

Completing declarations for trade with the EU

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- Customs and trade specialist with 10+ years experience
- Specialist in rules of origin and customs special procedures
- Spent two years in strategic Brexit task force for major global corporate
- Accredited customs professional

POLL: How confident would you say you are completing customs declarations?



Contents

- **What are customs declarations?**
- Do I need to complete them?
- Getting started completing declarations

- Information required to complete declarations
- Checks and errors
- Simplifying customs declarations



What are customs declarations?

- ◆ A document showing detailed descriptions of goods crossing international borders
- ◆ Allows customs authorities to control goods that enter the country
- ◆ Supports countries to protect their economy, security or environment
- ◆ Import duties may be applied
- ◆ Prevents imports or exports of prohibited or restricted goods



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Do I need to complete them?

- ◆ If you are moving goods into or out of GB customs declarations will be needed
- ◆ As of 1 January 2021, all goods movements between GB and 27 EU countries considered exports and imports
- ◆ Customs procedures and formalities now apply
- ◆ 'Dispatches' become 'exports'
- ◆ 'Arrivals' become 'imports'
- ◆ GB now formally a 'third country' from EU's perspective
 - ◆ EU law no longer applies



Trading with NI

- ◆ Customs declarations for GB to NI
 - ◆ Duty payable if goods 'at risk' of moving to the EU
- ◆ Customs declarations for limited goods moving from NI to GB
- ◆ Moving goods between NI and the EU continues unaffected
- ◆ Businesses in NI can use UK free trade agreements
- ◆ Trader Support Service and Northern Ireland Customs and Trade Academy can help

