requirements of Article 14 (i) of the CCC IPs.

Your records shall at all times show the consignments that have been declared into the LVBI procedure. These records must include the following information

- i) you must retain particulars of the declaration by means of which the goods were assigned to LVBI
- ii) you must record information enabling the goods to be monitored, including their location and particulars of any transfers, and the commercial or technical description necessary to identify the goods
- iii) where goods arrive in containers you must note the type of seal, make, seal numbers and whether or not the seal is intact
- iv) you must identify any lost or damaged goods.

Original records relating to all goods imported under the approval must be kept for 4 years after the removal for customs purposes even if the approval is revoked during that time. Records to be retained must include customs declarations, manifests and references to inventory entries and may include inland delivery documents or records of collection by importers. The Customs Traders (Accounts and Records) Regulations 1995, SI 1995/1203 and the Finance Act 1994, Sections 20 and 21 refer. Where the gathering of a signature from a recipient is part of your normal business process around delivery this should be kept as part of your records.

Where you use valuation method 1 we may ask you to provide evidence of the actual price paid for the goods.

Access to the storage facilities, any locked compartments and all relevant records shall be afforded to HMRC Officers at reasonable times.

In those instances where goods are collected by the importer from your premises, you must obtain valid evidence that the person collecting the goods is the named importer detailed on the manifest and that the importer's address on the manifest is correct.

Differences and discrepancies between data relating to goods or parties held in manifests, inventory systems and customs declarations should be handled in accordance with guidance in place covering these systems.

5. General conditions of approval

a) The approval letter must be kept in a safe place and, if so requested, produced to a customs officer.

b) the approval will be valid for three years from the date of your acceptance letter, after which it will be your responsibility to re-apply if you wish to continue to use the LVBI procedure. No reminder of the expiry of your approval will be sent.

c) The National Rejected Imports Team (whose details are on the covering letter to this document) should be notified in the event of any changes which might affect this approval or the ability to continue to meet these terms and conditions.

6. Your Compliance obligations and the penalties for non-compliance

The continuation of this authorisation is subject to your compliance with these authorisation obligations and is subject to the general powers held and exercised by HMRC.

If you fail to comply with the conditions and obligations set out in this document you may be subject to penalty action. The action that HMRC may take against you includes the following steps. These are graded in order of seriousness. However, depending upon the nature of the transgression, we retain the right to move directly to a more serious penalty if we feel the circumstances merit it. For example, we may remove your LVBI approval immediately, without warning you first, if we feel that your ability to continue using it is prejudicial to public safety, or the revenue is at risk is significant. Our range of penalties includes;

- an initial warning letter
- a subsequent warning letter
- temporary suspension from the scheme for a specified period
- revocation of your approval for at least 3 years
- complete and permanent revocation
- a civil penalty (could be issued between or simultaneously with any of the above stages)
- a civil evasion penalty
- criminal action

7. Special rules for the Channel Islands

The scheme rules covering the Channel Islands are slightly different because there is no relief from VAT (Low Value Consignment Relief) for goods of any value sent by mail order. There remains no customs duty payable. Imports of

fresh produce from the Channel Islands may continue to benefit from the bulking arrangements that would not otherwise be available due to the VAT liability. Therefore, we have introduced a new CPC (49 00 012) to enable these goods to be declared separately under special rules. Rules for use of this CPC are shown in the Tariff.

Tariff classification of set-top boxes

Customs Information Paper (13) 61	
Who should read:	All involved in the tariff classification of set-top boxes.
What is it about:	A Judgment by the Court of Justice of the European Union (CJEU) concerning the classification of certain types of set-top boxes.
When effective:	Earliest possible date.
Extant until/expires:	Until further notice.

1. Introduction

This Customs Information paper replaces CIP (13) 12.

The CJEU has published a Judgment in respect of certain types of set-top boxes, which clarifies the scope of subheading 8528 71 13, 0 per cent Customs Duty, the subheading ceased to be valid on 30 June 2011. The Judgment has no effect on the classification of set-top boxes imported from 1 July 2011.

2. Background

Subheading 8528 71 13 covered:

“Apparatus with a microprocessor-based device incorporating a modem for gaining access to the Internet, and having a function of interactive information exchange, capable of receiving television signals (‘set-top boxes with communication function’)”

The CJEU were asked for a preliminary ruling relating to the structure of subheading 8528 71 in four joined cases:

Digitalnet OOD (C-320/11 and C-383/11)

Tsifrova Kompanioa OOD (C-330/11)

M Sat Cable AD (C-382/11)

A number of questions were asked, primarily, what do the terms 'modem' and 'access to the internet' mean?

In summary, the Court ruled:

“for the purposes of classification of goods under subheading 8528 71 13, a modem for gaining access to the internet is a device which, alone and without the intervention of any other apparatus or mechanism, is capable of accessing the internet and of ensuring interactivity and an exchange of information in both directions. It is solely the capacity to gain access to the internet, and not the technique used to achieve this, that is relevant for the purposes of classification under that subheading.

That Combined Nomenclature must be interpreted as meaning that the reception of television signals and the presence of a modem allowing access to the internet are two equivalent functions that apparatus must perform in order to be classified under subheading 8528 71 13. In the absence of one or other of those functions, that apparatus must be classified under subheading 8528 71 19.”

An apparatus of CN code 8528 71 13 must be capable of receiving television signals and must incorporate a modem for gaining access to the internet and having a function of interactive information exchange. In the absence of one of the latter two characteristics the apparatus must be classified under CN code 8528 71 19.

3. Claims for a refund of Customs Duty

If as a result of the CJEU Judgment, you wish to apply for the repayment or remission of Customs duties, please send a completed form C285, and any relevant documents to:

The National Duty Repayment Centre
Priory Court
St Johns Road
Dover
Kent
CT17 9SH

If you belong to Large Business Service (LBS) you should contact your LBS Customer Relationship Manager or your allocated Customs & International Trade Tax Specialist.

4. Contacts

If you have a query on this paper please contact:

David Harris HMRC
Customs Duty Liability
Tariff Classification Service
21 Victoria Avenue
Southend
Essex SS99 1AA

Telephone: 01702 367372
Email: david.harris2@hmrc.gsi.gov.uk

Issued on 7 October 2013 by the JCCC Secretariat, HM Revenue & Customs (HMRC), Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Telephone: 0300 200 3700.

Your Charter explains what you can expect from HMRC and what they expect from you. For more information go to [Your Charter](#).

CUSTOMS INFORMATION PAPER (13)62

The Union Customs Code (UCC)

Who should read:	JCCC members, freight forwarders, shipping agents, exporters, importers, trade bodies and any other economic operators involved in international trade.
What is it about:	Publication of the Union Customs Code
When effective:	Immediate.
Extant until/ Expires	31 January 2014

1. Introduction

CIP (13)38 announced the conclusion of the work to recast the Modernised Customs Code (Regulation (EC) 450/2008 of the European Parliament and of the Council of 23 April 2008) – known as the MCC.

The recast – the Union Customs Code (UCC) – has now been published.

2. Detail

The UCC has now been published in [Regulation \(EU\) no 952/2013](#) of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (Official Journal L 269 of 10.10.2013). This is available from the European Union website.

Although the UCC is now published, and enters into force on 30 October 2013, no changes will occur until 1 May 2016 at the earliest; as the Commission Implementing and Delegated Acts which will fill out the details have yet to be negotiated and published. These negotiations are not expected to commence until the New Year.

3. Contacts

Queries on this paper should be addressed to the UCC team:
e-mail international.documents@hmrc.gsi.gov.uk

Issued on the **10 October 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 63

Use of Form C81 – To Amend a Customs Export/Re-Export Declaration

Who should read:	All Traders involved in export/re-export wishing to amend a Customs declaration post clearance
What is it about:	Form C81 ‘notice of amendment to an export/re-export declaration for trade statistics purposes only’
When effective:	Immediately
Extant until/ Expires	Further Notice

1. Background

Form C81 is a post clearance notification to the Trade Statistics unit (TSu) of an amendment relating to a customs export/re-export declaration. It is completed for statistical purposes only and is required for any statistical amendments for declarations that have been given clearance for export and have departed the office of export. Revisions to trade statistics are made in accordance with Council Regulation No 471/2009.

2. Issue.

HMRC is concerned that not all amendments to a post clearance export declaration are being notified to the TSu.

3. Action.

HMRC is confirming that all traders are required to notify the TSu of any post clearance amendments to an export declaration including Customs Procedure Code (CPC) amendments.

Customs Procedure with Economic Impact (CPEI) regime traders, in addition to notifying the TSu of any post clearance amendments of statistical data within an export declaration, must still annotate their records for audit purposes as highlighted in the C81 notes.

The form, [C81](#) , can be found at www.hmrc.gov.uk .

4. Contacts

NES Helpdesk

Export.enquiries@hmrc.gsi.gov.uk

Meryl Good, Export and Transit Policy meryl.good@hmrc.gsi.gov.uk

Issued on the **day month year** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 64

Tariff classification of Monitors

Who should read:	All involved in the tariff classification of Monitors.
What is it about:	Changes to the classification of Monitors (subheading 8528 59)
When effective:	Immediately
Extant until/ Expires	Until further notice.

1. Introduction

Following a proposal by the European Commission, a Council Regulation has been published which introduces duty free treatment in respect of flat panel displays which can display, with an acceptable level of functionality, signals from both automatic data-processing systems and other sources.

