



**Terms and Conditions for holders of the HMRC EUR1
and ATR stamp**

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Terms and Conditions for Light Dues Collectors

December 2015

Contents

<u>Part 1:</u> EUR1 and ATR Stamp Holders	Page
Approval Criteria	5
Background	5
Guidance and Procedures	6
Terms and Conditions	9
Audits	11
Problems and Complaints	11
EU Countries	12
<u>Part 2:</u> Light Dues Collectors	
Approval Criteria	13
Terms and Conditions	13
Visits	15
Problems and Complaints	16

Part 1.

INSTITUTE OF CHARTERED SHIPBROKERS

EUR1/ATR Stamp Holders

APPROVAL CRITERIA

To be approved as an authorised EUR1/ATR movement certificate stamp holder, you must be a full Company Member of the Institute of Chartered Shipbrokers. The criteria for company membership is;

- Any company worldwide can become a Company Members of the Institute providing that they employ at least one senior member of staff who is either a Fellow (FICS) or Member (MICS) of the Institute.
- They must be of good financial standing and have in place appropriate P&I liability insurance.
- A Company must also be able to demonstrate (to the satisfaction of the Controlling Council) that they are actively involved in the shipping business or profession of shipbroking, liner or port agency, or management and that they are a fit and proper entity to become a Company Member.

For more information about becoming a Company Member, please contact the Institute at membership@ics.org.uk or call 0207 6231111.

BACKGROUND

In order to help the export trade of the EU, trading agreements with certain countries have been set in place. These allow exports originating in the EU to enter the destination country at a reduced or nil rate of duty. These arrangements are not in place with every country – the destination country has to be a signatory to a preferential trade agreement.

For exported products to qualify, they must have EU preferential origin and therefore have met the required origin rule.

The rules vary according to the product and the preferential trade agreement concerned. They require either that the product is wholly produced in the preference country or that it has been manufactured there in accordance with particular rules.

There are two different ways to declare preferential origin. The most commonly used is a EUR 1 Certificate followed by the ATR certificate which is solely for goods exported to Turkey under the EU's Customs Union arrangements with that country. There is also a facility in most agreements to use a declaration on the invoice with a legally approved form of words as an alternative.

This can either be a low value declaration available to any exporter or one for Approved Exporters where no value limit applies.

GUIDANCE AND PROCEDURES

By stamping EUR1 and ATR documents company members are **not** declaring that they have verified that the goods meet the rule of origin and thus qualify for preference, but they **are** stating that the documents presented indicate that the goods are destined for a preference giving country, that the forms have been correctly completed and that, from scrutiny of the documents produced, there is no indication that the goods do not qualify for preference.

The following guide seeks to explain the purpose of the EUR1 movement certificate in order to assist company members in their understanding and obligations.

What is a EUR1 movement certificate?

The EUR1 can only be used if it can be proven that the goods declared by the exporter on the document are eligible for EU origin status or the origin status of the country trading with the EU. This means that the consignment must have been made in the EU or the country trading with the EU.

What does origin mean?

Origin means that the good covered by an EUR1 must:

- i. be made entirely in the EU or the country exporting the consignment.
- ii. have the majority of their content made in the EU or the country exporting them to the EU, with only a prescribed minimum of content made outside these areas.
- iii. that the tariff commodity code applying to the finished product must radically differ from the components or materials included in the product.

Company members should be aware that exporters who present EUR1 movement certificates for stamping must be able to prove the origin of the goods through their suppliers.

When an exporter presents a EUR1 for authorisation, the accuracy of the document should be thoroughly checked by the company member stamping the document. If in doubt, the company member is entitled to ask the exporter to provide evidence in order to ensure that the origin rules have been met and HMRC may, in certain circumstances, be required by the receiving country to verify origin up to three years after the issue of the certificate. Therefore both the exporter and company member must retain records for a minimum of three years.

How does the EUR1 work?

The EUR1 movement certificate is raised by the exporter and presented to authorised Institute company members for endorsement on behalf of HMRC.

Copies of the certificate have the following functions:

- i. Top – green copy – travelling with the consignment and presented to the receiving Customs authorities by the importer.
- ii. Lower – white copy – is retained by the authorised Institute company member and must be securely stored for a minimum of three years.