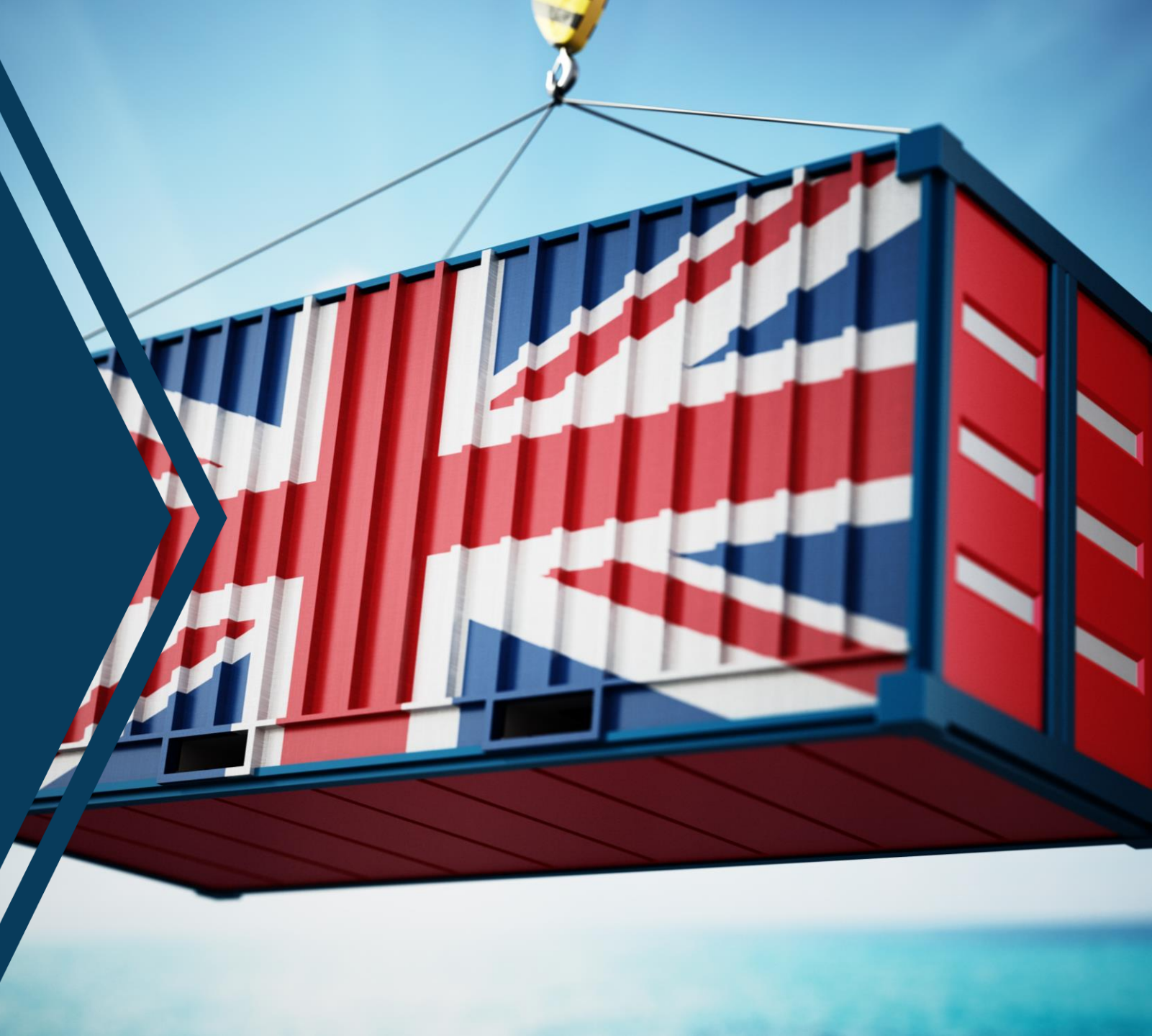


Changes to UK customs

- ◇ Border Operating Model
- ◇ Customs declarations
 - ◇ Six-month deferral option for EU imports
- ◇ UK Global Tariff
- ◇ Guarantees
- ◇ VAT
- ◇ Customs Declaration Service (CDS)



POLL: How confident are you trading with the EU post-transition?



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Preparation

Check process
to follow and
agree
Incoterms®



Obtain EORI
number



Validate goods
can be imported
or exported



Who will make
the declarations
and how will you
import goods

Classify goods



Value goods



Check if licences
are needed



Check labelling

The importance of agreeing Incoterms®

Explains the obligations, risk and costs for both parties

Obligations

Who does what, e.g.

- Who organises transport and insurance
- Who obtains shipping documents and export/import licences



Risk

Where and when the seller 'delivers' the goods, in other words where risk transfers from seller to buyer














Costs

Which party is responsible for costs such as transport, packaging, loading/unloading

What are Incoterms®?

● Seller obligation
 ● Transfer of risk
 ○ Buyer obligation

											
EXW	●	○	○	○	○	○	○	○	○	○	○
FCA	○	●	○	○	○	○	○	○	○	○	○
FAS	○	○	●	○	○	○	○	○	○	○	○
FOB	○	○	○	●	○	○	○	○	○	○	○
CFR	○	○	○	○	○	○	●	○	○	○	○
CIF	○	○	○	○	○	○	●	○	○	○	○
CPT	○	○	○	○	○	○	○	○	○	●	○
CIP	○	○	○	○	○	○	○	○	○	●	○
DPU	○	○	○	○	○	○	○	○	○	●	○
DAP	○	○	○	○	○	○	○	○	○	○	●
DDP	○	○	○	○	○	○	○	○	○	○	●

Customs brokers/agents

Customs declarations can be made by the trader if they have the required systems and expertise in-house

Alternatively, they can identify a customs broker to act on their behalf – either as direct or indirect representative

The freight forwarder or haulier could sub-contract the customs brokerage out to a third party

- ◆ Facilitate the clearance of goods, making a customs declaration on behalf of the responsible trader or freight forwarder
- ◆ Deals with the customs clearance processes



Controlled, prohibited and restricted goods

- ◆ Goods subject to international obligations such as endangered species (CITES), diamonds
- ◆ Sanitary/Phytosanitary (SPS): animals, animal products, plants, plant products, fish
- ◆ Excise goods such as alcohol and tobacco
- ◆ Controlled goods such as chemicals, firearms, medicines



POLL: How do you currently submit customs declarations?



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What do I need?