2. Background

Monitors not incorporating television reception apparatus are classified within heading 8528. This CIP relates specifically to products categorised as “Other Monitors”.

Subheading 8528 51;

“Other Monitors”, “Of a kind solely or principally used in an automatic data processing system”.

Subheading 8528 59;

“Other Monitors” “Other”.

A Judgment by the Court of Justice of the EU (Kamino International Logistics BV; C-376/07), and a World Trade Organisation Disputes Panel have influenced EU policy on the classification of Monitors.

3. Publication of Council Regulation (EU) No 953/2013

[Council Regulation \(EU\) No 953/2013](#) was published in the Official Journal on 5 October 2013 and enters into force on 25 October 2013

Recitals (1) to (4) of the Regulation explain why it has been necessary to amend subheading 8528 59 and to introduce a 0% duty suspension in respect of certain subheadings.

In order to assess whether a classification in subheading 8528 51 or 8528 59 is appropriate, an overall assessment of the objective characteristics and properties of each particular monitor is required.

At the next Customs Code Committee on 13 December 2013, the European Commission is expected to place a number of draft Commission Regulations on various Monitors on the agenda for voting. Assuming the Regulations are adopted, this will assist in the process of determining whether classification in subheading 8528 51 or 8528 59 is applicable.

Please note that the structure of subheading 8528 59 listed in the Annex of the Regulation will apply from 1 January 2014.

From 25 October 2013 until 31 December 2013, the amendments will be restricted to TARIC level (9th and 10th digits); the codes are listed in footnotes at the bottom of the Annex e.g. (1) TARIC code 8528 59 10 20. Due to the temporary nature of the amendments, it will not be possible for HMRC to issue Binding Tariff Information (BTI) decisions for goods considered to be covered by subheading 8528 59 until early January 2014.

It is anticipated that products that comprise a monitor in combination with another product will not be classified in subheadings subject to duty suspension e.g. portable DVD players, LED Videowalls.

4. Changes to the text of Subheading 8528 59 40 20

The current text of subheading 8528 59 40 20 is;

“Liquid crystal display colour video monitor having a DC input voltage of 7V or more but not more than 30V, with a diagonal measurement of the screen of 33,2 cm or less,

- either without housing, with back cover and mounting frame,
- or with a housing specially designed for mounting,
- suitable for the incorporation into goods of Chapters 84 to 90 and 94.”

The code will fall within subheading 8528 59 31 from 1 January 2014, and will be amended to read;

“Liquid crystal display colour video monitors, excluding those combined with other apparatus, having a DC input voltage of 7 V or more but not more than 30 V, with a diagonal measurement of the screen of 33,2 cm or less,

- without a housing, with back cover and mounting frame,
- or with a housing,

used for permanent incorporation or permanent mounting, during industrial assembly, into goods of Chapters 84 to 90 and 94”

5. Contacts

If you have a query on this paper please contact
David Harris HMRC, Customs Duty Liability Tariff Classification Service 21
Victoria Avenue Southend Essex SS99 1AA

Telephone; 01702 367372
Email: david.harris2@hmrc.gsi.gov.uk

Issued on the **24 October 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 65

Statistical threshold: sterling figure to apply for 2014

Who should read:	All traders and agents/representatives responsible for completing customs export declarations and Merchandise in Baggage importers.
What is it about:	The statistical threshold will be unchanged for 2014.
When effective:	1 January 2014.
Extant until/ Expires	Further notice.

1. Background

The statistical threshold is defined in legislation as '1,000 EUR (in value) or 1,000kg (in net mass)'. It is partly used to apply an optional concession whereby Member State may aggregate items below the threshold in the trade statistics. The UK applies this concession.

Customs Information Paper (CIP) (10) 77 issued on 22 November 2010 introduced a new procedure in the UK for setting the value aspect of the statistical threshold and advised what the figure would be in 2011. CIPs (11) 97 (issued on 25 November 2011) and (12) 59 (issued on 26 November 2012) announced the figures to apply for 2012 and 2013.

The purpose of this CIP is to advise the sterling figure to apply from 1 January 2014.

2. Statistical threshold to apply for 2014

The value aspect of the statistical threshold for the UK in 2014 will be unchanged at **£800**.

3. Contacts

For questions about the statistical threshold, contact [David Peters](#)

Issued on the **24 October 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 66

The National Clearance Hub – Move from Custom House, Salford to Ralli Quays, Salford

Who should read:	All traders involved in the import and export of freight
What is it about:	The move of the National Clearance Hub to Ralli Quays, Salford.
When effective:	11 November 2013
Extant until/ Expires	Until further notice

1. Introduction

The National Clearance Hub (NCH) is moving to new premises at Ralli Quays, Salford.

2. Information for all NCH customers

The NCH is leaving its present location at Custom House, Salford and moving to Ralli Quays, Salford. The move will be staggered over the two weeks commencing Monday 11 November 2013. With effect from 25 November 2013 there will be no NCH staff remaining in Custom House.

The new address will be Ralli Quays
3 Stanley St
Salford M60 9HL

We will continue to provide all the services at Ralli Quays which we currently provide at Custom House. We have plans in place to ensure that there will be minimal disruption to our services during the move. However, it would be helpful if our customers did not contact the NCH from 11 November to 25 November unless it is absolutely necessary.

Telephone calls and post will be redirected to the new site.

3. Contacts

Chris Jones Tel No: 0161 261 5090
e-mail address: george.jones@hmrc.gsi.gov.uk

Issued on the **29 October 2013** by the JCCC Secretary, HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 67

Community Transit procedures at the London Gateway port.

Who should read:	Traders presenting goods for community transit departing from the recently opened London Gateway port.
What is it about:	Presentation of a comprehensive Community Transit guarantee certificate or guarantee waiver certificate at the London Gateway port (GB000170).
When effective:	Immediately
Extant until/ Expires	Until further notice

1. Introduction

Moving goods not in free circulation from a port or airport under the Community Transit procedure requires a valid guarantee or guarantee waiver. If the port or airport is inventory linked and offers the facility to move goods for inland storage or to another port/airport using the national transit simplification, a valid comprehensive guarantee certificate, or guarantee waiver certificate must be presented. These paper certificates are also required to be presented when moving goods during a period of unavailability of the New Computerised Transit System (NCTS) when paper fallback is in place.

An example of the certificates can be found in Annex 51 and Annex 51a of the Customs Code Implementing Provisions (Commission Regulation 2454/93).

Many traders choose to lodge a certificate at each port they use to demonstrate the existence of a valid guarantee or guarantee waiver.

2. Action

If you intend to move goods under Transit from London Gateway port you will need to ensure that you present or lodge guarantee or waiver certificates valid for the movement, taking into account any impact on the reference amount.

If you need to increase the reference amount of your guarantee or have any other queries on this issue, please contact the Central Community Transit Office (CCTO) in Harwich.

Comprehensive guarantee holders should note that they are required, as a condition of their approval, to monitor the use of the guarantee, to ensure it is not exceeded at any time, and to contact the CCTO if they consider that the reference amount of the guarantee is insufficient.

Valid certificates must be presented to the Border Force customs control office during the published opening hours.

3. Contacts

Central Community Transit Office (CCTO)

Custom House,

Main Road,

Harwich,

Essex, CO12 3PG

email: national-simplifications.ccto@hmrc.gsi.gov.uk

Phone :01255 244725

Border Force Customs control office:

Thames Gateway International Trade Team,

Ground Floor,

Manorway House,

Stanford-le-Hope,

Essex, SS17 9LQ

e-mail – Thames.Gateway@homeoffice.gsi.gov.uk

Phone: 07775 004022 (Temporary number)

Public Counter opening hours:

Mon – Fri 09:00 – 15:00

London Gateway port - information:

Entry Processing Unit (EPU) code – 155

Customs Office List (COL) code – GB000170

Office Roles for:

Transit – Offices of Departure, Destination and Transit.

Export – Offices of Export and Exit.

Import – Office of (first or subsequent) Entry.

Issued on the **29 October 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 68

Customs Duty Repayments

Who should read:	Importers and Agents requiring repayment of Customs Duty.
What is it about:	Customs Duty Repayment Applications
When effective:	Immediately
Extant until/ Expires	Ongoing

1. The National Duty Repayment Centre (NDRC) have seen a significant increase in the number of C285 repayment claims being returned to claimants or forwarded to other offices.

In the year to July 2013 - 4,090 claims were either returned to claimants due to incomplete documentation or were not proper to NDRC.

2. In an aim to improve customer service and speed up the processing of repayment claims please ensure the requirements stated in Customs Information Paper (11)101 are always adhered to.

Tips:

Documentation to support C285 repayment claims

- Fully completed C285
- Copy of the import entry and E2 (or equivalent)
- Copy invoices – we do not accept pro-forma invoices
- Original green preference certificates (if appropriate)
- Bank account details – these are now obligatory for all claims over £10,000 – we require the bank account name (not the banks name), account number (8 digits) and sort code
- Technical literature / specification if amending the commodity code – this must show (as appropriate):
 - What the goods are
 - What they do
 - How they do it
 - What they are made of
 - What they fit into
- Direct Representation authority – this must specifically authorise the repayment being claimed to be made to the agent. Please do not

submit the authority to complete the original import entry as it is not acceptable in relation to the repayment

- Any other documentation to support your claim which will enable us to process it without the need for a caseworker query for additional information / evidence

Claims not proper to NDRC

- Underpayments (including CMAs) – send to C18 section, Grimsby
- Non-revenue amendments – send to Salford
- Live deposits (MOP 'Q' & 'P' within 4 months from date of entry) – send to NIDAC

If in doubt please contact Excise and Customs helpline on 0300 200 3700 before submitting documentation.

