



# **Guide to Importing & Exporting**

## **Breaking down the Barriers**

# H M REVENUE & CUSTOMS WELCOME YOU TO THE

## NEW IMPORTERS AND EXPORTERS STARTER PACK

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\*denotes new or updated information in this version of the pack

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## Introduction Section i

### Who is this publication aimed at?

This information pack is for anybody, whether already in business or not, who wishes to bring goods into the United Kingdom (UK) from outside the European Community (EC), or intends to send goods from the UK out of the EC.

The pack has been designed to help you get started on importing and / or exporting, or to help you better understand the procedures involved in these activities.

If you are engaged in selling products to customers based in a Non-EC Country, or you are buying products from a supplier based in a Non-EC Country, the information in this pack will be relevant to you. Note that certain goods need a Department for Business, Enterprise and Regulatory Reform (BERR) (formerly Department of Trade and Industry) (DTI) export licence even if they are being transferred to another EC Member State. These goods are all listed military goods, paramilitary goods and certain dual-use goods. See 'Do my goods need an export licence' for more information.

### HM Revenue & Customs

When most people think about HM Revenue & Customs, they think mainly of the uniformed officers they encounter at ports and airports and Income Tax.

VAT registered businesses may be aware of the VAT Officer, who attends business premises to audit commercial records.

However HM Revenue & Customs deal with many different aspects of work, for example –

- Climate Change Levy
- Excise Duty
- Insurance Premium Tax
- Landfill Tax
- Intra-EC Movement (of goods)
- Air Passenger Duty
- Child Benefit
- Tax Credits
- Income, Corporation, Capital Gains, Inheritance, Insurance Premium, Stamp, and Land Taxes
- Enforcement of other Government Department prohibitions and restrictions on the movement of controlled goods and offences relating to arms and WMD trafficking and breaches of UN and EU sanctions.

Unless you are in business in one of the specialised areas concerned, it is unlikely you will encounter many of these.

Listed below are some of the job-titles of HM Revenue & Customs which you may encounter:-

- **Frontier Customs Officers** – work at ports / airports, dealing with the clearance of goods.
- **The National Clearance Hub (NCH)** – The NCH is a single national site which has replaced Entry Processing Units (EPU) previously located at all major airports / ports.

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- **International Trade Assurance Officers** – work from inland offices, visiting your business premises, to check records and goods in relation to importing and exporting.
- **VAT Assurance Officers** – work from inland offices, visiting VAT registered business premises. They are responsible for validating VAT returns by examining business records.
- **Excise Assurance Officers** – work with the specific businesses involved with excise duties – hydrocarbon oils, alcohol, tobacco, betting and gaming.

This list is by no means exhaustive; there are many other jobs within Customs, so depending on what your business is doing you may well have contact with other Officers.

### Frontier Customs Officers

If you are importing or exporting, you may come into contact with Customs Officers at the frontier. They make sure that any goods being declared for import or export are moving legally. If they find errors on documents where information is incomplete or missing, or there are discrepancies between the documents and the goods, they will need to investigate further and have any errors corrected before those goods can move.

It is perhaps an unfortunate fact that due to the volume of freight traffic at ports and airports, Customs Officers will not be able to deal solely with your consignment. Therefore if a query does arise on your declaration they will not be able to halt all other inspections until yours has been cleared. They are obliged to move on to the next set of documents which have been presented for an import, so your consignment could be waiting until the query found on it has been resolved.

Whilst HM Revenue & Customs have no wish to add to the burden that businesses bear, we are required by law to ensure that all movements of goods are legitimate. As delays in the movement of your goods are likely to cause you and your customers problems, we are keen to ensure that documentation is completed correctly and therefore ease the movement of goods. To this end, regional Revenue and Customs Advice Teams have been introduced.

### The National Clearance Hub (NCH)

The NCH responsibilities include the processing of :

- All import and export entries selected for further checks
- The inputting of manual import and export entries
- The inputting of manual requests for export arrival and departure loading information
- Controlling un-entered goods for inventory linked ports and airports
- Authorising and amending inventory records and removals

You can contact the NCH by phone, fax, email or letter.

Write to :	FREEPOST RRBK-CGRL-RUCA	Telephone :	+44 (0)845 001 0085
	HM Revenue & Customs	Fax :	+ 44 (0)800 4960699
	National Clearance Hub	Email :	<a href="mailto:nch@hmrc.gsi.gov.uk">nch@hmrc.gsi.gov.uk</a>
	Custom House		
	Furness Quay		
	Salford		
	M50 3ZZ		

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### **Regional Revenue and Customs Advice Teams (R&CATs)**

Revenue and Customs Advice Teams (R&CAT) can help you understand what a Customs Officer is looking for in your import / export declaration.

Businesses can approach the Team in their geographical area and sign-up for seminars, or specialist workshops. Alternatively, an Assurance Officer or VAT Visiting Officer may either suggest to you that you would benefit from inclusion in one of the options, or put your name forward to R&CAT themselves.

Getting a better understanding of what Customs Officers are looking for, can help to preempt some problems, thus helping your declaration to be cleared quicker.

You can contact the R&CAT team in your region by phoning the [National Advice Service](#) on +44 (0)845 010 9000.

### **Why would I come into contact with HM Revenue & Customs?**

HM Revenue & Customs is the main Government Department charged with controlling imports and exports to and from the UK, for customs purposes and on behalf of other Government Departments. All goods imported into the UK must be declared to Customs on arrival in one form or another. Our involvement with exported goods starts at the time the goods are declared for export. This could be at business premises or the Port or Airport when they leave the country. The export cannot proceed until clearance is given by Customs. We work with other Departments in order to speed up the clearance of your goods – otherwise the logistics of the importer or exporter liaising with all the relevant Departments would be difficult. If delays are to be avoided it is important to get the documents right. Errors or discrepancies may cause delays. By having overall responsibility for clearing imports and exports, everything is brought under one umbrella – you or your agent need only have the one point of contact.

### **Can I use an Agent to act on my behalf?**

You can appoint a representative to act on your behalf. The type of representation may be either Direct or Indirect.

Direct representatives act in the name of, and on behalf of, another person. Indirect representatives act in their own name but on behalf of another person.

If you employ an agent to act as a direct representative i.e. the agent makes the customs declaration on your behalf (as the principal) acting in your name, you are deemed to be the declarant and therefore liable for any customs debt.

Where an agent acts as an indirect representative i.e. they make the customs declaration on behalf of a principal in their own name they are deemed to be the declarant. In such cases both the agent and the principal are jointly liable for any customs debt.

We strongly recommend therefore that it is in the best interests of importers / exporters to check the accuracy of any customs declarations made on their behalf. It is good practice to ensure that you request, receive and obtain copies of all declarations made to customs from your nominated agent as this will help support claims for VAT zero rating and the completion of import relief procedures.

More information on who is responsible for customs debts can be found in Section 7 of [Notice 199](#) Imported goods: Customs procedures and Customs debt.

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### What is an Import?

In this guide we use the term **import** to mean bringing goods into the UK from outside the customs territory of the European Community for personal or commercial reasons.

It is important to understand the differences in the law for the treatment of imports into the Community, as opposed to Intra European Community trade. Please be aware however that legislation controlling the importation of goods such as firearms, offensive weapons or drugs into the UK applies equally to goods from other EC Member States.

### What is an Export?

You **export** when you send goods from the UK for whatever reason. Many goods – e.g. military and paramilitary goods, radioactive sources, cultural goods and controlled drugs need a licence to be exported from the UK regardless of their destination.

However, for customs purposes the term “export” generally means the movement of goods to a destination outside of the customs territory of the European Community (EC).

### Countries of the EU

At the time of going to print, the countries of the EU are:-

Austria, Belgium, Bulgaria, Republic of Cyprus, The Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, The Irish Republic (Eire), Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, Spain (but not the Canary Islands), Sweden and The United Kingdom (but the Channel Islands are not part of the Fiscal (VAT) Territory).

### Why do I need to be aware of all this?

Imports and exports are subject to various UK laws and EC Regulations. You must abide by these "control" measures, so it is a good idea to know what you are getting involved with. When mistakes happen, HM Revenue & Customs can under the terms of the laws and Regulations impose various penalties against you, or even seize your goods.

This pack is designed to give you guidance to avoid some of the difficulties which can be encountered when importing and exporting goods.

### How to use this Pack?

To get the most out of this pack, we would suggest you start by reading either or both of the major sections on Importing or Exporting. You can move onto the sections on Transit Systems and Duty Relief Schemes if these are relevant to your business operations.

The pack is broken down into particular sections dealing with specific activities and topics and within these are the links to other areas which could impact on your movement of goods.

### National Advice Service (NAS)

The [National Advice Service](#) is the Department's telephone service that deals with all general enquiries about HM Revenue & Customs matters, including Value Added Tax (VAT), Customs Duties, Insurance Premium Tax, Landfill Tax, Aggregates Levy, Air Passenger Duty, Climate Change Levy and Mineral Oils Duties, both from businesses and the public. It is based at six individual sites which are linked. The single contact number is +44 (0)845 010 9000. Each call will automatically be routed to the site with the shortest call queue.

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The service is open Monday to Friday from 8.00am to 8.00pm. Customers with hearing difficulties can ring the Textphone service on +44 (0)845 000 0200.

#### **Tariff Classification Service**

An electronic version of Volume 2 of the Tariff is available via the [Business Link website](#). More information on this is detailed in Section ii of this guide under UK Trade Tariff. If however you are unable to find an appropriate code via the website, the Tariff Classification Service will assist you with finding the correct commodity code for your imports / exports. They can be contacted on +44 (0)1702 366077 between 9.00 and 17.00 Mondays – Thursday, 9.00 and 16.30 on Fridays (except Bank Holidays), with a voice mail facility in operation outside of these hours. Please see the sections in this guide on Importing and Exporting for more information on tariff classification and commodity codes.

#### **Notices**

HM Revenue & Customs issues Notices (leaflets or booklets) on particular subjects. A number of Notices are referred to throughout this publication. You can obtain copies of Notices by either contacting the National Advice Service on +44 (0)845 010 9000, and requesting a copy to be sent to you in the post. You can also view [Notices](#) on our website.

#### **Acknowledgements**

HM Revenue & Customs thanks other Contributors for their valuable input to this pack.

- Department for the Environment, Food and Rural Affairs (DEFRA)
- Department for Business, Enterprise and Regulatory Reform (BERR) (formerly the Department of Trade and Industry) (DTI)
- Rural Payments Agency (RPA)

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### The Tariff

The Integrated Tariff of the United Kingdom, usually referred to as **The Tariff** contains all the information to help you with Importing or Exporting. It includes references to the relevant laws and regulations.

Although the UK version is called the "Integrated Tariff of the United Kingdom", the same format is used throughout the EU. Importing and exporting are covered by EC Regulations, so regardless of the country in which you operate, the Tariff equivalent acts as a comprehensive point of reference. Please note that all EU countries have the same commodity codes, duty rates and procedures as the UK.

The Tariff consists of 3 volumes –

- **Volume 1** contains essential background information for importers and exporters. It covers – duty relief schemes, contact addresses for organisations such as Department for Business, Enterprise and Regulatory Reform, (formerly the Department of Trade and Industry), Department of Environment, Food and Rural Affairs (formerly MAFF) and Forestry Commission. It also contains an explanation of Excise duty, Tariff Quotas and many similar topics.
- **Volume 2** contains the 16,000 or so Commodity Codes set-out on a Chapter by Chapter basis. It lists duty rates and other directions such as import licensing and preferential duty rates.
- **Volume 3** contains a box-by-box completion guide for import and export entries – the C88 form, the complete list of Customs Procedure Codes (CPCs) for importing and exporting, Country / Currency Codes, lists of UK ports and airports both alphabetically and by their Entry Processing Unit (EPU) numbers, and further general information about importing or exporting.

The Tariff is available on an annual subscription. At the time of going to print the cost is £260. Each December, a complete Tariff for the coming year is despatched followed by monthly amendments which replace existing pages.

If you do not wish to obtain your own copy, the Tariff is available at some larger libraries.

Whether or not you own a Tariff, it is essential that you keep up-to-date with changes in commodity codes, rates of duty and regulations related to your products.