Superimposed alterations or corrections to the document are not permitted. Any alterations must be made by crossing out the original details as appropriate and making an endorsement signature.

Which countries use the EUR1?

The EUR1 is used for preferential free trade with the following countries:

Albania
Algeria
Ceuta and Melilla (Spanish colonies in Morocco)
Chile
Croatia
Egypt
Iceland
Israel
Jordan
Lebanon
Liechtenstein
Macedonia
Morocco
Mexico
Norway
Palestine
South Africa
Switzerland
Tunisia
Turkey (agricultural, coal and steel products only)

Whilst the following countries do not give preference, products originating in the EU in accordance with preferential rules of origin can be exported to them under a procedure known as 'donor country content arrangements'. For further information, company

members should refer to paragraph 9.6 of HMRC Notice No. 827 (see below). These countries are:

- i. The Western Balkans (Serbia, Montenegro, Kosovo and Bosnia Herzegovina).
- ii. Some of the Africa, Caribbean and Pacific States (ACP), and Overseas Countries and Territories (OCT). Paragraph 1.4 of HMRC Notice No. 827 (see below) refers.

There is supporting information to help explain the rules concerning preferential trade and HMRC has produced several notices which can be downloaded at www.gov.uk. Company members should download copies of these documents and familiarise themselves with the content, they are:

Notice No. 827	(How to complete the form).
Notice No. 828	(Rules of origin).
Notice No. 830	(Tariff Preference).
Notice No. 832	(Rules of origin – Mexico).

EUR1/ATR STAMP HOLDERS - TERMS AND CONDITIONS

The Institute of Chartered Shipbrokers is an administrator of the EUR1 and ATR movement certificate process, as mandated by Her Majesty's Revenue and Customs (HMRC) through a Memorandum of Understanding. The Institute does not issue EUR1 and ATR movement certificates directly, however the HMRC mandate authorises the Institute to permit Institute Company Members to do so on their behalf.

This document clarifies the terms and conditions placed on Company Members who are, or wish to be considered to be, authorised EUR1 and/or ATR movement certificate stamp holders.

Authorised Company Members must;

1. Appoint a member of staff as the point of contact and provide all relevant contact details for that person.
2. Appoint a responsible person to take custody of (and be accountable for) the authenticating stamp/s. (points 1. and 2. may be the same person) at each location (where applicable).
3. Ensure that authenticating stamps are stored in a secure and safe place under the custody of the responsible person. Authenticating stamps remain the property of HMRC and can be recalled at any time.
4. Ensure that only direct employees of the Member Company use the authenticating stamps.
5. Inform the Institute immediately of the loss, destruction, damage to or misuse of their stamp/s.
6. Inform the Institute of any changes to the company trading name, address and contact details for either the point of contact and/or responsible person.
7. Ensure that all documentation (application forms, spoiled or wasted forms etc.) is kept for a minimum of three years in their original form.
8. Provide HMRC (and when required, the Institute) with;
 - any documentation or records it requests, and/or
 - any potentially invalid applications, and/or
 - any other assistance (for example, with regard queries on the authentication or rejection of any EUR1 or ATR)
9. Provide the Institute on a calendar quarterly basis with data in respect of the number of EUR1 and ATR authenticating certificates it has issued, together with a Statement of Assurance (that the HMRC Service Standard for Excise, Customs, Stamp

Taxes and Money services customers in respect of the issue of EUR1 and ATR Certificates) has been met.

10. Permit and co-operate fully with all and any HMRC, Institute audit, inspection, spot check or investigation. These may take place with or without notice (See page 11).
11. Never, under any circumstances, add to or amend a EUR1 or ATR form on behalf of an applicant.

The Institute will:

1. Consider applications from Company Members that seek to be authorised EUR1 and/or ATR movement certificate stamp holders.
2. Issue guidance and instructions to authorised Company Members with regard to the appropriate procedures and responsibilities in relation to the issue of EUR1 and ATR movement certificates.
3. Monitor the performance of authorised Company Members.
4. Review the performance standards of all authorised Company Members in accordance with the agreed criteria.
5. Cancel the authorisation powers of any authorised Company Member, which fails to meet the agreed criteria for the scrutiny and endorsement of EUR1s or ATRs.
6. Liaise with HMRC on policy matters concerning the issue of EUR1s and ATRs and, where appropriate;
7. Conduct with, or on behalf of HMRC, audits, inspections and spot checks, including the undertaking of investigations;
8. Inform HMRC of any loss, destruction, damage to or misuse involving authentication stamps.
9. Provide stamp holding company members with a template to submit quarterly returns.
10. Provide support, assistance and training where required.