3. Contacts

National Duty Repayment Centre
Priory Court
St Johns Road
Dover
Kent
CT17 9SH

General Enquiries: 01304 664 523

Email: ndrcenquiries@hmrc.gsi.gov.uk

Issued on the **8 November 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 69
Amended
Update on Low Value Bulking of Imports (LVBI)

Who should read:	LVBI approved operators and their agents or representatives. Those who seek LVBI approval for the first time.
What is it about:	Clarification on the completion of the import declaration and update of Terms and Conditions
When effective:	Immediately
Extant until/ Expires	Until further notice

1. Background

Further to CIP (13) 60 regarding the LVBI review recommendations and implementing the new terms and conditions, we are aware that there is an issue with completion of the import declaration. HMRC believes it is necessary to clarify the requirements with regard to boxes 2, 8, 14 and 44. This paper updates the LVBI Terms and Conditions.

2 Clarification on Completion of Declaration

The completion requirements for LVBI CPCs 40 000 03, 49 000 03, 40 000 05, 49 000 05, 49 000 11 and 49 000 12 for boxes 2, 8, 14, and 44 are summarised below.

The revised declaration completion requirements for these CPCs (including those requirements set out in CIP (13) 60) will be set out in the Tariff as soon as possible.

Box 2 (consignor) Multiple consignors must be entered as AI code 00200 in each of the Name, Street, City & postcode fields. When there are multiple consignors the ID (EORI) field can be left blank.

Box 8 (consignee) Multiple consignees must be entered as AI code 00200 in each of the Name, Street, City & postcode fields.

Box 14 should contain the Name, Address and EORI number of the authorised LVBI approval holder.

Box 44 should contain –

- AI statement BULKD.
- The declarant's/representative's EORI number as a GEN46 statement and include representation details.
- The LVBI approval number at item level.

Failure to complete the declaration in accordance with these instructions will result in CHIEF refusing to accept your declaration.

Please note that revised FAQs will soon be available on HMRC website.

3. Contacts

Enquiries on LVBI should be made to the VAT, Excise & Customs Helpline on 0300 200 3700.

Queries can also be made using the [online enquiry form](#) at www.hmrc.gov.uk or sent in writing to

CITEX Written Enquiry Team
HM Revenue & Customs
Crownhill Court
Tailyour Road
Plymouth
PL6 5BZ

Re-issued on the **12 November 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 70

Tariff Preference: Costa Rica and El Salvador

Who should read:	Anyone involved with importing or exporting to Costa Rica and El Salvador
What is it about:	The signing up to the reciprocal preferential trade agreement between the EU and Central America by Costa Rica and El Salvador. It also contains a correction to CIP (13) 49
When effective:	1 October 2013
Extant until/ Expires	Until further notice

1. Background

Further to the information published in [Customs Information Paper \(13\) 49](#) the European Union has concluded a reciprocal preferential trade Agreement with two more Central American countries (Costa Rica and El Salvador) - see Official Journal [\(OJ\) L257 28 September 2013](#).

The provisions of the Agreement apply to eligible products released into free circulation in the EU and these Central American signatory countries on or after **1 October 2013** (the date of the provisional entry into force of the trade aspects of the Agreement) that are covered by a proof of preferential origin (EUR1 Movement Certificate or invoice declaration) issued in the EU or Central America on or after that date.

As it has yet to formalise signatures these trade provisions continue not to apply to Guatemala.

The Agreement was published in Official Journal [\(OJ\) L346 15 December 2012](#).

2. Tariff elimination schedules

Some import tariffs will be removed immediately whilst others will be reduced on a staged basis eventually to nil. Details of how to find the correct tables of tariff elimination schedules and corresponding tariff elimination staging categories are shown below. You should also check the additional notes on staging categories.

The following link to the [EU TARIC website](#) allows you to check the duty rates by inserting your tariff headings.

How to identify the tariff elimination schedule appropriate to your product (Please note the following two subheadings have been corrected when compared to CIP (13) 49).

Products originating in Costa Rica and El Salvador for import into the EU under the Agreement

The tariff elimination table for products originating in Costa Rica and El Salvador and being imported into the EU and begins on page 118. Find your product heading and note the tariff elimination staging category. Details on the tariff elimination staging categories starts on page 109.

For example, asparagus in tariff heading 0709 20 00 originating in the EU is in staging category A, which states:

"3(a) duties on goods provided for in the items of staging category A in a Party's Schedule shall be eliminated entirely and such goods shall be duty-free on the date of entry into force of this Agreement".

Hence the duty rate for all headings in staging category A would have been nil from 1 October 2013.

However, sweetcorn in tariff heading 070990 60 originating in the EU is in tariff elimination staging category B which states:

"3(b) duties on goods provided for in the items in staging category B in a Party's Schedule shall be removed in three equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective January 1 of year three".

Hence this heading will start with the base rate of 9.4 EUR/100 kg/net, reducing to 6.27 EUR/100kg/net from 1 October 2013 (year one), 3.13 EUR/100 kg/net from 1 January 2014 (year two) then nil from 1 January 2015 (year three).

Products originating in Costa Rica and El Salvador for export to the EU under the Agreement

The tariff elimination schedule for products originating from these countries begins on page 719 of the Agreement, find your product heading and note the tariff elimination staging category. Details of the corresponding tariff elimination staging categories begin on page 109 of the Agreement.

For example cabbage lettuce (head lettuce) in Tariff Heading 0705 11 00 is in tariff elimination staging category A which states:

"(a) duties on goods provided for in the items in staging category A in a Party's Schedule shall be eliminated entirely and such goods shall be duty-free on the date of entry into force of this Agreement".

Hence the duty rate for all headings in staging category A would have been nil from 1 October 2013.

However, Ostrich eggs in Tariff Heading 0407 00 20 are in tariff elimination staging category C which states:

"3(c) duties on goods provided for in the items in staging category C in a Party's Schedule shall be removed in five equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective January 1 of year five".

Hence this heading will start with the base rate of 10% reducing to 8% from 1 October 2013 (year one), 6% from 1 January 2014 (year two), 4% from 1 January 2015 (year three), 2% from 1 January 2016 (year four) and nil from 1 January (year five). However the additional notes 2a and 2b below also needs to be considered because there is also a base rate for each country:

"2(a) if by applying the staging categories to the CA base rate, a tariff higher than the base rate of one of the Republics of the CA Party [Central American signatory country] is obtained, the applicable tariff for that Republic shall be its base rate;

2(b) if by applying the staging categories to the CA base rate, a tariff lower or equal to the base rate of one of the Republics of the CA Party is obtained, the applicable tariff for that Republic shall be the result of applying the staging category to the CA base rate".

3. Special treatment on bananas

For Tariff Heading 0803 00 19 (fresh bananas, excluding plantains) there is a separate table, Appendix 3 on page 117, listing the preferential customs duty rates and (starting from the 1 October 2013) the dates from which they can be applied. Please note the duty rates apply from the entry into force of the Agreement onwards and cannot be applied retrospectively.

4. Annex II - Concerning definition of 'originating products and methods of Administrative co-operation begins on page 1803 and includes:

Article 3 - Cumulation of origin (page 1805);

Article 4 - Wholly obtained products (page 1806);

Article 5 - Sufficiently working or processed products (page 1807);

Article 6 - Insufficient working or processing (page 1807);

Article 7 - Unit of qualification (page 1808);

Article 8 - Accessories, spare parts and tools (page 1808);

Article 9 - Sets (page 1808);

Article 10 - Neutral elements (page 1808);

Article 14-26 - Proof of origin (page 1809);

Article 29 - Arrangements for administrative co-operation (page 1813);

Article 34 - Ceuta and Melilla (page 1814);

Appendix 1 - Introductory Notes to Annex II (page 1815);

Appendix 2 - List of working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain originating status (Rules of Origin) (page 1820);

Appendix 2A - Addendum to the list of working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain originating status (Rules of Origin) (page 1885).

5. Proof of origin

Entitlement to preference, both inside and outside of any Tariff Quotas, is subject to normal requirements including the need to hold a valid proof of preferential origin (EUR1 movement certificate or an invoice declaration) and compliance with the appropriate rules of origin.

6. Payment/repayment of duty

The HMRC printed Tariff, online UK Trade Tariff at www.gov.uk and CHIEF (Customs Handling of Import Export Freight) entry processing system will be updated in due course. In the meantime there is a risk you could overpay duty on products eligible for preference under the new arrangements.

If you have imported (released into free circulation) any of the qualifying products on or after 1 October 2013 from either Costa Rica or El Salvador, and have paid the full duty rate shown in the tariff, then you may:

- Make a claim for repayment by either contacting the National Debt Repayment Centre (NDRC) - Tel: 01304 664523 (open Mon-Fri between 9am and 3pm) - or by downloading Form C285 (application for repayment/remission) from www.hmrc.gov.uk or;
- Until it is updated, you may manually calculate and override the CHIEF system to input the correct preferential rate of duty.

A contemporary check on these new measures on TARIC would suggest these reductions apply to Costa Rica and El Salvador with effect from 1 August 2013. This is not the case as this date simply reflects the time that the Central American Agreement first went live.