You can buy the Tariff in printed and CD ROM formats or subscribe to the new e-service, from:

The Stationery Office  
The Publications Centre  
PO Box 29  
Norwich  
NR3 1GN

General enquiries and orders  
Orders only  
Subscriptions

Telephone	+44 (0)844 4777 414
Fax	+44 (0)870 600 5533
Email	<a href="mailto:subscriptions@tso.co.uk">subscriptions@tso.co.uk</a>
Web site	<a href="http://www.tsoshop.co.uk">www.tsoshop.co.uk</a>

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### UK Trade Tariff

A free online version of volume 2 of the Tariff is available via the [Business Link website](#). It offers a browse and search facility that enables users to classify goods and quickly find detailed information such as commodity descriptions, duty rates, Anti Dumping Duty, Quota, VAT and excise rates, preferential agreements, government controls and explanatory notes for any commodity in the UK Tariff. There are daily data updates from the European Union's TARIC database and the HMRC Customs Handling of Import and Export Freight (CHIEF) system. There is an email alert system to let you know when anything changes within the Tariff. Additionally the UK Trade Tariff allows you to quickly identify the relevant licences / certificates that are applicable for each particular commodity code.

### Why are HM Revenue & Customs interested in my goods?

Customs have an interest in imports for a number of reasons. These include:-

- Correct payment of any duties and / or VAT due.
- Trade Statistics for both the UK and the EC.
- Balance Of Trade Figures for imports / exports for the United Kingdom.
- Prohibitions and restrictions set in place by UK laws and EC Regulations.

### The Single Administrative Document (SAD) – C88

Import and export details are usually collected through the electronic submission to HM Revenue & Customs, of the Single Administrative Document (SAD). This document, in the same format, is used throughout the EC, each country having it printed in their own language.

In the UK it is known as form C88, copies of a completed form can be found at the end of this section. The form contains 54 boxes – not all of them need to be completed. The details of which should be completed and why, are given in the Tariff, Volume 3 part 3, paragraph 3.1.1.

### Reform of the Single Administrative Document (SAD Harmonisation)

The rules for completion of the boxes on the SAD have now been harmonised throughout the 27 EU Member States. Details were published in the Official Journal of the European Union - L343, dated 31 December 2003. Further information on the [SAD Harmonisation](#) project can be found within the Import & Export pages of our website.

The paper document (i.e. the 4 and 8-part set) has not changed. Box numbers, names etc remain the same. However, certain information input to many of the SAD boxes has changed. Details of the current requirements can be found in Volume 3, Part 1 of the UK Tariff.

### Import Declaration

Currently 99 per cent of import details are collected through the submission to HM Revenue & Customs of an electronic import declaration (C88). You may make this yourself or use an agent to do it for you.

The import declaration gives information needed for a complete picture of what the goods are and what is happening to the shipment. Two of the most important pieces of information required are the Commodity Code (also called Tariff Heading, Tariff Code, Classification Code or Harmonised Code) and the Customs Procedure Code (CPC). Both have significant impact on duty due and how the consignment is treated.

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### **Can I use an Agent to make an import declaration on my behalf?**

You may appoint a representative to make an import declaration on your behalf. If you use a freight agent to complete your import formalities for you, he is working on your behalf only. If something in the declaration needs an explanation, we will still look to you as the legally declared importer and not the agent for clarification; it is your responsibility as the importer to ensure the accuracy of the information provided on the declaration.

If you employ an agent to act on your behalf, the type of representation may be either Direct or Indirect.

- Direct representatives act in the name of, but on behalf of, another person.
- Indirect representatives act in their own name but on behalf of another person

If an agent is acting as a direct representative i.e. the agent makes the customs declaration on your behalf (as the principal) acting in your name, you are deemed to be the declarant and therefore liable for any customs debt.

Where an agent acts as an indirect representative i.e. they make the customs declaration on behalf of a principal in their own name they are deemed to be the declarant. In such cases both the agent and the principal are jointly liable for any customs debt.

We strongly recommend therefore that it is in the best interest of importers to check the accuracy of any customs declarations made on their behalf. It is good practice to ensure that you request, receive and obtain copies of all declarations made to customs from your nominated agent as this will help support claims for VAT zero rating and the completion of Import Relief procedures.

More information on who is responsible for customs debts can be found in Section 7 of [Notice 199](#) Imported goods: Customs procedures and Customs debt.

### **Trader's Unique Reference Number (TURN)**

A TURN is a twelve digit number required by HM Revenue & Customs to allow importers to obtain Customs clearance via the CHIEF (Customs Handling of Import and Export Freight) system.

**If you are VAT registered**, the TURN will be your VAT registration number **plus** a three-digit suffix.

**If you are not VAT registered**, then an alternative number can be issued in order to clear goods for import or export. This is called a "**Pseudo TURN**"

### **How do I know whether I need to obtain a Pseudo TURN?**

If you are an importer, a Pseudo TURN is required when you are:

- not registered for VAT (or have applied but not yet received your VAT number); and
- making a commercial import; and
- importing from a country outside the European Union.

A Pseudo TURN must also be used in the following circumstances (if you do **not** have a VAT number):

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- In some circumstances if you need to remove goods from a Customs or Excise Warehouse.
- Importing from a country outside of the European Union.
- you are importing firearms or plants into the UK which require a TURN for the purposes of obtaining an import licence from the Department for Business, Enterprise and Regulatory Reform (BERR) (formerly the Department of Trade and Industry) (DTI).
- In some circumstances where End-Use Relief is applicable (must be the consignee).
- If you are applying for a DEFRA PHI 11 Certificate.

All applications for a Pseudo TURN should be made on a [C219](#) which is available from the HMRC website and the TURN team. The information on the C219 is mandatory. If it has been completed incorrectly it will be rejected by the TURN team, who will contact the applicant in writing.

Supporting documentation will be required in the form of the purchase order Bill of Lading and insurance documentation. HMRC take no responsibility for goods that cannot be cleared due to failure to request a Pseudo TURN or to complete the C219 correctly.

### **Who should I contact about TURNS?**

The TURN team in Cardiff are responsible for the allocation of Pseudo TURNS and TURN suffixes to VAT registration numbers. You can contact the team at:

HM Revenue & Customs  
TURN Team  
13<sup>th</sup> Floor  
Government Buildings  
Ty Glas  
Llanishen  
Cardiff  
CF14 5YA

Tel: Via the National Advice Service +44 (0) 845 010 9000.

Fax: +44 (0) 2920 326546

Email: [turn@hmrc.gsi.gov.uk](mailto:turn@hmrc.gsi.gov.uk)

Further information on TURNS can be obtained in [Notice 553](#), TURN, Pseudo TURN, dummy TURN and Private Importations (PR).

### **What is the Commodity Code?**

The Commodity Code for imports is a ten digit number which equates to a description of the item. Every item will have a code number – however diverse or obscure.

Against each commodity code, a duty rate is set, as are any restrictions that are likely to apply e.g. BERR (formerly DTI) Import Licence may be needed. Classifying your product using the correct commodity code is very important as the code;

- describes the goods, and
- sets the duty rate.

The majority of products being imported will attract duty. It is important that the correct duty rate is paid. If you pay too much, you will be disadvantaged financially. If you pay too little, you are likely to have to pay the additional amount later, perhaps after you have sold the goods on. Ensuring your products are classified to their correct commodity code(s) is of

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prime importance. Commodity Codes are contained in Volume 2 of the Tariff and there are some 16,000 of them. The Tariff has monthly updates as codes can change, be removed or new ones added. There is also an electronic version of Volume 2 of the Tariff available via the [Business Link website](#), which is kept up to date on a daily basis. More information on this is detailed at the beginning of Section ii of this guide under UK Trade Tariff.

If, after having carefully studied the Tariff, you are unable to find the correct commodity code, the Tariff Classification Service can assist you. If required they can also provide a written Binding Tariff Information (BTI) decision. The Classification Service can be contacted on +44 (0)1702 366077 between 9.00 and 17.00 Mondays – Thursday, 9.00 and 16.30 on Fridays (except Bank Holidays), with a voice mail facility in operation outside of these hours. See also [Notice 600](#) – Classifying your Imports or Exports.

Please note – An incorrect Commodity Code could result in an overpayment of duty, or an underpayment that Customs will collect at a later date.

### **What is the Customs Procedure Code (CPC)?**

The CPC describes the purpose of your shipment and informs Customs about the duty to be paid on the goods, whether it is to be –

- taken as a deposit, to be repaid when goods are re-exported,
- suspended completely because of a duty relief scheme (see Section v), or
- brought to account straightaway.

For example, are the goods coming in as samples, either to elicit orders or for you to inspect for quality, finish etc, before giving the go-ahead for full importation of the product? Commercial samples and Goods for examination, analysis or test can get relief from duty and VAT and there are specific CPCs to cover this. Please see [Notice 367](#) Importing commercial samples of negligible value free of duty and VAT and [Notice 374](#) Importing goods for test free Duty and VAT, for further information.

The Tariff (Volume 3) contains the full list of CPCs for the various import options. Once you have established the correct one, it is unlikely to change for the year.

### **Payment of Import Duty and VAT**

Once an import declaration (usually a C88 Single Administrative Document (SAD)) has been submitted and accepted by HM Revenue & Customs, the goods covered by the declaration shall not be released unless the monies payable against that import have been paid or secured. The usual method is by use of a **Deferment Account** (see below), for you or your agent. You can also pay by guaranteed cheque (by the use of guarantee form C&E307, or by individual bank endorsement), Bankers Draft, BACS, or CHAPS. These latter methods of payment will be accepted in euros.

### **What is the Import Value?**

When you import goods, you must declare a value (known as the customs value) on the C88. It is important that this value is correct as this is the amount on which any duties and VAT due will be calculated. The customs value is also crucial to obtaining accurate trade statistics.

### **How do I determine the customs value of my goods?**

Where the goods you are importing are subject to a sale, the customs value should be based on the CIF price (cost, insurance, freight) plus certain other costs you may have incurred in purchasing the goods (e.g. some commissions, royalty and licence fees and even

## A Guide To Import Procedures Section ii

the value of materials you have supplied free of charge to a manufacturer). This method of valuation is known as the transaction value and is used in the vast majority of importations.

Where no transaction has taken place (e.g. you imported the goods on loan), a hierarchy of alternative methods of valuation should be used. To help guide you through this complex area further details concerning the valuation of goods for customs purposes can be found in [Notice 252](#) Valuation of imported goods for Customs purposes, VAT & trade statistics.

### Valuation Declarations

If you import dutiable goods over a certain value (currently £6500), you may be asked to complete a declaration of value as well as the C88. If you buy goods and base the customs on an earlier sale, you may be asked to register a "long term" declaration called a **General Valuation Statement** (GVS), with our GVS Registration Unit in London. The declaration will remain valid for a period of three years as long as the particulars do not change, after which it has to be renewed. Further details can be found in [Notice 252](#) Valuation of imported goods for customs purpose, VAT and trade statistics.

### Rates of Exchange

If you or your suppliers issue invoices with values quoted in currencies other than sterling these will need to be converted to sterling for customs duty and VAT purposes when declaring goods at import and export.

The various rates of [exchange](#) can be accessed via the HM Revenue & Customs website. The monthly rates shown are checked weekly and changes made if they differ by more than 5 per cent from the last published rate. Alternatively the exchange rates are available from the [National Advice Service](#) and are also published in the Financial Times.

### What documentation will I have when I import?

Whenever possible and certainly for any imports coming in under "Customs Control", you need to have a copy of the import C88 form. We would also advise that a copy of the supplier's invoice accompanies the consignment, or if there has been no sale, a letter or document clearly showing what the status of the goods is.

If you have used an agent, the C88 will not necessarily look like the example at the end of this section. Agents can input your import details direct to the HM Revenue & Customs CHIEF (Customs Handling of Import and Export Freight) computer system and produce a "plain paper" print which contains all the same information as a C88. This is called 'Trader Input Plain Paper C88'.

If Customs are presented with a C88 for an import coming in under "Customs Control", we will stamp it and thereby certify the import. If the details have been input electronically (through CHIEF), Customs will not have the physical documents to stamp – therefore we issue the agent with an **Entry Acceptance Advice**. This is our way of acknowledging the entry.

If you receive a Plain Paper C88, you should also receive the Entry Acceptance Advice. This is proof that the entry was input and accepted by Customs.