- ◆ Get an EORI
- ◆ Commercial invoice
- ◆ Incoterms® 2020
- ◆ Deferment account
- ◆ Additional documentation and checks for certain goods
- ◆ Customs declarations
 - ◆ Country of origin
 - ◆ Customs value
 - ◆ Customs procedure codes
 - ◆ Commodity code
 - ◆ Weight



Commodity codes

- ◈ Needed for all goods moving across the border
- ◈ Should be identified in advance of goods moving
- ◈ Determines:
 - ◈ value of duty and VAT payment
 - ◈ trade remedy measures such as anti-dumping duty
 - ◈ import/export licencing requirements
- ◈ Consider GIRs and read chapter and heading notes
- ◈ Further guidance available on upcoming IOE&IT commodity codes and tariff lunchtime webinar



Origin

Preferential origin

- ◆ Allows lower or nil rate of duty if there's a free trade agreement between the countries, provided goods meet Rules of Origin and other conditions within the agreement
- ◆ Also used in the UK's GSP scheme for least developed countries

Non-preferential origin

- ◆ Required for political reasons
- ◆ Determines duty applicable for trade policy measures like anti-dumping duty
- ◆ Determines whether most-favoured-nation duty is applied



Customs valuation for import purposes



- Responsibility falls to importer to declare customs value correctly
- Method 1 should be considered first and if this is not appropriate, move to method 2 and so on
- Free of charge items should have a customs value
- Delivery costs, commissions, royalties, tools used in production, containers and packing costs should be included even if paid separately, see notice for full list of charges to be included

Payment of duty & VAT

- › Duty payment payable when import declaration submitted (full frontier or supplementary declaration)
- › Duty deferment account (DDA) allows deferment of duty and VAT
- › Paid by direct debit on the 15th of the month following submission
- › Most companies can apply for a guarantee waiver

Postponed VAT accounting

- Importer confirms via customs declaration if they will pay import VAT at import or postpone the VAT
- VAT will be declared and recovered on the same VAT return, rather than having to pay it upfront and recover it later
- The goods are released without payment of import VAT
- Improves cash flow for business

Customs procedure codes (CPC)

- ◆ Needed on all customs declarations
- ◆ Identify customs and/or excise regimes goods are being entered to and removed from
- ◆ Determines whether duty is paid or suspended on import
- ◆ Common CPC codes:
 - ◆ Import: release to free circulation: 40 00 000
 - ◆ Export: free circulation goods being exported outside of the UK 10 00 001



Documentation and housekeeping

- ◆ Best practice is for importer and exporter to ensure all paperwork is kept on file for upwards of four years
- ◆ It is extremely important that traders retain an audit trail in case of customs audit
- ◆ Management support system (MSS) data



Documentation and housekeeping

◆ Traders should retain:

- › Commercial invoice
- › Packing list
- › Origin certificates (originals), if applicable
- › Transport documents (bill of lading, CMRs, airway bills)
- › Product regulatory certificates
- › Copies of customs declaration
- › Intrastat submissions



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Checks and errors

- ◆ Trader should check the accuracy of declarations and remediate errors

- ◆ Businesses should:
 - ◆ Correct errors
 - ◆ Implement remedial action to prevent future occurrences



Amendment forms

◇◇ Examples of import error forms:

- ◇◇ Repayment/remission C285 form – if duty overpaid
- ◇◇ Voluntary clearance amendment (C2001) – duty underpaid
- ◇◇ CFSP: non-monetary amendment form – no duty implications

◇◇ Examples of export error forms:

- ◇◇ Export declaration statistical amendment (C81)