7. GSP

Costa Rica and El Salvador are currently eligible for the special incentive arrangement for sustainable development and good governance (also known as GSP+) under Article 7 of [EC Regulation 732/2008](#). Both of these countries will keep their current GSP status at least until 31 December 2013 or when the current GSP arrangements expire.

8. Contacts

HMRC Customs Duty Liability (Preference) Team
Customs Directorate, Customs Duty Liability
10th Floor South East
Alexander House
21 Victoria Avenue
Southend on sea
SS99 1AA

Tel: 0300 200 3700 (General operational enquiries) or 01702 361953 (Policy queries only)

Issued on the **12 November 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 71

Commissioners' Directions – Passenger Information

Who should read:	Anyone required to report passenger information in advance
What is it about:	Change to reporting requirements
When effective:	Immediately
Extant until/ Expires	Until Further Notice

1. Introduction

Commissioners' Directions were made under CEMA s35 and 64(1) on 21 May 2013 to set out the requirement for reporting passenger information in advance. The Directions replaced the previous Directions, which had been in place since 2001.

2. Current position

A review of the new 2013 Directions has taken place and has identified some operational difficulties with the advance notification timescales.

Border Force and HMRC are working closely with the General Aviation Sector to develop more effective timescales. Whilst these discussions are underway the time limits specified in these Directions will not be rigorously enforced.

Existing arrangements for scheduled airlines and shipping traffic remain as before these CDs were published

3. Contacts

For further information or if you wish to submit any views on advance reporting requirements, please e-mail the [Excise & Customs Law Team](#)

Issued on the 13 November 2013 by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13) 72

The National Clearance Hub – Move from Custom House, Salford to Ralli Quays, Salford

Who should read:	All those who send documents to the National Clearance Hub in Salford by Courier.
What is it about:	The move of the National Clearance Hub to Ralli Quays, Salford.
When effective:	14 November 2013
Extant until/ Expires	Until further notice

1. Introduction

The National Clearance Hub (NCH) is moving to new premises at Ralli Quays, Salford.

2. Information

Customs information Paper (13) 66 advised that the National Clearance Hub was leaving the Custom House and moving to Ralli Quays Salford over a 2 week period commencing 11 November 2013. We would like to advise all our customers who send documents by courier that they should be sent to the address below with immediate effect.

HM Revenue & Customs
National Clearance Hub
Ralli Quays
3 Stanley St
Salford M60 9HL

Please note that services provided by the Royal Mail are not affected – these are already being diverted.

3. Contacts

National Clearance Hub, Compliance & Technical Team

Email address: nchtechnical@hmrc.gsi.gov.uk

Issued on the **day month year** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13) 73

Import Control System - ICS

Who should read:	JCCC members, carriers, Software suppliers and all businesses involved with International Trade & imports into the EU
What is it about:	This CIP provides additional information about: ICS planned system downtime.
When effective:	Immediately
Extant until/ Expires	Not applicable

1. Introduction

This CIP has been raised to inform all ICS Users of a forthcoming maintenance release and explain how this will affect trade users.

2. ICS Downtime

It will be necessary for HMRC to take the ICS System down in order to perform a maintenance release. This will affect both those who access ICS via the Government Gateway and those who use a Community System Provider (CSP).

This downtime is currently scheduled for Saturday 7 December, with the intention of performing the release between 10.00 and 18.00.

Further information on the precise timings of the ICS downtime will be provided via the [HM Revenue & Customs](http://www.hmrc.gov.uk) website.

Carriers who lodge their ICS declarations using either the Trader Front End (TFE) or Community System Provider (CSP) routes are permitted to send ICS declarations but will not receive messages back during this time. ICS messages will be queued until the system becomes available again.

3. Contacts

All ICS related queries should be sent to the ICS Helpdesk at:

ics.helpdesk@hmrc.gsi.gov.uk

Issued on the **20 November 2013** by the JCCC Secretariat, HMRC, Customs Directorate.
If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13) 74

An Inspection of Border Force Freight Operations

Who should read:	Anyone involved in the import and export of goods
What is it about:	A report by the Independent Chief Inspector of Borders and Immigration on "An Inspection of Border Force Freight Operations"
When effective:	Immediately
Extant until/ Expires	Until Further Notice

1. Introduction

The Independent Chief Inspector of Borders and Immigration carried out an inspection of Border Force freight operations between March and July 2013. Site visits were made to Felixstowe, Heathrow, Immingham and Dover.

The objectives of the inspection were to review the effectiveness of Border Force freight operations and the effectiveness of the information flows between front line operations and the targeting hubs in Border Force. The inspection also reviewed the relationships between Border Force and HM Revenue & Customs (HMRC) at strategic and operational levels.

The inspection report and its 11 recommendations is available on the Independent Chief Inspector of Borders and Immigration's website from **21 November 2013** at www.independent.gov.uk/icinspector

2. Current position

Border Force welcomes this report and has accepted all 11 of the ICI's recommendations.

Although HMRC's customs operations were not scrutinised as part of the review the ICI consulted fully with HMRC during the inspection and production of the report. In responding to the report, HMRC and Border Force have already commenced work together to address recommendations on areas for improvement in our joint working arrangements.

In summary, we are pleased that the Independent Chief Inspector recognised:

- Border Force freight teams are adept at locating smuggled goods within freight. This was reflected in combined HMRC and BF **alcohol and tobacco seizures which rose steadily in the three year period** between April 2010 and March 2013;
- Border Force officers are **knowledgeable, professional and committed staff** who were performing many aspects of their roles to a high standard;
- the work of a number of specialist teams had delivered excellent results, and several high performing teams **had been recognised as international leaders in their fields**;
- BF enjoys a positive relationship with its key stakeholders.

The report's recommendations for improvement centred on:

- strengthening the lines of communication between Border Force and HMRC at operational level to ensure all relevant information is passed between teams;
- improving the effectiveness of Border Force's anti-smuggling targeting of medium and low risk freight consignments;
- developing more effective feedback processes on the results of examinations;
- strengthening Border Force assurance and record keeping processes;
- conducting a training needs analysis for Border Force freight staff and identifying requirements for additional training;
- succession planning for Border Force staff, particularly those engaged in international trade control activities;
- ensuring compliance with the requirements of the Police and Criminal Evidence Act and the Criminal Procedures and Investigations Act in relation to arrest and disclosure.

The report is available on the Independent Chief Inspector's website from 21 November.

The Government's response highlights that work is already underway to address the report's recommendations. Examples include proposals to develop a new joint Freight Management Strategy with HMRC, action being taken to obtain improved technology, development of a refreshed training strategy and improved operational protocols for joint working with HMRC.

3. Contacts

For further information, please contact:

Sharon Mole
National Customs Operations
Border Force

Sharon.Mole@homeoffice.gsi.gov.uk

Issued on the **21 November 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13)75

Community/common transit declarations: Completion of Box 18 (Identity and nationality of means of transport)

Who should read:	All traders involved in the completion of declarations to the Community/common transit procedure
What is it about:	A reminder of the requirement to complete Box 18 of the transit declaration
When effective:	Immediately
Extant until/ Expires	Further notice

1. Introduction

Box 18 of the Community/common transit declaration provides the identity and nationality of the means of transport on which the goods are directly loaded at the place of departure.

During a recent audit into the external transit procedure the EU Commission observed that, in many Member States, Box 18 is often filled in inadequately with characters that do not correspond to the real identification of the vehicle. The Commission has therefore urged the Customs Authorities of all EU Member States and common transit countries to ensure that Box 18 is completed with adequate and real information as it is an important data element for the control of the transit procedure.

2. Correct completion of Box 18

Transit principals are reminded that Annex 37 of Commission Regulation 2454/93 specifies that Box 18 is a mandatory field on the transit declaration. Depending on the means of transport concerned, the following details concerning identity must be entered:

Means of Transport	Method of Identification
Sea and inland waterway transport	Name of vessel
Air transport	Number and date of flight (where there is no flight number, enter the aircraft's registration number)
Road transport	Vehicle registration number
Rail transport	Wagon number

The nationality of the means of transport must be entered using the relevant ISO country code.

Principals making a transit declaration are reminded that they have a legal obligation to provide all the required information. Declarations that have not been completed correctly may be rejected by Customs at the office of departure. Repeated failures to provide the correct information may be considered a compliance issue and further action may be taken such as the issue of a warning letter or civil penalty.

3. Exceptions to the requirement to complete Box 18

Box 18 does not need to be completed in the case of postal consignments or carriage by fixed transport installations such as oil pipelines.

Where goods are carried in containers that are to be transported by road vehicles it is recognised that, at container terminals with high levels of traffic, the identity of the road means of transport to be used is not always known at the time the transit declaration is made. Annex 37 therefore allows the customs authorities to authorise principals to leave box 18 blank where the goods are carried in containers and moved by road, on condition that the container number is entered in Box 31 of the NCTS declaration and the identity and nationality of the means of transport will be subsequently entered in Box 55 of the Transit Accompanying Document (TAD). UK principals who wish to take advantage of this concession can apply in writing to National Simplifications Team at the address below with the following information:

- the circumstances in which the concession is required
- a list of the offices of departure concerned
- the arrangements the applicant will put into place to ensure the identity and nationality of the means of transport are entered in box 55 of the TAD prior to presentation at the office of destination

No other exceptions to the completion of Box 18 are allowed.