All entries, whether input electronically or through submitting a C88, will, once they have been accepted by us, be issued with a unique Entry Number. Regardless of which port / airport has been used it will always follow the same format of three digits (port / airport code), followed by six digits (including zeros), followed by a letter, followed by the date of acceptance; for example 120 – 112034B 190302.

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### **What is meant by "Customs Control"?**

When goods are imported to a CPC which declares that some sort of duty / VAT relief is being requested on the consignment, it follows that by its very nature of relief the goods can be effectively "duty free". So the consignment comes under Customs Control – which means that the importer has to account, through record-keeping, for what is going to happen to those goods, whether they are going to be re-exported or completely destroyed, how long are they due to be in the UK / EC. An Assurance Officer can visit any trader and inspect their records and goods. If the conditions under which importation was allowed have not been fulfilled, HMRC may have to bring a deposit of potential duty / VAT to account, impose a penalty or even seize the goods. [Notice 999](#) Catalogue of Publications includes those which can give more details on the various relief regimes.

### **What is a Deferment Account and how does it work?**

If you intend to import on a frequent basis, a Deferment Account is an efficient method of paying the duty and VAT due. You can apply to HM Revenue & Customs for a Deferment Account, which will enable you to defer paying the charges (that would otherwise be due at importation) until a prescribed payment day.

To apply, you will need to provide financial security (from a bank or insurance company approved by HM Revenue & Customs) to cover each and every sum you defer up to an overall maximum amount in any calendar month. This amount is your deferment limit for the month and must not be exceeded. You will also need to complete a direct debit mandate to enable us to take a payment from your bank account of the total charges deferred.

Note : Security must be provided to fully cover all import VAT, customs duties and excise duties that you defer. Import VAT however may not need to be fully secured if you apply for SIVA (Simplified Import VAT Accounting) approval.

Additionally, excise duty may not need to be fully secured if you apply for EPPS (Excise Payment Security System). Detailed SIVA and EPPS information including application forms can be found on our website.

Upon successful deferment application, you will be allocated a Deferment Approval Number (DAN) that must be quoted on the import declaration if you wish to pay for charges due by duty deferment.

The charges you defer during one calendar month (the deferment accounting period for customs duties and import VAT) must be paid as a total sum on the 15<sup>th</sup> of the next month, or if the 15<sup>th</sup> is not a working day, on the next working day after it. This means you can defer charges between 2 and 6 weeks – an average of 30 days credit. For excise duties, you still get an average of 30 days credit, but the deferment accounting period runs from the 15<sup>th</sup> of one month to the 14<sup>th</sup> of the next month. Payments must be made on the 29<sup>th</sup> of the latter month (or 28<sup>th</sup> February in non-leap years), or if the 29<sup>th</sup> (or 28<sup>th</sup> February in non leap years) is not a working day, on the working day before that.

[Notice 101](#) Deferring duty, VAT and other charges gives further guidance on this subject.

### **What are Preferential Rates of Duty?**

The EC has trading agreements set in place with certain non-EC countries. The effect of these is to allow goods which have met specified origin rules in the country of export to be imported at a preferential or reduced rate of duty. Claims to preferential rates of duty must be supported by proof of preferential origin (a certificate, or in some cases a declaration on

## **A Guide To Import Procedures**

### **Section ii**

an invoice or other commercial document, issued in the exporting country); further information is given in [Notice 826](#) Tariff Preferences - Imports. Volume 1 Section 7 of the Tariff contains additional information in terms of which countries are involved.

The European Community has also concluded a Customs Union with Turkey in which most products (with the exception of agricultural and coal and steel products, which are subject to the 'traditional' preferential arrangements described above) can be imported into the parties concerned without payment of customs duty. In order to qualify for this relief the products concerned must have either been wholly produced in the Community or Turkey or if they have been imported into the parties from another country they must be in free circulation with all customs duties and other equivalent charges paid. Evidence of entitlement to the relief is provided by an ATR Movement Certificate. You can find out more about the preferential arrangements between the Community and Turkey in [Notice 812](#) European Community Preferences: Trade with Turkey.

Control measures have been set in place to address the risk of goods being imported under preference incorrectly. If a Preference Document is submitted to Customs and is found to be incorrectly issued against the consignment, the additional duty must be paid and in the most serious cases other penalties may be imposed. Therefore, in your own interest you should check as far as possible that any proof of preferential origin which you present to Customs is valid and that the goods covered by it are properly entitled to preference. [Notice 826](#) Tariff Preferences: Imports, tells you how you can help yourself avoid a liability to duty and how you can check that your goods have met the rules.

#### **What are Customs Freight Simplified Procedures (CFSP)?**

CFSP is a two stage electronic method of declaration. It offers the trader a variety of procedures, which may be operated in isolation or combined to best meet the traders needs. It allows authorised traders to gain accelerated removal or release of most third country imports by making a simplified declaration containing the minimum of details at the frontier.

The full statistical and fiscal details of the goods are later provided to Customs electronically within a defined timescale. However CFSP imports will still be subject to anti-smuggling and admissibility controls the same as all other goods entering the UK. Other features of CFSP include possible cash flow benefits and the use of simplified procedures in conjunction with normal entry and warehouse procedures to meet the needs of your business.

You must apply to Customs for general / specific authorisation to operate simplified procedures, details of the authorisation criteria and conditions can be found in [Notice 760](#) Customs Freight Simplified Procedures (CFSP).

#### **Can I personally bring commercial goods, purchased outside the UK, back with me?**

Yes. However all commercial goods, which are not in free circulation within the EU carried in your baggage or private vehicle must be declared to Customs. On arrival in the UK you must take the goods to the Red "Goods to Declare" Channel. Where no separate red channel exists you should use the Red Point phone in the customs area.

The value of the goods together with the customs procedure the goods are being imported to will determine whether or not you are required to complete a formal customs declaration on a C88 SAD. Where a C88 is not required it will still be necessary to pay any customs duties and taxes due and you will be given a receipt for any monies paid.

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Where a customs declaration is required, you must complete the C88 in the same way as you would for an importation of unaccompanied freight. Further details about this can be found in [Notice 6](#) Merchandise in baggage.

### **Authorised Economic Operator (AEO)**

The EU have been considering ways to raise safety and security standards within the international supply chain of goods to address the challenges of terrorism and to help protect EU borders and citizens.

The EU has developed the Authorised Economic Operator (AEO) scheme based on the World Customs Organisation SAFE Framework and in response to arrangements such as C-TPAT for imports into the USA. Benefits to those meeting the criteria include faster clearance times and preferential treatment at the EU border amongst others. More benefits will be available in the future when mutual recognition agreements are in place with 3<sup>rd</sup> country trading partners (starting 2009) and when the Modernised Customs Code Implementing Provisions are published (2010/11).

AEO has been implemented and HMRC are accepting applications from eligible businesses – those that are involved in trade with countries outside of the EU and operate under customs legislation. This can include importers, exporters, freight forwarders, warehouse keepers, port operators, etc.

More detailed information on [AEO](#) can be found on the HMRC website under the Imports and Exports section, under International Trade Developments or alternatively go to the [Business Link website](#) which provides you with :

- the ability to complete the AEO application form and questionnaire on-line with supporting guidance and help text; and
- an interactive AEO tool “Access your readiness for Authorised Economic Operator status” is available to assist you in this area.

### **Further Information:**

Further information is available in the following Notices:

[Notice 6](#) Merchandise in Baggage.

How to make a commercial import of goods, when returning from a trip abroad, if you have them in your luggage.

[Notice 117](#) Authorised Economic Operators.

[Notice 143](#) A guide for international post users and [Notice 144](#) Trade imports by post: how to complete customs documents.

These two notices take you through how to make an import by Post (not Courier Services).

[Notice 199](#) Imported goods: Customs procedures & Customs debt.

An overview of general import procedures.

[Notice 199A](#) Temporary storage.

[Notice 600](#) Classifying your Imports or Exports.

This tells you how to classify your Imports and Exports.

[VAT Notice 702](#) Imports, gives general information on imports from a VAT aspect.

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#### **Business Link website**

The [Business Link website](#) brings together previously fragmented and disjointed information from government and trade associations into 160 plain English easy to understand guides and 8 interactive tools which guide users through the complexities of trading internationally.

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**An Example of a completed Harmonised C88 Form**

<b>EUROPEAN COMMUNITY</b>						<b>1 DECLARATION</b>																						
<b>6</b>	<b>2 Consignor/Exporter</b> No <input type="checkbox"/> MR A K SMITH GORDON & GORDON PAIGN AVENUE AUSTRALIA					<b>IM</b>   <b>d</b>		<b>3 Forms</b>   <b>4 Loading lists</b>																				
	<b>8 Consignee</b> No GB 111 2222 33 000 BRIGGS BOOTS LTD 14, BRIGHT DRIVE READING, BERKS RG1 5B8 UNITED KINGDOM					<b>5 Items</b> 1   <b>6 Total packages</b> 10   <b>7 Reference number</b> INV. 664411/99		<b>9 Person responsible for financial settlement</b> No																				
	<b>14 Declarant/Representative</b> No * [GB 222 3333 44] BODDINGTON'S FREIGHT SERVICE PETERBROOKE AVENUE, COLNBROOK SL3 0HJ					<b>10 Cry1st dest/last consig.</b>   <b>11 Trad/Prod. country.</b>   <b>12 Value details</b>   <b>13 CAP</b>		<b>15 Country of dispatch/export</b>   <b>15 C disp./exp. Code</b> a   AU   b   <b>17 Country destin.Code</b> a     b																				
	<b>18 Identity and nationality of means of transport at departure/on arrival</b>   <b>19 Ctr.</b>   <b>20 Delivery terms</b>					<b>16 Country of origin</b>   <b>17 Country of destination</b>		<b>21 Identity and nationality of active means of transport crossing the border</b> BA 1064   <b>22 Currency and total amount invoiced</b> GB AUD 5,480-00   <b>23 Exchange rate</b>   <b>24 Nature of transaction</b>																				
	<b>25 Mode of transport at the border</b> 4   <b>26 Inland mode of transport</b>   <b>27 Place of loading/unloading</b>					<b>28 Financial and banking data</b>		<b>29 Office of exit/entry</b>   <b>30 Location of goods</b> GBLHRBAC																				
	<b>31 Packages and description of goods</b> Marks and numbers - Container No(s) - Number and kind 1 x BOX [BX] CONTAINING 10 BOXES CONTAINING ADULT MALE LEATHER FOOTWEAR IN PAIRS BOX MARKED "1 TO UK c/o BDFS" CONTAINER NO:					<b>32 Item</b> 1   <b>No</b>		<b>33 Commodity Code</b> 64035995   00																				
<b>44 Additional Information Documents produced/ Certificates and authorisations</b> N934-[AE]					<b>34 Country origin code</b> a   AU   b   <b>35 Gross mass (kg)</b>   <b>36 Preference</b> 100		<b>37 PROCEDURE</b> 4000   000   <b>38 Net mass (kg)</b> 8.000   <b>39 Quota</b>																					
<b>47 Calculation of taxes</b> <table border="1" style="width:100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th>Type</th> <th>Tax base</th> <th>Rate</th> <th>Amount</th> <th>MP</th> </tr> </thead> <tbody> <tr> <td>A00</td> <td>2116.16</td> <td>F</td> <td>169.29</td> <td>A</td> </tr> <tr> <td>B00</td> <td>2285.45</td> <td>S</td> <td>399.95</td> <td>A</td> </tr> <tr> <td align="right" colspan="3"><b>Total:</b></td> <td>569.24</td> <td>A</td> </tr> </tbody> </table>					Type	Tax base	Rate	Amount	MP	A00	2116.16	F	169.29	A	B00	2285.45	S	399.95	A	<b>Total:</b>			569.24	A	<b>40 Summary declaration/Previous document</b> Z-380-664411/99		<b>41 Supplementary units</b> 10.000   <b>42 Item price</b> 5,480-00   <b>43 V/M Code</b> 1	
Type	Tax base	Rate	Amount	MP																								
A00	2116.16	F	169.29	A																								
B00	2285.45	S	399.95	A																								
<b>Total:</b>			569.24	A																								
<b>50 Principal</b> No Signature: _____					<b>44</b> A.I. Code   <b>45 Adjustment</b> B0		<b>46 Statistical value</b> £2,116-16																					
<b>51 Intended offices of transit (and country)</b> represented by _____ Place and date: _____					<b>48 Deferred payment</b>   <b>49 Identification of warehouse</b>		<b>B ACCOUNTING DETAILS</b>																					
<b>52 Guarantee not valid for</b>					<b>53 Office of destination (and country)</b> Code _____		<b>D CONTROL BY OFFICE OF DEPARTURE</b> Stamp: _____																					
<b>54 Place and date:**</b>																												

**A Guide To Import Procedures  
Section ii**

**An Example of a completed Harmonised C88 Form**

Result:	COLNBROOK 29-08-07
Seals affixed: Number: Identity:	Signature and name of declarant/representative: <i>S Boddington</i>
Time limit (date):	MRS S BODDINGTON
Signature:	
<b>C88A</b>	

\* There is a requirement to enter the code for the type of representation in square brackets at the beginning of the No field. You are advised to refer to the Tariff completion notes for Box 14.