EUR1/ATR AUDITS

All authorised EUR1/ATR movement certificate stamp holders agree to participate in audits as part of the terms and conditions (see Page 10). Audits help to test performance, identify areas for improvement and can expose fraudulent activity.

For authorised EUR1/ATR movement certificate stamp holders, audits may be conducted by HMRC and the Institute either jointly or independently. They will usually be scheduled and made with the point of contact and as far as possible, a minimum of four weeks notice will be given. However, at times, they may take place unannounced.

If you are subject to an audit, it does not mean that you have done something wrong, it means that the Institute or HMRC are exercising due diligence and checking your processes and procedures with regard to EUR1 and ATR certificate stamps.

Should you be audited, it is likely that we will want to look at your stamp/s, where they are stored, the staff using them, the employment status of those staff etc. This is not an exhaustive list and the auditor might wish to look into any aspect relating to the terms and conditions.

After an audit, the Institute will always write to you afterwards to advise the findings. We will tell you if we found anything wrong and help you improve that aspect and tell you what you are doing well. In some instances where we see good practice we will seek to pass examples of that on to other authorised stamp holders.

EUR1/ATR PROBLEMS & COMPLAINTS

The Institute aims to treat everyone in a fair and equal way. We also recognise that at times, and for a variety of reasons, problems may arise. It is important that should you feel there is an issue, there is a procedure in place. Should that happen, please follow the below escalation procedure.

1. In the event of any issues, you should contact your usual point of contact at the Institute via membership@ics.org.uk or on 0207 6231111. In most cases, issues and problems can be dealt with at this stage.
2. If you are unhappy with the outcome provided at stage 1, please contact the Institute Director, Julie Lithgow j.lithgow@ics.org.uk
3. In exceptional circumstances you might feel you have to contact HMRC directly, this can be done through their website at <http://www.hmrc.gov.uk/complaints-appeals/>

EU COUNTRIES

There are 28 European Union Countries, they are:

- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Republic of Ireland
- Italy
- Latvia
- Lithuania
- Luxemburg
- Malta
- The Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- United Kingdom

Part 2.

INSTITUTE OF CHARTERED SHIPBROKERS

LIGHT DUES COLLECTORS

APPROVAL CRITERIA

To be approved as an authorised Light Dues collector, you must be a full Company Member of the Institute of Chartered Shipbrokers. The criteria for company membership is;

- Any company worldwide can become a Company Members of the Institute providing that they employ at least one senior member of staff who is either a Fellow (FICS) or Member (MICS) of the Institute
- They must be of good financial standing and have in place appropriate P&I liability insurance.
- A Company must also be able to demonstrate (to the satisfaction of the Controlling Council) that they are actively involved in the shipping business or profession of shipbroking, liner or port agency, or management and that they are a fit and proper entity to become a Company Member.

For more information about becoming a Company Member, please contact the Institute at membership@ics.org.uk or call 0207 6231111

LIGHT DUES COLLECTORS - TERMS AND CONDITIONS

The Institute of Chartered Shipbrokers is an administrator, as contracted by Trinity House, for the authorising of Light Dues Collectors. The Institute itself does not collect Light Dues directly, Company Members, authorised by the Institute, do so on behalf of Trinity House.

This document clarifies the terms and conditions placed on Company Members who are, or wish to be considered to be, Light Dues Collectors (Authorised Collectors).

Trinity House will enter into a separate contract directly with the Company Members who are approved Light Due Collectors at the time of their appointment which must also be adhered to.

Once appointed by Trinity House, Authorised Collectors are given access to ALDIS (Automated Light Dues Information System), the online platform through which Light Dues certificates are raised. For new collectors this will be explained in more detail and training offered once authorised.