4. Contacts

HM Revenue & Customs
National Simplifications Team
CCTO
Custom House
Main Road
Harwich
Essex
CO12 3PG
Email – national-simplifications.ccto@hmrc.gsi.gov.uk

Bill Hudson, Export and Transit Policy Team, Bill.hudson@hmrc.gsi.gov.uk

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13) 76

Tariff Preference: Revisions to GSP

Who should read:	All involved with importing goods under the EU's Generalised Scheme of Preference (GSP).
What is it about:	Revisions to GSP that come into force on 1 January 2014.
When effective:	Immediately.
Extant until/ Expires	Further notice.

1. Introduction

Legislation detailing revisions to the European Union's Generalised Scheme of Preferences (GSP) was published on 31 October 2012 in Regulation (EU) No [978/2012](#) (Official Journal L303/2013).

The renewed GSP scheme focuses preferences exclusively on those countries most in need – least developed countries and other poor economies with no other preferential channels to access the EU market.

The changes will apply to goods entering into free circulation on or after 1 January 2014.

Once implemented the scheme will continue to apply for a period of 10 years except for the special arrangement for the least-developed countries, which will be open-ended.

Under the new scheme the status of countries will be revised continuously. When a country no longer fulfils the criteria to be a beneficiary, it will exit the beneficiary list following a transition period of at least one year.

The current preferences under Council Regulation (EC) No. 732/2008, as extended by Regulation (EU) No 512/2011 will continue to apply until 31 December 2013.

2. Beneficiary Countries

There will be just 87 beneficiaries of the new GSP scheme. This has been reduced from 176 beneficiaries under the previous Regulation which will provide greater benefit for countries most in need.

- 49 least-developed countries will continue to receive duty-free access (see Annex IV of 154/2013)

- 38 'low income' and 'lower middle income' countries, as classified by the World Bank, will receive tariff reductions (on 'sensitive' products) or zero tariffs (for 'non-sensitive') under the general arrangements (see Annex V for list of products included in the general arrangement); and
- 35 of these 38 countries can receive full duty-free access under GSP+ if they ratify and implement certain international conventions (see EU [Information Notice](#) for list of countries eligible to apply).

33 Overseas countries and territories of the EU or other developed countries will no longer be eligible.

A further 54 countries will remain eligible but will no longer benefit. These consist of:

- 8 'high income' and 12 'upper middle income' countries as listed by the World bank
- 34 countries that have already been granted EU preferences through other bilateral agreements or autonomous arrangements.

The list of beneficiary countries of the general arrangement which applies from 1st January 2014 is contained in Annex II of Regulation 978/2012.

In July 2012 both Azerbaijan and Iran were classified as upper-middle income countries for the third time making them no longer eligible. This was announced in Commission Delegated Regulation (EU) No [154/2013](#) published on 21 February 2013 in OJ L48/1 with a one year transition period meaning that for these countries preferences will no longer apply from 22 February 2014.

3. Product coverage

The new GSP incorporates a wider though limited expansion in products and preference margins:

- 15 new tariff lines are added to GSP as 'non-sensitive' (duty free access)
- 4 tariff lines under GSP which were 'sensitive' (reduced tariff) turn to 'non-sensitive'
- 4 new tariff lines are added to GSP+

4. Graduation

Implementing Regulation [1213/2012](#) (OJ L348/11) identifies the GSP sections for which tariff preferences are suspended in respect of certain GSP beneficiary countries for the period 1st January 2014 to 31 December 2016, when the list will be reviewed. This is known as graduation.

Under the new scheme graduation will no longer apply to countries that are granted GSP+.

5. Further Information

Further information about the GSP changes can be found on the European Commission website: [Generalised Scheme of Preferences \(GSP\)](#)

The Commission PowerPoint presentation: [Highlights of the EU's new GSP](#) summarises the main changes.

A further Customs Information Paper (CIP) will be issued once the list of initial GSP+ beneficiaries has been agreed and published.

5. Contacts

Nicky Shelley

HM Revenue & Customs

Customs Directorate, Customs Duty Liability 10th Floor South West, Alexander House, 21 Victoria Avenue, Southend-On-Sea, Essex SS99 1AA

Email: Dutyliability.policy@hmrc.gsi.gov.uk

If you have a general enquiry about the new GSP arrangements please contact the Excise & Customs Helpline [Customs, International Trade & Excise Enquiries](#) Tel 0300 200 3700.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13) 77

New Document Code - C640 for CVEDA Covering Third Country Imports of Live Animals

Who should read:	Importers and shipping agents who import Live Animals
What is it about:	Introduction of new Document Code C640 for use on SAD Box 44 (item level) for third country imports of Live Animals
When effective:	1 January 2014
Extant until	N/A

1. Background

Commission Regulation (EC) 282/2004 and Council Directive 91/496/EEC provides the legal basis for veterinary checks on Live Animals imported from 3rd countries at Border Inspection Posts.

Currently there is only one Document Code, N853 relating to the Common Veterinary Entry Document (CVED) used on the Customs declaration for both Live Animals and Products of Animal Origin (POAO) imports following veterinary or port health checks. As the CVED is effectively two different documents, the CVEDA used for Live Animal imports controlled by Defra's Animal Health Veterinary Laboratories Agency (AHVLA) and the CVEDP used for POAO imports controlled by local Port Health Authorities (PHA), there is a need to change existing CHIEF Reference data to provide a unique Document Code identifier for both Live Animal and POAO imports. This change will enable system identification of the Lead Authority responsible for the veterinary check and aid the system data matching process once the Automatic Licence Verification System (ALVS) extension project is delivered. The ALVS live pilot is expected to commence in May 2014.

2. Scope of the ALVS extension project

The ALVS extension project will build a messaging interface with the EU's TRAdE Control and Expert System (TRACES) to capture UK veterinary and port health decisions for imports of;

- Live Animals (controlled by the CVEDA)
- Products of Animal Origin - POAO (controlled by the CVEDP) and including imports within scope of illegal, un-reported and - unregulated fishing regulations (controlled by the IUU Catch Fish certificate - PHA)

decision will be captured on Box 42 of CVEDP - a separate trade notice is being issued by Defra to publicise the new process being introduced in May 2014)

- High Risk Feed and Food Not of Animal Origin - FNAO (controlled by the Common Entry Document (CED))

Implementation of the ALVS extension project will remove the need for importers/ shipping agents to provide evidence, such as a fax that the appropriate Health certificate has been endorsed by the Lead Authority. This evidence and any supporting documentation will not need to be sent to HMRC's National Clearance Hub for manual documentary checking.

ALVS will undertake data matching to link the appropriate Health certificate with the correct import declaration and electronically return the decision notification to CHIEF enabling automatic release of the consignment if no other Customs related checks are outstanding.

Animal/Product imports that will not be within scope of the ALVS extension include;

- Imports using the pet travel scheme
- Any Animal/Product import that is refused entry
- Intra EU trade
- Fish imports from EEA countries (Iceland, Norway, Faroe Islands)
- Imports from Switzerland and Liechtenstein

3. New Doc Code C640 for use by importers and their shipping agents importing Third country Live Animal imports.

A new Document Code C640 is being introduced for the CVEDA. The code should be used with effect from 1 January 2014 by importers and their shipping agents when importing live animals from third countries which are presented for veterinary clearance using the CVEDA.

Volume 3 Part 3 and Volume 3 Appendix C11 of the Customs Tariff will be amended in readiness for the 2014 reprint to associate use of the new Document Code C640 with the CVED for Live Animals. Existing Document Code N853 should continue to be used, but only for the POAO imports entered on the CVEDP.

4. Full Document Reference number to be entered in SAD Box 44 (at item level)

To enable ALVS to undertake data matching of the CVED or CED document reference number, automatically issued by TRACES when Part 1 of the document is submitted, you will need to ensure the Customs Import declaration is not submitted until after the TRACES submission has been

made so that when entering any of the Document codes associated with the ALVS extension namely;

- CVEDA - C640
- CVEDP - N853
- CED - N852
- IUU Catch Fish - C673

the full document reference number is completed in Box 44 of the SAD (at item level) in the format outlined below:

<country code><licence type><licence identifier> i.e. GBCVD2013.1234567 or GBCED2013.1234567

When the ALVS extension has been implemented failure to declare the year and 7 digit CVED or CED reference number accurately on your customs declaration for all animal and product imports within scope will result in ALVS being unable to successfully match the primary matching item for these import types. This would result in a delay to your customs clearance.

In these instances you would receive an E0 error message generated by CHIEF highlighting the CVED/CED document reference mismatch which you would need to resolve by either entering the CVED or CED document reference number on your customs declaration in the format outlined or alternatively correcting the document reference number previously entered.

5. ALVS Support Strategy

As part of the ALVS Support Strategy, the Animal Health Veterinary Laboratories Agency, Port Health Authorities and the NCH will have access to an ALVS Help Desk tool to assist with any queries you may have with an E0 error message.

Contact details for the support areas will be made available on the following [Animal Health Veterinary Laboratories Agency \(AHVLA\)](#) web pages in advance of the Live Pilot start expected in May 2014.

Contact: Alan Davis, HMRC Business Project Manager for the ALVS extension project

Email: alan.davis@hmrc.gsi.gov.uk

Issued on the **29 November 2013** by the JCCC Secretary HMRC, Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 78

Import Control System - ICS

Who should read:	JCCC members, carriers, Software suppliers and all businesses involved with International Trade & imports into the EU
What is it about:	This CIP provides additional information about: Cancellation of the ICS planned system downtime.
When effective:	Immediately
Extant until/ Expires	Not applicable

1. Introduction

Further to CIP (13) 73 this CIP has been raised to inform all ICS Users of a change to the forthcoming maintenance release.