\*\* More information is required but this is dependent on who is signing the declaration. You are advised to refer to the Tariff completion notes for Box 54.

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#### **Am I likely to need an import licence or permit?**

When you import, you may come across a number of licensing requirements, these include;

- Common Agricultural Policy (CAP) Licences,
- Department for Business, Enterprise and Regulatory Reform (BERR) (formerly the Department of Trade and Industry) (DTI) Licences,
- Department for Environment, Food & Rural Affairs (DEFRA) Documents,
- Convention for the International Trade in Endangered Species of Wild Fauna and Flora (CITES) Permits
- European Commission Licences,
- Forestry Commission Licences and
- Office of Communications (Ofcom) Licences.

#### **What are Common Agricultural Policy (CAP) Licences?**

If you import agricultural produce, whether as raw materials or processed goods, CAP Licences are usually needed. They are issued and controlled by The Rural Payments Agency (RPA). HM Revenue & Customs are responsible for the policing of the licences at the time the goods are imported.

#### **How will I know if I need a CAP licence?**

When you have established the commodity code or codes relevant to your product, the RPA can advise you whether a licence is needed. If a licence is needed and is not presented at the time of importation, the goods will not be allowed to move from the port / airport. It is worth remembering that CAP goods being imported from one country may need a licence, whereas the same goods coming from another country may not.

CAP licences can be issued to control certain aspects of imports, e.g. restrict the quantity of a certain type of goods being imported from a certain country, or to restrict the quantity of a product which gets a preferential rate of import duty.

You can contact the RPA on their general helpline number +44 (0)191 226 5050 or visit the [RPA website](#).

#### **What are Department for Business, Enterprise and Regulatory Reform (BERR) (formerly the Department of Trade and Industry) (DTI) Licences?**

BERR Import Licences may be needed for any type of product. They are issued by the BERR and enforced by HM Revenue & Customs.

When you have established the commodity code or codes relevant to your product, the BERR will be able to advise you whether a licence is needed. If a licence is needed and is not presented at the time of importation, the goods will not be allowed to move from the port / airport. It is worth remembering that goods being imported from one country may need a licence, whereas the same goods coming from another country may not.

Most people can accept that goods such as firearms and nuclear materials may need a licence, but a BERR licence may be needed for the most unlikely items – clothing and cotton bed linen for example.

BERR licences can be issued to control and limit certain aspects of importing. Examples include –

- Monetary amount – after a certain value of the goods in question has been imported from a specified country no more can be imported from that country,

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- Quantity – after a certain quantity of the goods in question has been imported from a specified country no more can be imported from that country,
- Ultimate Destination – although the items are being imported via the UK, are they able to enter the country of final destination?
- Ultimate Use – for what purpose are the items being imported? An example would be military use only, specifically if being imported on behalf of a UK Government Department.

The BERR also issue Import Licence Quotas. These quotas are a means of monitoring and limiting the actual amount of particular goods imported. They can relate to specific countries of origin, regardless of the rate of duty claimed.

The import licensing branch at the BERR can be contacted on +44 (0)1642 364333/334, or visit the [BERR website](#).

### **What are Department for the Environment, Food & Rural Affairs (DEFRA) Documents?**

If you import meat, poultry, dairy products, some other foodstuffs, livestock, blood, plant or plant products, endangered species or fur, a DEFRA licence, permit, certificate of conformity and / or Common Veterinary Entry Document (CVED) will usually be required.

### **When will I need a Department for Environment, Food & Rural Affairs (DEFRA) Document?**

Goods such as meat, poultry, and their products, dairy products (including milk and eggs), animal bones or blood, sausage skins and fishery products are required to undergo veterinary health checks at a Border Inspection Post (BIP) on arrival in the UK. In addition to the veterinary documents required by the BIP, a Common Veterinary Entry Document (CVED) issued by the BIP will normally be required to obtain customs clearance.

The Convention for the International Trade in Endangered Species of Wild Fauna and Flora (CITES) implemented by EU Regulation prohibit the import and export of certain endangered species and products made from them or contained in them without a valid CITES permit or notification. Endangered species include tigers, rhinos, monkeys, parrots, birds of prey, crocodiles, tortoise, turtles, tortoise shell, orchids and cacti. Items made from or including endangered species are also subject to the same controls such as bags, belts, shoes made from the skins of endangered species, caviar, ivory carvings or statues and Traditional Asian Medicines that contain ingredients such as tiger bone, bear bile and orchids. This is not an exhaustive list and further information can be obtained from DEFRA or on the [CITES website](#). You should be aware that some species are not listed in the CITES convention but are still protected and prohibited under the EU Regulations, therefore you should always check with DEFRA before importing. The presentation of a valid CITES permit does not permit the by-pass of other import controls on live animals or plants.

Under national legislation rabies susceptible animals require a UK import licence. Certain pets may be imported without the need to undergo quarantine if they comply with the conditions of the Pet Passport Scheme. The pet passport scheme only applies to pet cats, dogs and ferrets.

Certain plants, plant produce and plant products are prohibited from entering the UK from non-EC countries. It may be possible to import and keep prohibited material for trial or scientific purposes or for work on varietal selections, subject to strict quarantine and

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containment conditions under the authority of a licence issued by DEFRA / National Assembly for Wales (NAW) / SGRPID (formerly SEERAD) for Scotland and DARD for Northern Ireland.

In general, all plants and some plant produce and products that are permitted to enter England, Wales and Northern Ireland from non-EC countries must be accompanied by a phytosanitary certificate.

In Scotland, all plants and some plant produce and products that are permitted to enter Scotland from non-EC countries must be accompanied by a phytosanitary certificate and a quarantine release certificate (QRC). The QRC is issued by SGRPID (formerly SEERAD).

All imports of fresh fruit, vegetables and nuts subject to EC Marketing Standards require a recognised certificate of conformity before release into free circulation within the European Union. Produce for industrial processing will need a certificate of industrial use. RPA Horticultural Marketing Inspectorate will issue certificates for importations entering England or Wales, SGRPID (formerly SEERAD) for Scotland and DARD for Northern Ireland.

Feed and Food products of non-animal origin (e.g. grain) imported into the EU must also comply with feed and food safety requirements. Certain products identified as high-risk may need to be pre-notified to health authorities and accompanied by the relevant documentation e.g. laboratory analysis statement confirming a product is safe / suitable for human consumption.

The furs of all harp and hooded seal pups are prohibited under national legislation. The fur of certain other animal species may only enter the European Union (EU) if accompanied by evidence of their humane capture and legal origin. EU legislation also bans the import of cat and dog fur and any products made from such items.

You should contact DEFRA on their general helpline number +44 (0)20 7238 6951 or +44 (0)845 933 5577 or visit the [DEFRA website](#) for details of the specific import requirements for all of the above goods.

#### **When will I need a Forestry Commission Inspection Document?**

Certain types of timber and forestry products must be covered by an inspection document issued by the Forestry Commission to be cleared by customs.

You can contact the Forestry Commission on +44 (0)131 334 0303 or +44 (0)845 367 3787, or visit the [Forestry Commission website](#).

#### **When will I need a European Commission Licence?**

The import of certain ozone depleting substances (ODS), fluorinated greenhouse gases (Fgas) and products which contain them (for example certain fridges or aerosols) is either prohibited or requires the authority of an import licence issued by the European Commission.

For further information see F gases and ODS – How do I comply?, on the [DEFRA website](#).

#### **What are Health & Safety Executive (HSE) controls?**

HSE are the UK Competent Authority for administering approvals for imports of many chemical substances. These include :

- Chemicals that are subject to “Prior Informed Consent” (PIC) legislation;

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- Chemicals subject of “Persistent Organic Pollutants” legislation – pesticides / herbicides etc.
- “Carcinogenic Substances” – the importation of certain carcinogenic substances, covered by the Control of Substances Hazardous to Health (COSHH) 1988 Regulations are banned unless covered by an exemption certificate, but otherwise are covered by PIC requirements.
- Asbestos – the importation of the vast majority of asbestos products is banned under the Control of Asbestos Regulations 2006 but otherwise subject to “Prior Informed Consent” (PIC) legislation.
- REACH – (Registration, Evaluation, Authorisation and Restriction of Chemicals)

You can contact the HSE Information line on +44 (0)845 345 0055, or visit the [HSE website](#).

### **When will I need an Office of Communications (Ofcom) Licence?**

The import of certain radio equipment (particularly if it transmits the human voice) may be prohibited except with the authority of an import licence issued by the Office of Communications.

You can visit the [Ofcom website](#) or contact them by phone on +44 (0)845 456 3000 or +44 (0)20 7981 3040.

### **What are Environment Agency controls?**

Environment Agency is the UK competent authority for enforcement of Transfrontier Shipment of Waste (TFS) legislation applying to import of waste shipments for disposal, recovery or recycling etc. Such consignments can require notification or consent procedures.

You can contact the EA TFS helpline on 01925 542265 or email [NATTFS@environment-agency.gov.uk](mailto:NATTFS@environment-agency.gov.uk) or visit the International shipments of waste page on the [Environment Agency website](#).

### **When will I need a Kimberley certificate?**

The import of rough diamonds from outside the EU requires an original Kimberley certificate. Original certificates must be presented to HMRC who will forward them to the Government Diamond Office. Failure to do this may result in the diamonds being detained or seized, and losing their conflict-free status under the Kimberley Process.

You can contact the Government Diamond Office at the Foreign and Commonwealth Office on +44 (0)20 7008 6903 / 5797 or via email [GDO@gtnet.gov.uk](mailto:GDO@gtnet.gov.uk) or visit the [Foreign & Commonwealth office website](#) and enter ‘Government Diamond Office’ in the search engine.

### **When will I need a Catch Document?**

The imports of all types of *Dissostichus* species of fish (sometimes known as Patagonian Toothfish, Chilean Seabass or Antarctic toothfish / Antarctic Cod) require Catch documentation. To find out about the catch document scheme, visit the [CCAMLR](#) (Convention on the Conservation of Antarctic Marine Living Resources) website.

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### **What are Tariff Quotas?**

A Tariff Quota is a pre-set value or quantity of given goods, which may be imported into the European Community during a specified period with a reduction of the normal customs duties, and beyond which an additional quantity of the goods can still be imported by paying normal Customs duties.

The Tariff Quota will most usually be expressed in net weight (kg) but other quantities may be applied (value, volume, number of pieces etc). While most quotas are open for a full calendar year some quotas may be seasonal or may straddle two years (e.g. July to June). The quota will be available within its validity period for as long as the quota balance allows. The duties relieved can be customs duty and / or agricultural charges but also increasingly quota is used as the mechanism to control additional duties levied for market or trade control purposes.

### **Who imposes Tariff Quotas?**

A quota is put in place by the EC usually in the form of a Council or Commission Regulation published in the Official Journal of the European Union.

Once an individual quota has been used up, then any further import must be made at the appropriate non-quota rate. This will most usually be at the full Common Customs Tariff rate but may be at an intermediate rate such as GSP or Preference if available. In certain circumstances outside of the quota additional duties may be levied.

Importers wishing to benefit from Tariff Quotas must make a claim in accordance with Community and national requirements. Tariff Quotas are identified in Commission documents by their Order Number (a six digit number starting 09). From 21 January 2008 the Commission Order Numbers will be used.

### **Will I be involved in Tariff Quotas?**

To know whether a quota has been put in place against goods you wish to import, you need to refer to the commodity code(s) listed in the Tariff and check if "TQ" is shown in the first column following the commodity code.