Authorised Collectors must;

1. Appoint a Light Dues Officer to be responsible for the control and regulation of Light Dues collections at the Designated Port. (Where practicable the Light Dues Officer should be an Institute professional member from the organisation - Director, Partner or senior full time employee).
2. Provide Trinity House with all relevant contact details for the Light Dues Officer – who will also be the point of contact with the Institute – and keep Trinity House and the Institute advised of any changes (see point 8).
3. Where appointed to perform the Collection Service at more than one Designated Port, the company must nominate a Branch Light Dues Officer at each Designated Port where the Light Dues Officer is not based. The Branch Light Dues Officer should be a Director, partner or senior full-time employee of that Authorised Collector.
4. Provide all relevant contact details for Branch Light Dues Officer – who will be the point of contact at that Designated Port, with the Institute. The Light Dues Officer remains responsible for the control and regulation of Light Dues collections at their Designated Port. Trinity House and the Institute must be advised of any changes (see point 8).
5. Ensure that only employees of the Authorised Collector have access to the ALDIS system.
6. Ensure that all usernames and passwords issued are known only to the person they have been issued to. Usernames and Passwords are unique for each person using ALDIS - under no circumstances can log-in details be shared. Should a staff member with access to ALDIS cease to be employed by a Light Dues Collector, their access to ALDIS must be terminated by the Light Dues Officers.
7. Inform Trinity House (and the Institute) immediately of any security breaches involving access to the ALDIS system.
8. Inform Trinity House (and the Institute) of any changes to the company trading name and/or address or branch address, and the contact details for the Light Dues Officer and/or Branch Light Dues Officers within 14 days of each change.
9. Provide Trinity House (and when required, the Institute) with;
 - any documentation or records it requests, and/or.
 - any other assistance.
10. Permit and co-operate fully with all and any Trinity House or Institute visits, inspections or investigations. These may take place with or without notice.

The Institute will:

1. Consider applications from Company Members that seek to be Authorised Collectors.
2. Through Trinity House, issue appropriate guidance and instruction with regard to the procedures and responsibilities of Authorised Collectors.
3. Monitor the performance of Authorised Collectors, as and when required.
4. Review the performance standards of all Authorised Collectors in accordance with the agreed criteria.
5. Inform Trinity House of any inappropriate behaviour or practices involving Authorised Collectors.
6. Request that Trinity House cancel the appointment of any Authorised Collector which fails to meet the agreed criteria.
7. Liaise with Trinity House on policy matters concerning the collection of Light Dues.
8. Conduct with, or on behalf of Trinity House, visits and inspections, including the undertaking of investigations (if required).

LIGHT DUES COLLECTORS - VISITS

All authorised Light Dues collectors agree to participate in visits from Trinity House (and the Institute) to meet Company Members who are Light Dues Collectors as part of the terms and conditions. Visits like this are an opportunity for Trinity House, the Institute and the collector to meet and discuss any areas of concern, areas where improvement is required and the sharing of good practice.

For authorised Light Dues collectors, visits will usually be conducted jointly by Trinity House and the Institute, although exceptionally they may happen independently. They will usually be scheduled and arranged directly with the specified Light Dues Officer and as far as possible, a minimum of four weeks' notice will be given. However, at times, they may take place unannounced.

If you receive a visit, it does not mean that you have done something wrong. It means that the Institute or Trinity House are exercising due diligence and checking your processes and procedures with regard to collecting Light Dues.

Should you be visited, it is likely that the discussion will be very general but we will want to discuss any issues that you may have, issues that might have arisen, meet some of the collecting staff, etc. This is not an exhaustive list and the visit might look into any aspect relating to the terms and conditions.

In the unlikely event that any serious issues come to light during a visit, the Institute will write to you afterwards to advise the findings. We will tell you what we found to be the problem and help you improve that aspect. In some instances where we see good practice we will seek to pass examples of that on to other authorised Light Dues collectors.

PROBLEMS & COMPLAINTS

The Institute aims to treat everyone in a fair and equal way. We also recognise that at times, and for a variety of reasons, problems may arise. It is important that should you feel there is an issue, there is a procedure in place. Should that happen, please follow the below escalation procedure.

1. In the event of any issues, you should contact your usual point of contact at the Institute via membership@ics.org.uk or on 0207 6231111. In most cases, issues and problems can be dealt with at this stage.
2. If you are unhappy with the outcome provided at stage 1, please contact the Institute Director, Julie Lithgow j.lithgow@ics.org.uk
3. In exceptional circumstances you might feel you have to go to Trinity House directly, this can be done by e-mail: lightdues.general@thls.org or via free phone: 0800 189400.