2. ICS Downtime

The ICS downtime that was scheduled for Saturday 7 December has now been **cancelled**.

The intention is for this to be **re-scheduled to 11 January 2014** which is likely to be performed between 10.00 and 18.00.

Further information on the precise timings of the ICS downtime will be provided via the [HM Revenue & Customs](http://www.hmrc.gov.uk) website.

The ICS downtime of the 11 January (TBC) will require HMRC to take the ICS System down in order to perform a maintenance release. This will affect both those who access ICS via the Government Gateway and those who use a Community System Provider (CSP).

Carriers who lodge their ICS declarations using either the Trader Front End (TFE) or Community System Provider (CSP) routes are permitted to send ICS declarations but will not receive messages back during this time. ICS messages will be queued until the system becomes available again.

3. Contacts

All ICS related queries should be sent to the ICS Helpdesk at:

ics.helpdesk@hmrc.gsi.gov.uk

Issued on the **2 December 2013** by Customs Directorate, HMRC.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 79

Proposed amendments to Customs Civil Penalties

Who should read:	Everyone
What is it about:	Exposure of draft legislation on customs civil penalties to travellers entering the UK from outside the EU who have failed to declare goods in excess of their allowance when stopped before clearing customs controls.
When effective:	10 December 2013
Extant until/ Expires	4 February 2014

1. Introduction

It is proposed to introduce Legislation in Finance Bill 2014 to apply provisions of Finance Act 2003 to include excise duty as a relevant tax in respect of a failure to declare goods in excess of the allowance under section 78(1) of CEMA. The new penalty will then be introduced by secondary legislation.

2. Details of Consultation

The draft legislation is now available and HMRC welcomes comments on the proposed amendments. In line with the Government's Tax Consultation Framework an eight week consultation period has now commenced. The Legislation can be found at:

[Draft Clauses and Explanatory Notes for Finance Bill 2014](#)

A 'Tax Information and Impact Note' (TIIN) can be found at:

[Overview of Legislation in Draft](#)

3. Contacts

For further information or if you wish to submit any views on this draft legislation please e-mail the [Excise & Customs Law Team](#)

Issued on the **10 December 2013** by Customs Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13) 80

Restructure of JCCC Sub Groups

Who should read:	JCCC members
What is it about:	Update on JCCC sub groups
When effective:	Immediately
Extant until/ Expires	Until further notice

Following the sign off of the “Future of the JCCC” paper at the October meeting, the JCCC sub-groups have been a restructured. Each chairman will be required to provide full written feedback at the main JCCC meetings, which are held three times a year.

The name of each sub group and chairperson is:

Duty Liability – Valerie Smith
Customs Change – Mike Coussins
International Trade Operating Systems – Mandy Milne
Customs Product and Processes – Ian Wilkins
Modernising Freight Management – Sally Thurlow

The first task for each subgroup will be to revise and draft terms of reference to ensure that they are in line with the “Future of the JCCC” paper. Each chairman will be required to provide full written feedback from sub-group meetings at the main JCCC meetings which are held three times a year.

If you do not belong to a sub-group but wish to, please will you contact the chairman to confirm your interest in joining the group. Their e-mail addresses are:

Duty Liability - valerie.smith@hmrc.gsi.gov.uk
Customs Change - mike.coussins@hmrc.gsi.gov.uk
International trade Operating Systems - mandy.milne@hmrc.gsi.gov.uk
Customs product and Processes - ian.wilkins@hmrc.gsi.gov.uk
Modernising Freight Management - sally.thurlow@hmrc.gsi.gov.uk

Issued on the **13 December 2013** by Customs Directorate, HMRC.

If you have a question about the content of this paper please contact the JCCC Secretary on 0300 585552. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 81

Publication of Notice 770 Imported Goods: End-Use Relief

Who should read:	Anyone using End-Use Relief
What is it about:	Notice 770 Imported Goods: End-Use Relief has been updated.
When effective:	Immediate
Extant until/ Expires	Not applicable

1. Introduction

Customs policy has updated Notice 770 imported goods: End use relief.

2. Details of the Changes

This is a general re-write of the notice and includes a new section on the relief of anti-dumping duty on Chinese bicycle parts. It gives more examples of the items that are and are not allowed end-use relief and updates the contact details for HMRC. More details are given in paragraph 1.2 of [Notice 770 Imported Goods End-Use relief](#) available on the HMRC website at www.hmrc.gov.uk.

3. Contacts

General queries on customs reliefs should be directed to the VAT, Excise and Customs Helpline on 0300 200 3700 . Electronic messages can be sent by e-mail using the [Contact Us](#) section on the HMRC website.

Issued on the **13 December 2013** by Customs Directorate, HMRC.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 82

Document code N852 for Imports of High Risk Feed and Food products of Non Animal Origin.

Who should read:	All importers of Feed and Food products of non animal origin, freight agents and freight forwarders who handle such imports, staff at the National Clearance Hub
What is it about:	Completion of Document Code N852 and the accompanying document reference details for imports of certain High Risk Feed and Food products of non animal origin.
When effective:	1 February 2014
Extant until/ Expires	Until Further Notice

1. Background

Commission Regulation (EC) 669/2009 and 1152/2009 provides the legal basis for increased level of official controls on the imports of certain High Risk Feed and Food products of non animal origin at designated points of entry into the UK.

The completion of Document Code N852 Common Entry Document (CED) is **NOT** currently being enforced in Box 44 of the C88 - customs declaration because the CHIEF Reference data is not currently in place to make it mandatory for importers or their agents to enter the full document reference details in SAD Box 44.

There is therefore a need to tighten system controls in readiness for implementation of the ALVS extension project. It will become mandatory for importers or their agents to enter the full document reference details in Box 44 for consignments that require the reference details of the Common Entry Document. This change will enable system identification of the Lead Authority responsible for the health check and aid the system data matching process once the Automatic Licence Verification System (ALVS) extension project is delivered. The ALVS live pilot is expected to commence in May 2014.

2. Scope of the ALVS extension project.

As already described in CIP (13) 77, the existing ALV system for horticultural and plant products is to be extended to cover the 3rd country imports that are recorded on the EU's TRACES (Trade Control and Expert system).

The ALVS extension project will build a messaging interface with (TRACES) to capture, in addition to the Common Veterinary Entry Document (CVED) for Live Animals and Products of Animal Origin imports, UK port health decisions for imports of High Risk Feed and Food Not of Animal Origin (FNAO) controlled by the Common Entry Document (CED).

This change will automate the transmission of import control decisions to HMRC's CHIEF system, speeding up customs clearances of imports of High Risk Feed and Food Not of Animal Origin and remove the need to fax this evidence and any supporting documentation in relation to this check to HMRC's National Clearance Hub for manual documentary checking.

3. New Requirement for mandatory completion of CED details in SAD Box 44.

With effect from 1 February 2014, a new Prohibition & Restriction CED measure will be set up on TARIC codes where there is a requirement to declare a CED. This will make it mandatory for importers of High Risk Feed and Food products or their agents to enter the full Common Entry Document reference details in the SAD Box 44 when submitting a customs declaration for imports.

In addition to entering the CED Document Code N852 and the appropriate status code, the full document reference number must be completed in Box 44 (at item level) in the format outlined below:

<Country code><licence type><licence identifier>i.e. GBCED2013.1234567

When the ALVS extension has been implemented failure to declare the year and 7 digit CED reference number accurately on your customs import declaration for all High Risk Feed and Food products of non animal origin that will require a CED will result in ALVS being unable to successfully match the primary matching item for these import types. This would result in a delay to your automated customs clearance.

In these instances you would receive an E0 error message generated by CHIEF highlighting the CED document reference mismatch which you would need to resolve by either entering the CED document reference number on your customs declaration in the format outlined or alternatively correcting the document reference number previously entered.

4. ALVS Support Strategy

As part of the ALVS Support Strategy, Port Health Authorities and the NCH will have access to an ALVS Help Desk tool to assist with any queries you may have with an E0 error message relating to High Risk Feed and Food products of non animal origin.

Contact details for the support areas will be made available on the following:

[Animal Health Veterinary Laboratories Agency \(AHVLA\)](#) web pages in advance of the Live Pilot start expected in May 2014.

5. Contacts

Border Force, National Customs Operations:

Email: Olawunmi.Fawehinmi@homeoffice.gsi.gov.uk

Alan Davis, HMRC Business Project Manager for the ALVS extension project:

Email: alan.davis@hmrc.gsi.gov.uk

Issued on the **13 December 2013** by Customs Directorate, HMRC.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 83

Proposed amendments to ship and aircraft stores

Who should read:	Anyone involved in the supply of stores on ships and aircraft
What is it about:	Exposure of draft legislation that will enable the airline and shipping industry to simplify procedures and streamline operations.
When effective:	10 December 2013
Extant until/ Expires	4 February 2014

1. Background

It is proposed to introduce Legislation in Finance Bill 2014 to update the legislation relating to ship and aircraft stores to provide flexibility to facilitate trade practices and increase controls on areas of revenue risk. This will enable HMRC and Border Force to work with the Industry to improve compliance and is in line with our wider commitment to bring customs and excise law up to date to protect customs and excise revenues.