If TQ is shown, you will need to check the additional information given at the back of the specific Tariff Chapter for that commodity code – remember to check the country of origin. If your goods are listed and you wish to import under the benefit of the quota, you will need to note the TQON shown.

### **How do I request a share of the Quota?**

Tariff Quotas are allocated on a first come first served basis with respect to the date of entry, there is no national share, all quotas are available equally across all Member States. In accordance with Community provisions, the Customs services register the date when they accept each Customs declaration. Management of Tariff Quotas on a first come first served basis means that, when more than one claim on the same Tariff Quota is being considered, priority is given to the claim which results from the Customs declaration(s) accepted first (this is in respect to date not time). Claims that have the same priority are given equal treatment. This is *usually* done at the time of import when the TQON is declared on the import declaration. You will not know immediately if your request has been successful – all the requests received throughout the EC are collated and apportioned by the European Commission and allocated two working days after receipt.

It is worth remembering that it is quite feasible for a quota *not* to open on the date shown, or for a quota to become available before its details appear in the Tariff.

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### What happens to my request?

An available quota can be given either an Open Status or Critical Status. Where a quota is Open no security is required to protect the duty when a valid claim is made, and traders / economic operators can usually assume that quota benefit has been allowed. When however the starting balance is small, the quota has a history of rapid exhaustion, the remaining balance falls below or at the discretion of Member States, the quota may be set at **Critical**. Quota requests for critical quotas must include security at the appropriate non-quota rate. Where the quota is allowed in full, the security will be released automatically, however should the quota exhaust, some or all of the security will be retained. You can put in a claim after your import has taken place (known as a belated claim), the date of the claim will still be the original entry date but if the quota has closed in the meantime, your back-dated claim will not be successful.

Under UK Charter Standards our target is to repay any duty overpaid (or held as security pending the outcome of your claim to a quota), within 30 working days. This is not always possible however, because we cannot control the time needed by the Commission to process all the quota claims and issue the results.

Your claim could be –

- **Allowed in full** – so the whole of your consignment benefits from a lower rate of duty,
- **Partially allowed** – so only a set amount of your consignment can benefit from a lower duty rate, or
- **Refused** – so your whole consignment will have duty at the full rate.

[Notice 375](#) Tariff Quotas and the Tariff Volume 1 Part 8 contain further details about quotas.

### Where can I get further advice?

Quotas are administered in the UK by the Central Tariff Quota Unit (CTQU), part of HM Revenue & Customs. This team can provide you with up-to-date information on specific Tariff Quota Order Numbers (TQON). You can contact the CTQU between the hours of 9.30 to 16.00 on +44 (0)1702 367237 or 366787, by facsimile on +44 (0)1702 361786. Their address is:

HM Revenue & Customs  
Central Tariff Quota Unit (CTQU)  
10<sup>th</sup> Floor South East  
Alexander House  
21 Victoria Avenue  
Southend on sea  
Essex  
SS99 1AA

Details of Duty rates, the most up to date quota balances and other tariff information can be found on the [European Commission DDS website](#). Where the order number is known (see the additional information pages in the Tariff for the order number), users can go direct into the quota pages. Alternatively there is a link to quota from Taric where only the Commodity code or description is available.

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### What are Import Preferences?

The EC has set-up trading agreements with certain countries around the world. The agreements are in place to allow products originating in particular countries to be imported into the EC at a reduced or nil rate of duty. Such preferences are very specific and are subject to the satisfaction of a number of conditions, the most important being compliance in the exporting country with the appropriate preferential rules of origin. Proofs of preferential origin (certificates or in some cases declarations on invoices or other commercial documents) are issued in the country of origin and submitted in the country of import. These proofs of preferential origin accompany individual consignments.

### What are the Import Preference Schemes?

There are two major types – Autonomous or Non-Reciprocal (Import only) and Reciprocal. The schemes are covered by the trade agreements signed by the EC and various partner countries.

- ***AUTONOMOUS OR NON-RECIPROCAL - Generalised System of Preferences (GSP)***

Only those GSP beneficiary countries who have notified the EC Commission of the authorities which will stamp their preference certificates and have provided it with a specimen of the stamp concerned are able to benefit from the preferential arrangements. A full list can be found in the Tariff Volume 1, Part 7.

Claims to preferential rates of duty under the GSP must normally be supported by a GSP Form A. It is a certificate of preferential origin and **must be stamped and signed** by the competent authority within the country – usually (but not always) the Customs Authority. The relevant authority has to be notified to the European Commission in advance of the implementation of the preferential arrangement, but there is the possible alternative for the exporter to use a declaration on the Invoice - see below concerning declarations on an invoice.

The certificate covers *one* consignment. If however the consignment is expected to be broken down into a series of entries over a period of 3 months or less, then you may exceptionally apply to Customs at the port / airport where the goods will be imported, to allow one certificate to cover these entries. Customs will look to ensure that all entries will be eligible. [Notice 826](#) Tariff Preferences: Imports, gives more detail about this facility.

The GSP Form A has a limited period of validity from the date of issue. At present this is ten months. If a certificate is not fully completed, it can be rendered invalid, so you are advised to check the document for completeness prior to importation. Please remember that any corrections must be made by the supplier.

As an alternative, exporters in “GSP” Countries can use declarations on a commercial invoice up to a maximum goods value of £4830 (6000 Euros).

- ***RECIPROCAL - EUR Preferences***

Reciprocal agreements apply to both import to the EC and export from the EC. There are two ways to support a claim to preference on imported goods or to prove the preferential origin of goods which are being exported under preference. The most commonly used document is a Form EUR 1.

If the consignment is under a stated value, then a declaration on the invoice or other commercial document with a legally approved form of words can be used as an

## A Guide To Import Procedures Section ii

alternative. In addition, many reciprocal Agreements enable exporters to become approved to issue invoice declarations regardless of the values involved. See [Notice 826](#) Tariff Preferences: Imports and [Notice 827](#) European Community Preferences: Export Procedures, for further details.

Each Form EUR1 or invoice declaration covers one consignment and the documents again have a limited period of validity of 4, 5 or 10 months depending upon the particular preferential trade agreement concerned.

### **What is meant by the "origin" of the product / goods?**

The entitlement to a preferential rate of duty depends on the product meeting its relevant Origin Rule. These 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. More guidance on the specific rules can be found in our [Notice 812](#) European Community Preferences: Trade with Turkey, [Notice 828](#) Tariff Preferences – rules of origin for various countries including Albania, and [Notice 832](#) Tariff Preferences – rules of origin for Mexico.

### **Roles and Responsibilities**

If the supplier states he is able to send a preference document confirming the preferential origin of your consignment, it is in your interest to check the authenticity and accuracy of the documentation.

Your supplier will have had to get the preference certificate stamped by their competent authority – but this does not in itself guarantee that the certificate will have been issued correctly. As the legally declared importer, you are responsible if an invalid claim to preference is made when your goods are imported. This carries with it the likelihood of a duty demand – which can be issued up to three years from the date of importation, as well as the possibility of a fine in more serious cases. [Notice 826](#) Tariff Preferences: Imports, suggests checks you can make prior to importation to ensure that your goods meet the rules.

### **What if my goods are not transported directly to the UK?**

As a general rule ALL consignments on which preference will be claimed upon import to the EC should be transported direct from the preference country to the Community. However, exceptions are allowed whereby goods can travel via other countries and still claim preference at their intended destination, so long as the goods concerned remain under customs control in the country of transit and are not processed or altered in any way.

### **Can certificates be obtained retrospectively or replacements obtained?**

Both GSP and EUR 1 Certificates can be issued retrospectively, but this **must** be considered an exception.

If a certificate is lost, destroyed or stolen a duplicate can be issued. A duplicate certificate is the top copy of a certificate only. It must be stamped and signed by the competent authority and will be valid from the date on which the original was issued – photocopies of the original form are not acceptable. [Notice 826](#) Tariff Preferences: Imports, provides additional guidance.

### **What happens if I cannot get a certificate in time?**

If the goods you are importing do not have a preference certificate covering them at that time, the full rate of duty will be required as security. This security covers the possibility of no certificate being issued or the claim to preference being rejected.

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A valid documentary proof of origin should be produced within four months from the date the entry is accepted (see [Notice 826](#) Tariff Preferences: Imports). If at the end of this period the proof of origin is not available, the duty secured will be brought to account. However, if the certificate then arrives, you may be entitled to submit a belated claim to preference and a refund of duty.

### **Can I claim a preference for every import?**

The answer is no – not all goods attract a preferential rate of duty and quotas may be in place for certain goods from particular countries. This has the effect of limiting the quantity of the product that can be brought in under preference. Once the quota limit is full, the goods can still be imported but at the full rate of duty.

### **What if the quota is used up?**

If claiming a preference is important to your pricing structure, you may want to place your goods in a Customs Warehouse. This effectively defers liability for payment of duty and VAT, until such time as the preference quota is available again.

You can then remove the goods from warehouse and present the correct certificate for the preference under the new quota. It must be noted however that there is no guarantee a new quota will be issued or that your claim under it will be allowed. You must also bear in mind that the preference certificates and invoice declarations covering the goods have a limited period of validity.

For further information about Import Preferences you should read [Notice 826](#) Tariff Preferences: Imports.

For information about the special preferential arrangements between the EC and Turkey which are based on the free circulation status of goods, rather than the traditional rules of origin mentioned above, you should read [Notice 812](#) European Community Preferences: Trade with Turkey.

[Notice 826](#) Tariff Preferences: Imports, is available on our website, latest version December 2007.

[Notice 828](#) Tariff Preferences – rules of origin for various countries including Albania is available on our website, latest version September 2007.

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### The Tariff

The Integrated Tariff of the United Kingdom, usually referred to as **The Tariff** contains all the information to help you with Importing or Exporting. It includes references to the relevant laws and regulations.

Although the UK version is called the "Integrated Tariff of the United Kingdom", the same format is used throughout the EU. Importing and exporting are covered by EC Regulations, so regardless of the country in which you operate, the Tariff equivalent acts as a comprehensive point of reference. Please note that all EU countries have the same commodity codes, duty rates and procedures as the UK.

The Tariff consists of 3 volumes –

- **Volume 1** contains essential background information for importers and exporters. It covers – duty relief schemes, contact addresses for organisations such as Department for Business, Enterprise and Regulatory Reform (formerly the Department Of Trade and Industry), Department of Environment, Food and Rural Affairs (formerly MAFF) and Forestry Commission. It also contains an explanation of Excise duty, Tariff Quotas and many similar topics.
- **Volume 2** contains the 16,000 or so Commodity Codes set-out on a Chapter by Chapter basis. It lists duty rates and other directions such as import licensing and preferential duty rates.
- **Volume 3** contains a box-by-box completion guide for import and export entries – the C88 form, the complete list of Customs Procedure Codes (CPCs) for importing and exporting, Country / Currency Codes, lists of UK ports and airports both alphabetically and by their Entry Processing Unit (EPU) numbers, and further general information about importing or exporting.

The Tariff is available on an annual subscription. At the time of going to print the cost is £260. Each December, a complete Tariff for the coming year is despatched followed by monthly amendments which replace existing pages.

If you do not wish to obtain your own copy, the Tariff is available at some larger libraries.

Whether or not you own a Tariff, it is essential that you keep up-to-date with changes in commodity codes, rates of duty and regulations related to your products.

You can buy the Tariff in printed and CD ROM formats or subscribe to the new e-service, from :

The Stationery Office  
The Publications Centre  
PO Box 29  
Norwich  
NR3 1GN

General enquiries and orders  
Orders only  
Subscriptions

Telephone	+44 (0)844 4777 414
Fax	+44 (0)870 600 5533
Email	<a href="mailto:subscriptions@tso.co.uk">subscriptions@tso.co.uk</a>
Website	<a href="http://www.tsoshop.co.uk">www.tsoshop.co.uk</a>

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### **UK Trade Tariff**

A free online version of volume 2 of the Tariff is available via the [Business Link website](#). It offers a browse and search facility that enables users to classify goods and quickly find detailed information such as commodity descriptions, duty rates, Anti Dumping Duty, Quota, VAT and excise rates, preferential agreements, government controls and explanatory notes for any commodity in the UK Tariff. There are daily data updates from the European Union's TARIC database and the HMRC Customs Handling of Import and Export Freight (CHIEF) system. There is an email alert system to let you know when anything changes within the Tariff. Additionally the UK Trade Tariff allows you to quickly identify the relevant licences / certificates that are applicable for each particular commodity code.