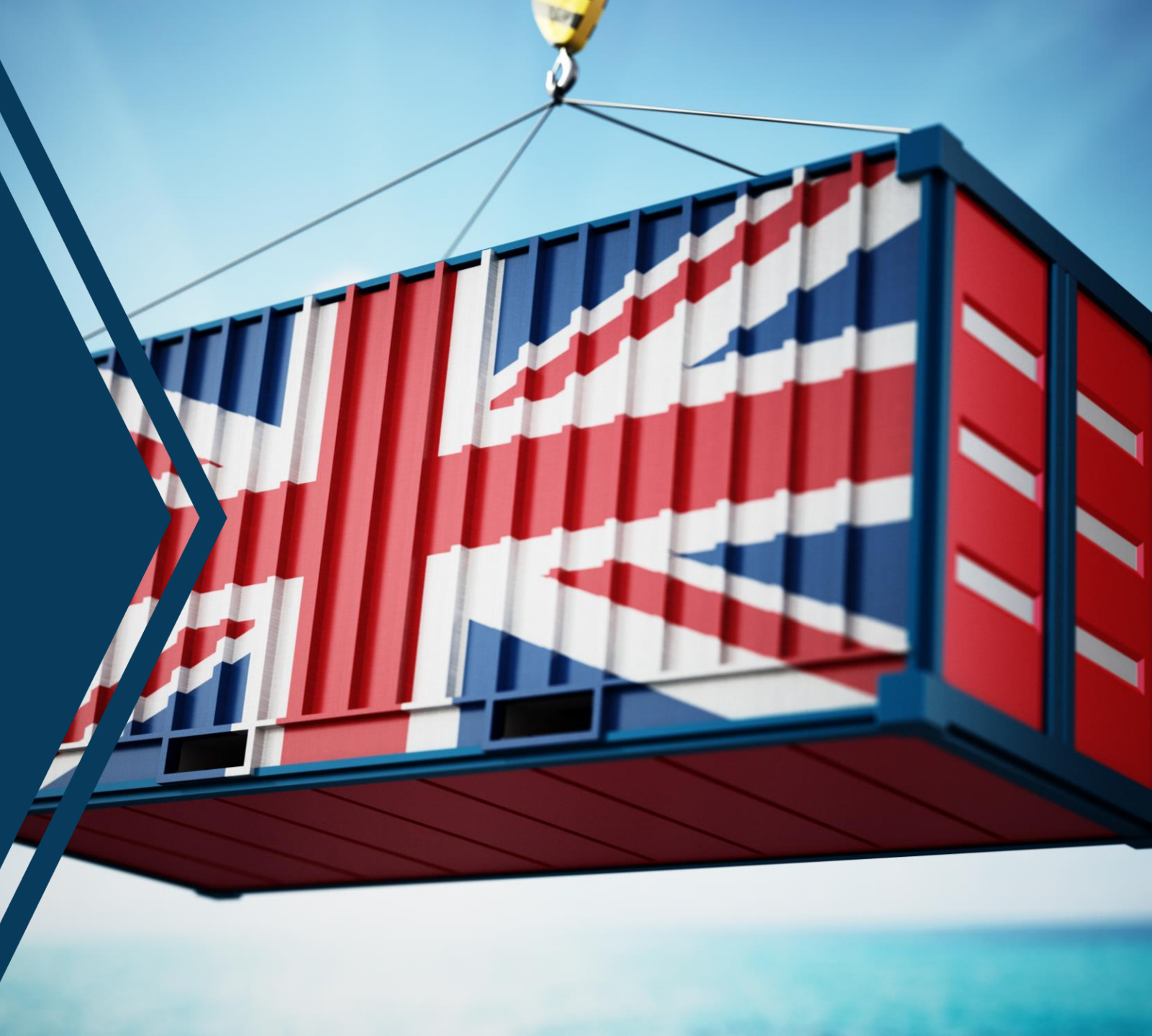
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Do you use any of the following special procedures or authorisations at present (pick all that are relevant)



Available import processes

Customs Freight Simplified Procedures

- › Minimal data entered followed by supplementary declaration
- › Used for deferred declarations
- › Two options:
 - Simplified declaration procedure (SDP)
 - Entry into declarant's records (EIDR)

Full frontier declarations

- › Full customs entry made to HMRC including all details and payment of duty/submission of DDA number
- › Can take more time to complete due to more data
- › Data needed in advance of goods arriving

Available export processes

Simplified declaration procedure (SDP)

- › Minimal data entered followed by supplementary declaration

Customs supervised exports (CSE)

- › Allows goods to be declared for export at traders' premises

Designated export place (DEP)

- › Place where export consignments can be consolidated and presented to customs inland for clearance

Entry into Declarants Records (EIDR)

- › Similar to use of EIDR for import, goods released for export in trader's records

Useful links

[Get an EORI number](#)

[UK Border Operating Model](#)

[Get UK customs clearance when importing goods into the UK](#)

[Get UK customs clearance when exporting goods](#)

[Finding commodity codes for imports into or exports out of the UK](#)

[Notice 252: valuation of imported goods](#)

[UK non-preferential rules of origin](#)

[Check your goods meet the rules of origin](#)

[VAT on goods exported from the UK](#)

[Archiving your trade documents](#)

[Get someone to deal with customs for you](#)



Useful links

[Get someone to deal with customs for you](#)

[Software developers providing customs declaration software](#)

[Apply for repayment or remission of import duties \(C285\)](#)

[Apply for a voluntary clearance amendment \(C2001\)](#)

[CFSP: notifications of non monetary amendment](#)

[Export declaration statistical amendment](#)



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Q&A Session



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**Thank you for
attending**