2. Details of Consultation

The draft legislation is now available and HMRC welcomes comments on the proposed amendments. In line with the Government's Tax Consultation Framework an eight week consultation period has now commenced. The Legislation, headed 'Customs and excise: goods shipped as stores' can be found at:

[Draft Clauses and Explanatory Notes for Finance Bill 2014](#)

A 'Tax Information and Impact Note', headed 'Modernisation of ship and aircraft stores' can be found at: [Overview of Legislation in Draft](#)

3. Contacts

For further information or if you wish to submit any views on this draft legislation please e-mail the [Excise & Customs Law Team](#)

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If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 84

Withdrawal of a Trade Statistics Bulking Concession for Exports of Motor Vehicle Parts.

Who should read:	Motor Vehicle Manufacturers, Motor Vehicle Component Manufacturers and any other Exporters of Motor Vehicle Parts along with Freight Agents, Carriers and Motor Trade Representatives.
What is it about:	Withdrawal of Trade Statistics bulking concession for exports of motor vehicle parts.
When effective:	Immediately
Extant until/ Expires	Until further notice.

1. Background

Prior to the introduction of the Single Market, HMRC provided a trade concession for trade statistics purposes that allowed for the bulking of motor vehicle parts exported from the UK. Consignments were able to be bulked together using commodity code 87089997.

Once the Single Market came into force on 1 January 1993, this concession ceased to apply.

(N.B. An **Intrastat** concession was reintroduced by Regulation (EC) No 1982/2004, Article 18 refers, details of which can be found in the Intrastat guide. [Notice 60 Intrastat General Guide](#))

2. Issue

HMRC is aware that this bulking concession is still being used by some Exporters and Freight Agents for third country exports of motor vehicle parts. HMRC has been working with Traders and Large Business Service Customer Relationship Managers (CRMs) to assess the use of this concession and the impact of its cessation. This paper is to confirm its withdrawal.

3. Actions

Traders must cease using this concession forthwith for third country exports of motor vehicle parts. In future, the correct Tariff Classification, appropriate to the goods being exported, must be declared.

If a trader has difficulties in complying with this instruction they must contact HMRC to discuss a way forward. Large Business Traders can contact their CRMs for advice. Other traders can contact the Export Unit of Expertise for advice.

General enquiries on the background relating to this information paper can be made to the UKTradeinfo helpdesk below.

4. Contacts

UKTradeinfo Customer services: uktradeinfo@hmrc.gsi.gov.uk

NES (Export Unit of Expertise) helpdesk: export.enquiries@hmrc.gsi.gov.uk
03000 582418

Meryl Good
Export and Transit Policy Meryl.good@hmrc.gsi.gov.uk

Issued on the **19 December 2013** by Customs Directorate, HMRC

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 85

New telephone and fax number for the National Duty Repayment Centre Enquiry Line

Who should read:	Traders involved in claiming overpaid Import duties from the National Duty Repayment Centre (NDRC) Dover
What is it about:	Changes to the NDRC Enquiry Line telephone number and fax number.
When effective:	Immediately
Extant until/ Expires	N/A

1. Background or Introduction

A new telephone system has been installed which has meant that NDRC's enquiry line telephone and fax numbers have changed.

2. Change to the NDRC enquiry line telephone number.

With immediate effect please the new NDRC enquiries telephone number is 03000 582687. The new fax number is 03000 583027.

There is no change to the NDRC enquiries e-mail address (ndrcenquiries@hmrc.gsi.gov.uk).

NDRC apologises to any of our customers who may have experienced problems contacting us by telephone recently and we hope to resume our normal service as soon as possible

Please only contact the NDRC enquiry point to request an update on repayment claims already submitted for which no correspondence has yet been issued by this office.

If you have received correspondence from NDRC please call the direct line number quoted on the correspondence.

The Enquiry line is open for telephone enquiries between the hours of 9am to 3pm Monday to Friday only.

For all other general enquiries please contact the Excise and Customs Helpline on 0300 200 3700.

3. Contacts

Jan Welstead
National Duty Repayment Centre
Building 22
Priory Court
St Johns Road
Dover
Kent CT17 9SH

Tel: 03000 582963

Email: jan.welstead@hmrc.gsi.gov.uk

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If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700.

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CUSTOMS INFORMATION PAPER (13) 86

Tariff Preference: Guatemala Implements the Reciprocal Preferential Trade Agreement between the EU and Central America

Who should read:	Everyone involved with importing from or exporting to Guatemala.
What is it about:	Guatemala implements the Reciprocal Preferential Trade Agreement between EU and Central America with effect from 1 December 2013.
When effective:	1 December 2013
Extant until/ Expires	Until further notice

1. Background

Further to the information in [Customs information paper \(13\) 49](#) and [Customs information paper \(13\)70](#) (see hmrc.gov.uk website), describing the implementation of the Reciprocal Preferential Free Trade Agreement (FTA) between the EU and the first five Central American signatory countries. Guatemala has now also completed the legal processes to become a signatory to this agreement. **With effect from 1 December 2013**, the provisions of the agreement may be applied to all eligible products released to free circulation in the EU and Guatemala, that are covered by a proof of preferential origin (EUR1 Movement Certificate or invoice declaration) issued in the EU or Central America on or after that date (see [Official Journal L315 of 26 November 2013](#)). Costa Rica, El Salvador, Honduras, Nicaragua and Panama have already implemented this agreement.

Please note the dates of entry the agreement came into force for each country are:

1 August 2013 for Honduras, Nicaragua and Panama

1 October 2013 for Costa Rica and El Salvador

1 December 2013 for Guatemala

The full agreement is published on the European Commission website at [Official Journal \(OJ\) L346 15 December 2012](#)

2. Tariff Elimination Schedules

Some import tariffs will be removed immediately whilst others will be reduced on a staged basis eventually to nil. Details of how to find the correct tables of tariff elimination schedules and corresponding tariff elimination staging

categories are below. You should also check the additional notes on staging categories.

The following link to the [EU TARIC website](#) allows you to check the duty rates by inserting your tariff headings.

3. How to identify the tariff elimination schedule appropriate to your product. (references refer to the agreement)

Products originating in Guatemala for import into the EU under the Agreement:

The tariff elimination tables for products originating in Central America (including Guatemala) to be imported into the EU, begins on page 118 titled 'Schedule of the EU party'. Find your product heading and note the matching tariff elimination staging category. Details of the tariff elimination staging categories start on page 109.

For example cabbage lettuce (head lettuce) in tariff heading 07051100 is in tariff elimination staging category A which is defined as:

“(a) duties on goods provided for in the items in staging category A in a Party's Schedule shall be eliminated entirely and such goods shall be duty-free on the date of entry into force of this Agreement;”

Products originating in the EU for export to Central America under the agreement:

The tariff elimination tables for products originating in the EU for export to Central American signatory countries (except Panama), begins on page 719 of the agreement. The tariff elimination table titled 'schedule for Panama' begins on page 1302 of the agreement.

For example asparagus in tariff heading 07092000 is in staging category E for all Central American signatory countries. Staging category E is defined as:

“(f) duties on goods provided for in the items in staging category E in a Party's Schedule shall be removed in ten equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be duty-free, effective January 1 of year ten;”

However the additional notes 2a and 2b below also needs to be considered because there is also a base rate for each country:

"2(a) if by applying the staging categories to the CA base rate, a tariff higher than the base rate of one of the Republics of the CA Party [Central American signatory country] is obtained, the applicable tariff for that Republic shall be its base rate;

2(b) if by applying the staging categories to the CA base rate, a tariff lower or equal to the base rate of one of the Republics of the CA Party is obtained, the

applicable tariff for that Republic shall be the result of applying the staging category to the CA base rate".

For this tariff heading Guatemala has a base rate of 15% that divided by 10 equals 1.5% per instalment. Therefore from 1 December 2013 (year one) the import duty rate will be 13.5%, then from 1 January 2014 (year two) 12%, 1 January 2015 (year three) 10.5%, 1 January 2016 (year four) 9%, 1 January 2017 (year five) 7.5%, 1 January 2018 (year six) 6%, 1 January 2019 (year seven) 4.5%, 1 January 2020 (year eight) 3%, 1 January 2021 (year nine) 1.5%, 1 January 2022 (year ten) nil.

4. Special treatment on bananas

For Tariff Heading 08030019 (fresh bananas, excluding plantains) there is a separate table, Appendix 3 on page 117, listing the preferential customs duty rates and starting from the date the agreement came into force for that particular country (for example 1 December 2013 for Guatemala) from which they can be applied. Please note the duty rates apply from the entry into force of the Agreement onwards and cannot be applied retrospectively.

5. Where to find useful information in the agreement:

Annex II of the agreement - Concerning definition of 'originating products and methods of Administrative co-operation begins on page 1803 and includes:

Article 3 - Cumulation of origin (page 1805);
Article 4 - Wholly obtained products (page 1806);
Article 5 - Sufficiently working or processed products (page 1807);
Article 6 - Insufficient working or processing (page 1807);
Article 7 - Unit of qualification (page 1808);
Article 8 - Accessories, spare parts and tools (page 1808);
Article 9 - Sets (page 1808);
Article 10 - Neutral elements (page 1808);
Article 14-26 - Proof of origin (page 1809);
Article 29 - Arrangements for administrative co-operation (page 1813);
Article 34 - Ceuta and Melilla (page 1814);
Appendix 1 - Introductory Notes to Annex II (page 1815);
Appendix 2 - List of working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain originating status (Rules of Origin) (page 1820);
Appendix 2A - Addendum to the list of working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain originating status (Rules of Origin) (page 1885)

6. Payment/repayment of duty

The HMRC printed Tariff, online UK Trade Tariff on the [GOV.UK website](https://www.gov.uk) and CHIEF (Customs Handling of Import Export Freight) entry processing system will be updated in due course. In the meantime there is a risk you could overpay duty on products eligible for preference under the new arrangements.