### **Why are HM Revenue & Customs interested in my goods?**

Customs have an interest in exports for a number of reasons. These include:-

- Collecting export trade statistics for the UK and the EU,
- Enforcing export prohibitions and restrictions,
- Ensuring that export licensing requirements are met,
- Ensuring that EU Regulations for export relief schemes are correctly implemented,
- Preventing the unauthorised return of duty-free or VAT zero-rated goods to the home market, and
- Acting as an agent for Other Government Departments such as RPA, DEFRA etc.

### **Export Declaration**

Export details are collected through the submission to Customs of an electronic export declaration. The data is captured on the CHIEF (Customs Handling of Import / Export Freight) mainframe computer system. Permission to progress must be granted before goods may be exported.

### **Reform of the Single Administrative Document (SAD Harmonisation)**

The rules for completion of the boxes on the SAD have now been harmonised throughout the 27 EU Member States. Details were published in the Official Journal of the European Union - L343, dated 31 December 2003. Further information on the [SAD Harmonisation](#) project can be found within the Import & Export pages of our website.

The paper document (i.e. the 4 and 8-part set) has not changed. Box numbers, names etc remain the same. However, certain information input to many of the SAD boxes has changed. Details of the current requirements can be found in Volume 3, Part 1 of the UK Tariff.

### **What happens if I use an Agent to make an export declaration on my behalf?**

You may appoint a representative to make an export declaration on your behalf. If you use a freight agent to complete your export formalities for you, he is working on your behalf only. If something in the declaration needs an explanation, we will still look to you as the legally declared exporter and not the agent for clarification; it is your responsibility as the exporter to ensure the accuracy of the information provided on the declaration.

If you employ an agent to act on your behalf, the type of representation may be either Direct or Indirect.

Direct representatives act in the name of, but on behalf of, another person. Indirect representatives act in their own name but on behalf of another person.

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If an agent is acting as a direct representative i.e. the agent makes the customs declaration on your behalf (as the principal) acting in your name, you are deemed to be the declarant and therefore liable for any customs debt.

Where an agent acts as an indirect representative i.e. they make the customs declaration on behalf of a principal in their own name they are deemed to be the declarant. In such cases both the agent and the principal are jointly liable for any customs debt.

We strongly recommend therefore that it is in the best interest of exporters to check the accuracy of any customs declarations made on their behalf. It is good practice to ensure that you request, receive and obtain copies of all declarations made to customs from your nominated agent as this will help support claims for VAT zero rating. As a minimum, HMRC would be looking for an export entry reference when auditing claims for VAT zero rating.

More information on who is responsible for customs debts can be found in Section 7 of [Notice 199](#) Imported goods: Customs procedures and Customs debt.

#### **How do I make an export declaration?**

You may make a full or simplified export declaration. A full declaration may be in the form of an electronic declaration under the National Export System (NES) or by using a paper Single Administrative Document (SAD/C88) for Customs to input at the National Clearance Hub in Salford.

A simplified declaration, using either the local clearance procedure or simplified declaration procedure, must be made electronically under NES into our central computer, CHIEF (Customs Handling of Import / Export Freight). Both of these procedures require prior authorisation by Customs (see below).

There are other simplified procedures that do not require prior authorisation by Customs. These are the low value and non-statistical procedures. These may be made by paper SAD or electronically quoting the appropriate Customs Procedure Code. The normal rules concerning obtaining Permission to Progress apply.

#### **National Export System (NES) Export Declarations**

In support of the Government's initiative to develop electronic services, all exports must be captured electronically on CHIEF. Details on [NES](#) may be found on our website. From the listed pages much detail and advice to exporters can be found, including [NES Technical Information](#).

Export details are collected through the submission to Customs of EU coded data. This is captured on the Customs mainframe computer system, CHIEF, and may be submitted via a variety of electronic routes. Exporters may choose from Email, Web, XML, CSP or Customs Input to make declaration (see below).

Once the goods have arrived at an approved frontier location an arrival message is sent to CHIEF. The data is then processed and, providing the goods are not selected for examination or any further checks, the goods will receive Permission to Progress. This positive method of control can avoid some goods being loaded in advance of shipment.

#### **When are the declarations made?**

Sometimes, at the time of export, not all the details for the consignment may be available. As some goods need to be shipped at short notice, traders who handle consignments of this nature may be authorised to submit abbreviated details to CHIEF and then supply the final,

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correct details within 14 days of shipment. This is called **Simplified Declaration Procedures (SDP)**.

Some exporters find that being able to control their exports from their own premises suits their business needs better. Exporters may therefore be approved to operate under **Local Clearance Procedures (LCP)**.

If you wish to be considered for either SDP or LCP an application on form [C&E 42](#) should be submitted to Customs. This can be downloaded from our website. Most SDP and LCP declarations also require supplementary declarations and the conditions of your authorisation should be fully discussed with your control officer before final approval is given.

If all details concerning the export are available before shipment then they should be declared. In these circumstances, a post shipment supplementary declaration will not be required.

You may however complete a manual C88 document and fax this to Customs for input to the CHIEF system. This is now only carried out at the National Clearance Hub so, at busy periods, delays may occur. Customs have a 12 hour window in which to process manual submissions, subject to the correct details being supplied. For this reason, most exporters tend to employ freight agents to complete the declaration on their behalf. If something in the electronic declaration sent to Customs needs an explanation, we may still look to you as the legally declared exporter and not the agent for clarification.

### **How is an export declaration made?**

In advance of the electronic declaration information may be given to freight agents in a variety of forms. It is important to note that the only document that Customs will key information from is the C88, copy 2.

Once received, the details are sent via a variety of methods to CHIEF. These include:-

- Details sent via Community Systems Providers (CSPs). These are Customs approved inventory systems that capture data for Customs to carry out their checks on CHIEF.
- Other electronic routes – including Web form, Email and XML. Access to CHIEF is gained by first obtaining a digital certificate and using passwords. Details can be found on our [website](#) regarding these options.
- Customs inputting the declaration (CIE). This method may be subject to delays but we aim to process the declarations within 12 working hours subject to the paperwork being correct.

CHIEF therefore offers a standard validation process across the UK and, immediate clearance for export can usually be achieved within seconds of the data being transmitted.

### **What details need to be declared?**

Customs require various data for their records. The absence of required data will produce a series of electronic messages to guide the declarant through their entry making process.

Details submitted will include the origin of the goods, the country to which the goods are being sent, commodity codes, Customs Procedure Codes and values. The most important piece of information is the Unique Consignment Reference.

### **Unique Consignment Reference (UCR)**

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The UK is a world leader in the use of Unique Consignment References (UCR) which are mandatory for all electronic declarations. The UCR is the means by which you and Customs can identify your goods to your records, especially when using SDP or LCP. If a UCR is not provided by the declarant, one will be assigned by CHIEF. The UCR consists of up to 35 (alpha / numeric) characters and is split into four parts. It is based on the World Customs Organisation Standard.

By quoting the UCR at various freight locations, CHIEF is able to record the movement of consignments. As goods arrive at a port or airport an arrival message is sent to CHIEF by approved loaders quoting the UCR. For direct export movements, i.e. goods shipped from the UK and not sent via the EU, a Goods Departure Message will also be required.

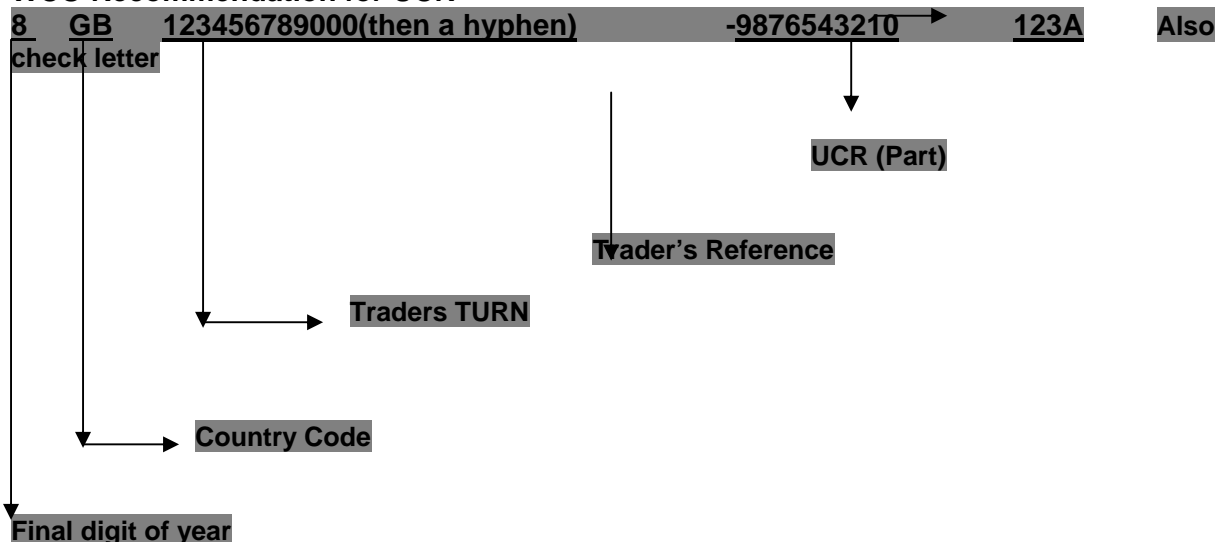
The Declaration Unique Consignment Reference is made up using the guide below:

- 1<sup>st</sup> part – the year in which the UCR was allocated
- 2<sup>nd</sup> part – the country code for the country in which the UCR was allocated (GB)
- 3<sup>rd</sup> part – the identity of the authorised trader (we are using the TURN)
- 4<sup>th</sup> part – a dash (hyphen) followed by a unique series of characters which provides an audit trail within their commercial records. For air consignments the Airway Bill reference is often used and, for other consignments, the fourth part often relates to the export invoice number. The easier it is to cross reference numbers at audit assists with granting VAT zero rating and export refunds.

In addition, to allow several export declarations to have the same core Declaration UCR (DUCR) as well as providing a check letter calculation facility (to prevent miss-keying), a further optional field of 4 characters has been created.

If a DUCR is used on an entry under the SDP or LCP procedures the same reference **must** be used on the Pre-shipment advice and its matching Supplementary Declaration.

### WCO Recommendation for UCR



Where a consignment consists of more than one DUCR, CHIEF allows exporters to amalgamate these references under a Master UCR - (MUCR). (Details of the format of MUCRs can be found on our [website](#))

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### What is a Commodity Code?

The Commodity Code for exports is an eight-digit number which equates to a description of the item. No matter how diverse or obscure, all goods will have a unique code number. A commodity code is required on all full export declarations and may be required on certain simplified procedures. It is to be entered in box 33 of the C88.

All Commodity codes can be found in the Tariff, Volume 2. There is also an electronic version of Volume 2 of the Tariff available via the [Business Link website](#), which is kept up to date on a daily basis. More information on this is detailed at the beginning of Section ii of this guide under UK Trade Tariff. If, after having carefully studied the Tariff you are unable to identify the correct commodity code, our Tariff Classification Service can assist you. If required they can also provide a written Binding Tariff Information (BTI) decision. The Classification Service can be contacted on +44 (0)1702 366077, between 9.00 and 17.00 Mondays – Thursday, 9.00 and 16.30 on Fridays (excluding Bank Holidays), with a voice mail facility in operation outside of these hours. See also [Notice 600](#) Classifying your Imports or Exports.

### What is a Customs Procedure Code (CPC)?

The CPC describes the procedure and / or economic regime under which the goods are to be exported. It is required on all export declarations whether using the C88 or electronic export methods. It is to be entered in box 37 of the C88 declaration or in the relevant data field. A list of procedure codes for exports can be found in Appendix E1 of volume 3 of the Tariff.

In addition to a straightforward sale to a customer overseas, there can be a number of reasons why goods are exported. Examples include –

- Goods going out on long-term loan / hire, to be returned eventually,
- Goods being temporarily exported for a repair to take place
- Goods being re-exported after processing by a UK / EU country.