If you have imported (released into free circulation) any of the qualifying products on or after **1 December 2013** from Guatemala, and have paid the full duty rate shown in the tariff, then you may:

make a claim for repayment by either contacting the National Debt Repayment Centre (NDRC) - telephone: 01304 664523 (open Monday to Friday between 9am and 3pm) - or by downloading Form C285 (application for repayment or remission) from www.hmrc.gov.uk or

until it is updated, you may manually calculate and override the CHIEF system to input the correct preferential rate of duty

A contemporary check on these new measures on TARIC would suggest these reductions apply to Guatemala with effect from 1 August 2013. This is not the case as this date simply reflects the time that the Central American Agreement first went live. For Guatemala the provisions of the agreement can only be applied from **1 December 2013**.

7. GSP

Guatemala is currently eligible for the special incentive arrangement for sustainable development and good governance (also known as GSP+) under Article 7 of [EC Regulation 732/2008](#). It will keep its current GSP status at least until 31 December 2013 or when the current GSP arrangements expire.

Contacts

HM Revenue and Customs
Customs Duty Liability (Preference) Team
Customs Directorate, Customs Duty Liability
10th Floor South East,
Alexander House, 21 Victoria Avenue
Southend on sea
SS99 1AA

Email: dutyliability.policy@hmrc.gsi.gov.uk

Issued on the **23 December 2013** by Customs Directorate, HMRC .

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 87

Change to the procedures for requesting Binding Tariff Information (BTI) Rulings

Who should read:	Anyone involved in submitting Binding Tariff Information (BTI) Requests manually on form C103
What is it about:	Change to the procedures for submitting Binding Tariff Information (BTI) requests
When effective:	1 April 2014
Extant until/ Expires	Until further notice

1. Introduction

A BTI is a written tariff classification decision, given on request, which is legally binding on all customs administrations within the European Union for up to six years from the date of issue.

A manual request for a BTI ruling is submitted on application form C103.

2. Changes

The facility to submit manual applications for a BTI request on form C103 will be withdrawn on 31 March 2014.

From 1 April 2014, all requests for a BTI ruling should be submitted to HMRC electronically via the Government Gateway.

Further information can be found by accessing the [Introduction to electronic Binding Tariff Information \(eBTI\)](#) pages on the HMRC internet site

3. Applying for an Electronic Binding Tariff Information (eBTI) Ruling

From 1 April 2014 all requests for a Binding Tariff Information (BTI) Ruling will have to be submitted to HMRC on an electronic Binding Tariff Information (eBTI) form which is accessed via the [Government Gateway](#)

Before you start the application process

Before you can register with the Government Gateway you will need to obtain an Economic Operator Registration and Identification (EORI) number. You will also need the business postcode.

How do I obtain an EORI number?

In order to obtain an EORI number, you must submit an application form. There are two ways you can apply, either by electronic email or by hard copy. Whichever method you choose the application form must be fully completed and signed by a responsible person within your business, that is, director, partner or sole proprietor. For electronic application forms HMRC will accept the name of the responsible person rather than a signature.

The application is available as a version that can be completed either electronically or as a hard copy version.

Form C220 EORI application – if you are registered for VAT in the UK

Form C220A EORI application – if you are not registered for VAT in the UK

Please note: HMRC do not accept faxed copies of applications and their supporting documents.

Electronic EORI applications

You will need to download and save the application form as an MS word document and complete the form as required. You will then need to email the completed application form together with scanned supporting documents if applicable to the EORI team. Details of the [EORI registration scheme](#) are on the HMRC internet site.

Hard Copy EORI applications

You will need to print off the application form or obtain a form by telephoning the Excise and Customs Helpline on Tel 0300 200 3700 or 0300 200 3719 (Textphone) for customers who are deaf or hearing or speech impaired. You must complete the form and send it by post, together with any supporting documents to the EORI processing team at the following address:

HM Revenue & Customs
EORI Team
13th Floor South
Government Buildings
Ty Glas
Llanishen
Cardiff
CF14 5FP

Registering on the Government Gateway

Once you have an EORI number and business postcode you will need to register to use the eBTI application form. You should note that you will only be able to register under the 'Organisation' option regardless of whether you are an agent, individual or acting on behalf of a company.

PIN and password

When registering to use the eBTI application form on the Government Gateway site, you enter your email address and a password (that is chosen by you).

You are asked to enter your EORI number as this establishes the company's identification details. You are automatically given a User ID (supplied by the Government Gateway) when you have finished registering.

An Activation Pin will be sent to you within seven days to activate your account. You will then be able to start using the electronic form via the HM HMRC website within the Online Services area.

For assistance with BTI enrolment, contact the HMRC Excise and Customs Helpline by telephoning 0300 200 3700 or 0300 200 3719 (Textphone) for customers who are deaf or hearing or speech impaired.

Accessing the eBTI application form

Once you have activated your account by entering your Activation Pin on the Government Gateway website, you will be able to access the eBTI application form via the HMRC website following the instructions below.

Follow the Online Services link on the HMRC homepage then select the Electronic Binding Tariff Information (eBTI) link. This will then take you to the log in screen where you need to enter the User ID and password. The blank BTI application form will then need to be completed in full and returned electronically to HMRC for processing.

4. Exceptions

In the event that you will experience difficulty in submitting electronic requests for a BTI ruling, please contact the HMRC Excise and Customs Helpline by telephoning 0300 200 3700 or 0300 200 3719 (Textphone) for customers who are deaf or hearing or speech impaired.

5. For further information regarding this Information Paper contact:

Dave Knight
HM Revenue & Customs
Customs Duty Liability
10th Floor South East
Alexander House
21 Victoria Avenue
Southend-on-Sea SS99 1AA
Fax: 01702 367342
Email: david.j.knight@hmrc.gsi.gov.uk

Issued on the **24 December 2013** by Customs Directorate, HMRC.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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CUSTOMS INFORMATION PAPER (13) 88

Tariff preference: Derogation from rules of origin for certain products from Guatemala imported under quota

Who should read:	All involved with importing from Guatemala
What is it about:	A derogation from the normal rules of origin for products listed in Commission Implementing Regulation (EU) 1366/2013 imported from Guatemala under quota
When effective:	1 December 2013
Extant until/ Expires	Until further notice

1. Background

An Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other was published in [Official Journal L346/2012](#) and is available on the Commissions Eur-Lex website (Customs Information Papers (13)49 and (13)70 also refer). A subsequent notice concerning the provisional application of Part IV (trade matters) of the Agreement between the European Union and Guatemala was published in [Official Journal L315/2013](#) (Customs Information paper (13)86 refers) and took effect from 1 December 2013.

2. The quotas and derogating rules

[Commission Implementing Regulation 1366/2013](#) has now been published on the European Commission website detailing the derogations from the rules of origin laid down in Annex II to the Agreement (see Official Journal L346/2012) and the quotas for certain products from Guatemala to which they apply. The derogated rules themselves are set out in Appendix 2A to Annex II to the Agreement.

The quotas apply within the limits of first come first served quotas for goods released into free circulation on or after 1 December 2013. Applications must be accompanied by one of the following proofs of origin:

- an EUR1
- an invoice declaration made out by an 'Approved Exporter', or
- an invoice declaration made out by an exporter for any consignment consisting of one or more packages containing originating goods the total value of which does not exceed €6000 (Appendix 6 to the Agreement refers (see Official Journal L346/2012)).

The proof of origin must contain the following statement:

"Product originating in accordance with Appendix 2A of Annex II (Concerning the Definition of the Concept of "Originating Products" and Methods of Administrative Cooperation)".

3. Claims to quota and documentary requirements

To make a claim to the appropriate tariff quota, your customs declaration for release into free circulation must contain the following:

- the tariff quota order number (as listed in the Annex to Commission Implementing Regulation 1366/2013) in **Box 39**, and
- document code **U071** (declaring that the proof of origin carries the derogation statement) in **Box 44**.

If the proof of origin does not bear the derogation statement it can be assumed the products are not covered by the derogation although a regular non-quota claim to preference can be made subject to the satisfaction of all the relevant conditions, including compliance with the normal preferential rules of origin.

HMRC will consider retrospective claims to quota on eligible products accepted for release into free circulation on or after 1 December 2013 and which are covered by a retrospectively issued EUR1 or invoice declaration bearing the above derogation statement.

4. Payment/repayment of duty

The HMRC printed Tariff, online UK Trade tariff at www.gov.uk and CHIEF (Customs Handling of Import and Export Freight) entry processing system will be updated in due course. In the meantime, there is a risk that you could overpay duty on products eligible for these quotas.

If you have already paid the full rate of customs duty on eligible products which were accepted into release for free circulation on or after 1 December 2013 please send the endorsed retrospectively issued proof of origin with a claim to quota on a Form C285 (available from the HMRC website) to:

HM Revenue & Customs
National Duty Repayment Centre
Priory Court
St John's Road
Dover
Kent
CT17 9SH

5. Contacts

Further information can be obtained by contacting:

HM Revenue & Customs
Customs Duty Liability Policy Team

10th Floor
Alexander House
21 Victoria Avenue
Southend on sea
Essex
SS99 1AA

Email: dutyliability.policy@hmrc.gsi.gov.uk

Issued on the **24 December 2013**, by Customs Directorate, HMRC.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0300 200 3700

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