Goods being exported temporarily can be eligible for a relief from duty when they are subsequently reimported to the UK / EU – as long as they were exported under outward processing relief (OPR) using a CPC in the 21 series. Unless you are using the simplified repair system, you will require prior authorisation to use OPR. If the Goods being exported will be Duty free at re-import, you do not need to use OPR – and should export the Goods using CPC 22 00 000. Similarly, goods re-exported after processing by a UK / EU trader **must** use the appropriate CPC to notify Customs otherwise the relief may not be allowed.

A CPC declaring a straight forward, UK originating export is important if you are VAT registered as this forms part of your official evidence to support zero rating of the transaction.

The Tariff (Volume 3) contains the full list of CPC's for the various export options. Once you have established the correct one, it is unlikely to change for the year.

Updates to the Tariff will also include any procedural changes to the requirements to CPCs and a correlation table showing the old CHIEF format and the revised SAD H CPC formats.

### Are there any export taxes?

Currently there are no export taxes, duties or levies in force on goods exported from the EU. Please note that the EU Commission may impose export taxes on certain CAP goods at very short notice. This can occur for various reasons, but is most likely to happen at times of

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shortage of particular products, e.g. due to a poor harvest, etc. When this happens, Customs and the RPA will issue joint publicity, advising Exporters how to declare their goods and account for the tax due. However, you should be aware that there may be import duties to pay in the country of destination. To find out what may be required by the Customs Authority in the country of destination, we would suggest you contact either the Embassy or High Commission representing the country to which you are exporting, or Department for Business, Enterprise and Regulatory Reform (formerly the Department of Trade and Industry) Overseas Desks in London.

Any goods re-exported from the UK must be identified and properly declared. This will include goods that have been previously imported to be worked on or repaired and that are now being re-exported from the EU. There are a series of Customs Procedure Codes in the Tariff. Volume 3 contains export CPC codes', including re-exports and these procedures **must** be adhered to at the time of re-export as post shipment amendments may render the goods liable to the original, suspended import duties.

### **What if my goods don't go directly from the UK to outside the EU?**

For Customs purposes goods, which leave the Community via other Member States, are known as "indirect exports".

The following example shows a typical indirect export:-

- a truck is packed with goods in the UK with Russia as the final destination,
- the truck drives to Newcastle to board a ship docking at Gothenburg (Sweden),
- following arrival in Sweden (EU), the truck travels to the Swedish / Finnish border,
- at this border the truck passes through into Finland (EU) and onto the Finnish / Russian border,
- the truck drives into Russia.

From this example it might appear that the export of the goods is taking place at the Finnish / Russian border – the EU and non-EU border. Physically the truck driver drives over that border and the goods are deemed to have entered Russia. But in fact the place of export is Newcastle. This means that the electronic export declaration must be submitted in the UK and the goods made available for inspection by Customs. CHIEF will process the electronic declaration and, grant Permission to Progress and release the goods for loading on the ship. The goods then travel to the Finnish / Russian border where their exit is supervised by the Finnish Customs. Production of a NES Copy 3 C88 may be requested at the Office of Exit to confirm export formalities have previously been complied with in the UK. Copy 3 SADs can be produced electronically from CHIEF, prior to export from the UK.

In the near future, the adoption of the EU based Export Control System (ECS) will do away with Copy 3 controls. The UK is entering into ECS through a phased implementation. From 10 September 2007 the UK has received other Member States exports (which exit the EU via the UK) and sends electronic messages back confirming exit from the EU. This is known as ECS 1A.

The export formalities completed in the other Member States, now allow the goods to travel to a UK Office of Exit. At a UK Office of Exit e.g. Heathrow, the Export Accompanying Document (EAD) from the ECS system will be presented along with an electronic C21 entry (IECR under SAD H). The EAD is endorsed on the reverse with the CHIEF entry number and then forwarded to the National Clearance Hub (NCH) in Salford. The NCH scan the bar-coded Movement Reference Number and an electronic message is sent back to the Office of Export in the originating Member State, completing the export procedure.

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In the future, under ECS1b, the UK will start to issue EADs at export. A date for this phase has yet to be announced so any testing within CHIEF may not work as anticipated.

### **Can I personally take goods directly to the customer?**

You may wish to personally take your goods to a prospective customer based outside the EU. As you are hoping to sell the goods, this is still a commercial export. You will need to declare that export to Customs at your port / airport of departure. This type of export is called Merchandise In Baggage (MIB). You must take the goods and declaration to the MIB Customs Officer at the Port / Airport from which you are leaving. The entry may be in the form of a manual C88 or a screen dump of an electronic entry to CHIEF. In order to verify the export, the officer may need to see both the declaration and the goods. See [Notice 6](#) Merchandise in baggage, for specific details. **You should allow extra time if you are travelling with MIB so that any formalities can be dealt with before you depart.**

For MIB exports which,

- have a value of less than £600,
- weigh less than 1000 kg,
- do not require an export licence,
- are not subject to export duties or export levies when in force,

there is a "low value goods procedure" available. This procedure can be used for both MIB or freight exports and you can complete either a C88, use your commercial invoice or make an electronic declaration. See [Notice 275](#) Export procedures, for specific details.

### **Do I have to keep any documents?**

For any commercial exports you will need to keep your records for six years from the date of export. This is the required period for VAT purposes. If this will cause problems, please contact the NAS on +44 (0)845 010 9000.

### **Authorised Economic Operator (AEO)**

The EU have been considering ways to raise safety and security standards within the international supply chain of goods to address the challenges of terrorism and to help protect EU borders and citizens.

The EU has developed the Authorised Economic Operator (AEO) scheme based on the World Customs Organisation SAFE Framework and in response to arrangements such as C-TPAT for imports into the USA. Benefits to those meeting the criteria include faster clearance times and preferential treatment at the EU border amongst others. More benefits will be available in the future when mutual recognition agreements are in place with 3<sup>rd</sup> country trading partners (starting 2009) and when the Modernised Customs Code Implementing Provisions are published (2010/11).

AEO has been implemented and HMRC are accepting applications from eligible businesses – those that are involved in trade with countries outside of the EU and operate under customs legislation. This can include importers, exporters, freight forwarders, warehouse keepers, port operators, etc.

More detailed information on [AEO](#) can be found on the HMRC website under the Imports and Exports section, under International Trade Developments or alternatively go to the [Business Link website](#) which provides you with :

## A Guide To Export Procedures Section iii

- the ability to complete the AEO application form and questionnaire on-line with supporting guidance and help text; and
- an interactive AEO tool “Access your readiness for Authorised Economic Operator status” is available to assist you in this area.

### **Further Information**

Following the introduction of the National Export System (NES) new exporters are encouraged to look at details on our website, to a host of [NES](#) related documents.

Contact with the Unit of Expertise (UoE) for Exports may also help resolve export related problems. The UoE may be contacted on +44 (0)2920 386254 / 55.

Information contained in the website may also refer to specific types of exports for which agreements have been made with the trade.

Further information on exports is available in the following Notices:

[Notice 6](#) Merchandise In Baggage.

[Notice 117](#) Authorised Economic Operators.

[Notice 60](#) The Intrastat General Guide. This explains the movement of goods to other EU countries.

[Notice 143](#) A Guide to International Post Users.

[Notice 235](#) Outward Processing Relief.

[Notice 266](#) Rejected Imports, repayment / remission of duty and VAT.

[Notice 275](#) Export Procedures. (New July 2008 version now available which incorporates former Notice 276 National Export Procedures (NES))

[Notice 502](#) A Brief Guide to Export Procedures.

[Notice 600](#) Classifying Your Imports and Exports.

[Notice 703](#) VAT: Exports of Goods from the United Kingdom. This is a VAT notice and explains the VAT aspects of exporting.

### **Business Link website**

The [Business Link website](#) brings together previously fragmented and disjointed information from government and trade associations into 160 plain English easy to understand guides and 8 interactive tools which guide users through the complexities of trading internationally.

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**An Example of a completed Harmonised C88 Form**

<b>EUROPEAN COMMUNITY</b>						<b>1 DECLARATION</b>			* If only I item to declare – leave blank. Otherwise go to 1 / 2 etc.					
<b>2</b>	2 Consignor/Exporter No GB 111 2233 44 000 <input type="checkbox"/> WHITTINGTON'S WICKERWORK LTD COPPICE LANE WILLOW BRIDGE BERKS RG1 0HH UNITED KINGDOM					EX <input type="checkbox"/> b <input type="checkbox"/>	3 Forms *					4 Loading lists		
8 Consignee No BRONX BASKETS 1020 MARYLAND AVENUE CHICAGO 60610 USA					9 Person responsible for financial settlement No			5 Items 1		6 Total packages 12	7 Reference number ORDER NO. 5566BB/00			
14 Declarant/Representative No [GB 222 3333 44] Rep 3 BODDINGTON'S FREIGHT SERVICE PETERBROOKE AVENUE, COLNBROOK SL3 0HJ					15 Country of dispatch/export UNITED KINGDOM			15 C disp./exp. Code a GB b		17 Country destin.Code a us b		13 CAP		
18 Identity and nationality of means of transport at departure/on arrival					19 Ctr.	20 Delivery terms								
21 Identity and nationality of active means of transport crossing the border MV AIRSIDE					GB	22 Currency and total amount invoiced		23 Exchange rate		24 Nature of transaction				
25 Mode of transport at the border 1		26 Inland mode of transport		27 Place of loading/unloading		28 Financial and banking data								
29 Office of exit/entry					30 Location of goods GBLHRCPS			31 Packages and description of goods 2 BOXES [BX] EACH CONTAINING 6 X BOXES OF WICKER BASKETS VARIOUS DESIGNS: 6 X CIRCULAR 8" DAM, 8 X CIRCULAR 12" DAM 18 X OPEN HANDLE, 10 X TRUGS (SML) MARKS: B B CHICAGO 1-2 DUCR = 8GB111223344000-5566BB-00 CONTAINER NO:						
44 Additional Information Documents produced/ Certificates and authorisations INV NO. BB002/6					32 Item 1 No	33 Commodity Code 46021091 00		34 Country origin code a b		35 Gross mass (kg)		36 Preference		
					37 PROCEDURE 1000 001		38 Net mass (kg) 9.000		39 Quota					
					40 Summary declaration/Previous document Z-380-BB002/6									
					41 Supplementary units		42 Item price		43 V/M Code					
							A.I. Code		45 Adjustment					
									46 Statistical value £1,000-00					
47 Calculation of taxes						Type	Tax base	Rate	Amount	MP	48 Deferred payment		49 Identification of warehouse	
						Total:						B ACCOUNTING DETAILS		
50 Principal No					Signature:			C OFFICE OF DEPARTURE						
51 Intended offices of transit (and country) represented by Place and date:														
52 Guarantee not valid for					Code		53 Office of destination (and country)							

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**An Example of a completed Harmonised C88 Form**

<p>D CONTROL BY OFFICE OF DEPARTURE</p> <p>Stamp:</p> <p>Result:</p> <p>Seals affixed: Number:</p> <p>Identity:</p> <p>Time limit (date):</p> <p>Signature:</p> <p><b>C88A</b></p>	<p><b>54</b> Place and date: **</p> <p>COLNBROOK 29-08-07</p> <p>Signature and name of declarant/representative:</p> <p><i>S Boddington</i></p> <p>MRS S BODDINGTON</p>
--	---

\* There is a requirement to enter the code for the type of representation in square brackets at the beginning of the No field. You are advised to refer to the Tariff completion notes for Box 14.

\*\* More information is required but this is dependent on who is signing the declaration. You are advised to refer to the Tariff completion notes for Box 54.

## A Guide To Export Procedures Section iii

### **Am I likely to need an export licence?**

An export licence may be needed for a wide range of goods. These include live animals, animal products, endangered species and cultural goods such as antiques over 50 years old. See below for licensing controls on military, dual-use and cultural goods. Controls on the export of ozone depleting substances, are also to be considered. A CAP licence will probably be required whenever export refund is being claimed (see below for more details).

### **How do I know if I need a licence?**

You should always check with the various Other Government Departments (OGDs) as to whether a licence is required.

### **What types of licences are there?**

Licences may be issued in electronic or paper form or concessions may be granted to exporters under various Open licences.

These may be open general licences where exporters may export any quantity of specified goods to specified destinations. Open individual licences may be granted to regular exporters of licensable goods to agreed consignees. Additional conditions may be set out on the licence.

The appropriate document code (as set out in Appendix C11 of the SAD Harmonised Tariff) followed by the licence type and number must be declared in box 44 of the customs declaration. Paper licences must be presented to HMRC's National Clearance Hub (NCH) in Salford.

With the development of electronic services various OGDs are linking their computer system into CHIEF. This will avoid the manual handling of paper licences and also allows exporters to export goods from the UK at various locations at the same time. Where an OGD interface with CHIEF is in place, CHIEF holds details of OGD licences and will validate licence data transmitted to CHIEF against information entered on the Export declaration and will automatically update those licences controlled by quantity. The first OGD to link to CHIEF was the RPA followed in April 2008 by BERR (Formerly DTI) Export Control Organisation (ECO). BERR's online Export Licence Application System SPIRE controls the issue of Standard Individual Export Licences (SIEL's), Open General Export Licences (OGEL's) and Open Individual Export Licences (OIEL's).

Customs process licences and enforce the controls created by the OGD legislation. If a licence is required and is not presented / quoted, the goods may be seized and the exporter and / or his agent liable on conviction to a penalty of three times the value of the goods or £1,000 if greater. Deliberate breaches of the regulations covering export prohibitions and restrictions can result in prosecution, with a maximum penalty of seven years imprisonment, ten years in the case of BERR (formerly DTI) export licences and an unlimited fine.

Further information on export licensing is given below:

- **Common Agricultural Policy (CAP) Licences** are usually needed for the export of agricultural produce, whether as raw materials or processed products. They are issued and controlled by the Rural Payments Agency (RPA) and policed by HM Revenue & Customs. The RPA will be able to tell you if a licence is required. Their general contact number is +44 (0)191 226 5050, or visit the [RPA website](#).

An export licence is mandatory if you are exporting certain products. If a licence is required and is not presented at the time of export, the consignment will not be able

## A Guide To Export Procedures

### Section iii

to leave. It is worth remembering that CAP goods declared for one country of destination may need a licence, whereas the same consignment going to another country may not.

If you wish to claim a CAP export refund, there is an option available to **advance fix** the refund against the issue of a particular type of export licence.

- **Department for Business, Enterprise and Regulatory Reform (BERR) (formerly the Department of Trade and Industry) (DTI) export Licences** are needed for the export of :
  - Military, security and paramilitary goods, firearms, ammunition, related material and explosive related goods to all destinations, including other EC Member States;
  - Radioactive sources to all destinations, including destinations within the customs territory of the Community;
  - Dual-use goods (a wide range of civil goods that can have a military application) to destinations outside the customs territory of the Community;
  - Very sensitive, or nationally controlled, dual-use goods to all destinations, including destinations within the customs territory of the Community;
  - Goods that you are aware, or have been informed, may be for use in connection with chemical, biological or nuclear weapons or their means of delivery systems (missiles, UAV's, aircraft);
  - Specific additional goods to certain destinations, covered by sanctions orders.

Many less sensitive goods to less sensitive destinations are covered by open general export licences. You can contact BERR on the export licensing helpdesk on [eco.help@berr.gsi.gov.uk](mailto:eco.help@berr.gsi.gov.uk), or visit the [BERR website](#).

- **Department for Environment, Food and Rural Affairs (DEFRA) Licences** cover animals and animal products, and endangered species and are issued and controlled by DEFRA. If a licence is required and not presented with the export, the goods will not be able to leave. Current controls also involve the export of ozone depleting substances (see [DEFRA guidance leaflet](#)). DEFRA will be able to advise if a licence is required. Their general contact number is +44 (0)20 7238 6951 or +44 (0)845 933 5577 or visit the [DEFRA website](#). EU legislation also prohibits the export of cat and dog fur and any products that contain such items.
- **Department of Culture, Media and Sports (DCMS) Licences** are required for the export of certain heritage items (works of art, antiques and collectors' items etc), from the UK. You can contact DCMS on +44 (0)20 7211 6000 or visit the [DCMS website](#). If a licence is required and is not presented / quoted, the goods may be seized. Deliberate breaches of the regulations covering export prohibitions and restrictions can result in prosecution, with a maximum penalty of 7 years imprisonment and an unlimited fine.
- **Health and Safety Executive (HSE) controls.**

The export of certain chemicals may require export notification, or Prior Informed Consent (PIC) from the country of destination. Other chemical Exports may be prohibited outright.

You can contact the HSE Information Line on +44 (0)845 345 0055, or visit Export and Import of dangerous chemicals (PIC) on the [HSE website](#).

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- **Environment Agency controls**

Environment Agency is the UK competent authority for enforcement of Trans-frontier Shipment of Waste (TFS) legislation applying to export of waste shipments for disposal, recovery or recycling etc. Such consignments can require notification or consent procedures and some categories of waste are subject to export prohibitions.

You can contact the Environment Agency TFS helpline on 01925 542265 or email [NATTFS@environment-agency.gov.uk](mailto:NATTFS@environment-agency.gov.uk) or visit the International shipments of waste page on the [Environment Agency website](#).

#### **When will I need a Kimberley certificate?**

The export of rough diamonds from the EU requires an original Kimberley Certificate to travel with the goods. Original certificates must be presented to HMRC when requested. Failure to do this may result in the diamonds being detained or seized, and losing their conflict-free status under the Kimberley Process.

You can contact the Government Diamond Office at the Foreign and Commonwealth Office on +44 (0)20 7008 6903 / 5797 or via email [GDO@gtnet.gov.uk](mailto:GDO@gtnet.gov.uk) or visit the [FCO website](#) and enter 'Government Diamond Office' in the search engine.

#### **When will I need a Catch Document?**

The exports of all types of Dissostichus species of fish (sometimes known as Patagonian Toothfish or Chilean Seabass or Antarctic toothfish / Antarctic Cod) require Catch documentation.

You can visit the [CCAMLR](#) (Convention on the Conservation of Antarctic Marine Living Resources) website.

## A Guide To Export Procedures Section iii

### **What are Export Preferences?**

In order to help the export trade of the EC, trading agreements with certain countries have been set in place. These allow originating exports from the EC 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 these agreements. See [Notice 812](#) European Community Preferences: Trade with Turkey, [Notice 827](#) European Community Preferences: Export Procedures, [Notice 828](#) Tariff Preferences – rules of origin for various countries including Albania and [Notice 832](#) Tariff Preferences – rules of origin for Mexico for further details.

### **What is meant by the "origin" of the product / goods?**

In order for exported products to qualify, they must have EC 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. More guidance on the specific rules can be found in [Notice 812](#) European Community Preferences: Trade with Turkey, [Notice 827](#) European Community Preferences: Export procedures, [Notice 828](#) Tariff Preferences – rules of origin for various countries including Albania and [Notice 832](#) Tariff Preferences – rules of origin for Mexico.

### **What evidence is required?**

There are two different ways to declare preferential origin. The most commonly used is an EUR 1 Certificate. Detailed guidance on how to complete a Certificate is contained in [Notice 827](#) European Community Preferences: Export Procedures.

There is also a facility 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. [Notice 827](#) European Community Preferences: Export Procedures, provides specific information relating to the facilities available for exporters to each country.

### **What happens to my EUR1 once it has been completed?**

EUR1 Certificates have to be stamped prior to being despatched to your overseas customer. They can either be sent to the National Clearance Hub (NCH) at Salford, or be stamped by your local British Chambers of Commerce or the Institute of Chartered Shipbrokers.

When an exporter presents an EUR1 for authorisation, the accuracy of the claim may be checked by Customs, the Institute of Chartered Shipbrokers or the British Chambers of Commerce who have been appointed by Customs to issue certificates on their behalf.

They may ask for evidence when the certificate is actually submitted in order to ensure the Origin Rules have been adhered to. Customs may also be required to verify origin up to three years after the issue of the certificate by the receiving country, so you are required by law to retain any evidence you may hold for at least that period of time.

### **What if an error is made?**

If a request for verification from the authorities in the receiving country is made, and it is found that the goods were not entitled to preference, Customs have to report this fact to the authority. This will result in your customer having to pay the full customs duty, which in turn could affect your future trade.

Also, there is the possibility of a penalty being imposed, so it is important that you ensure prior to export that certificates are issued only when all the conditions are met.

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### **What happens if documents are lost?**

If an EUR 1 is lost, destroyed or stolen, a duplicate can be issued from the office where the original was authenticated. You need to apply in writing stating why you need a duplicate. You need to supply a copy of the invoice and any supporting evidence. The duplicate will be issued with the same date of issue of the original – it will therefore have the same period of validity.

### **What if a preference document is not issued at the time of export?**

Exceptionally a retrospective EUR 1 can be issued. Your customer will have to put the full amount of duty on deposit until the Certificate arrives.

### **What if I act as an intermediary – obtaining goods from one party for supply to another?**

You may decide to buy materials / products from another firm in the EC to include in your final product to be exported to a customer in a preference-giving country. If this is the case, then you need the assurance that these bought-in materials / products are of EC preferential origin. Failure to obtain this would mean that such materials will be regarded as non-originating.

This assurance must come from your supplier. They need to furnish you with a "Suppliers Declaration" – this is a form of words, declaring their products meet the appropriate rules of origin.

This declaration can either be a one-off or a "long term" declaration (twelve months maximum). You should not attempt to count such materials / products as originating, unless you have such a Supplier's Declaration in place.

[Notice 827](#) European Community Preferences: Export Procedures, gives additional guidance on the issue / use of Suppliers Declarations and the latest version January 2007, is available on our website.

[Notice 828](#) Tariff Preferences – rules of origin for various countries including Albania, is available on our website, latest version September 2007.

[Notice 826](#) Tariff Preferences: Imports, is available on our website, latest version December 2007.

## Transit Systems Section iv

### What is Community Transit (CT)?

Community Transit is a customs procedure that allows goods that are not in free circulation, (and in certain cases, Community goods) to move between two points in the EC (including two points within a single Member State) with the Customs duties and other charges suspended. The procedure is also used to control the movement of certain goods to and from Andorra, San Marino and the “special territories” of the Community (such as the Channel Islands).

The Community transit procedure is extended to the European Free Trade Association (EFTA) countries (Iceland, Norway, Liechtenstein and Switzerland) by an agreement known as ‘The Common Transit Convention’. Goods moving under transit to, through, from or between these countries travel under common transit legislation.

### Status of the goods

Goods are divided into two categories:

‘*Non-Community goods*’ are goods that do not wholly originate in the EC and are therefore liable to Customs duty and / or other charges. These goods are not in free circulation whilst in the EC and need to be identified and controlled to ensure that either the duty is paid or the goods are re-exported.

The **external CT procedure (T1)** allows goods not in free circulation to move between two points in the Community.

‘*Community goods*’ are goods that wholly originate in the EC and are therefore free of Customs duty or goods imported from outside the EC on which all import formalities have been completed and duties paid. Community goods are described as being in ‘free circulation’. They do not therefore *normally* require CT declarations or evidence of Community status to move within the EC. Goods arriving in one EC member state direct from another are regarded as Community goods in the absence of any evidence to the contrary.

The **internal CT procedure (T2)** *may* be used for Community goods moving:

- From one point to another within the EC via a Common Transit country
- From an EC member state to a Common Transit country
- To or from San Marino, (except for goods in HS Tariff chapters 72 & 73)
- To or from the Principality of Andorra and are in HS Tariff chapters 25-97.

The **internal CT procedure (T2F)** *is required* for the movement of Community goods to or from ‘special territories’ which includes the Channel Islands except for direct movements between the UK and the Channel Islands, where simplified arrangements apply.

### What is the New Computerised Transit System (NCTS)?

The New Computerised Transit System (NCTS) is a European wide system, based upon electronic declaration and processing. It involves all Member States and the Common Transit countries.

**IMPORTANT :** The use of NCTS to submit electronic transit declarations became mandatory for most traffic on 1<sup>st</sup> July 2005. Paper declarations will no longer be accepted, with the following exceptions :

## **Transit Systems Section iv**

- Traders moving goods directly between the UK and the Channel Islands under simplified arrangements using commercial documentation;
- Private travellers carrying goods in excess of personal allowances; and
- Where use of the fallback procedures is appropriate.

NCTS is not required for :

- Traders who are approved to use the air, sea, rail, large container and pipeline simplifications;
- Traders who are approved to use UK national simplifications where the goods are moved under the control of an electronic procedure solely within the UK;

Each national administration has developed its own NCTS processing system. They are connected, through a central domain in Brussels, to all the other Member States and Common Transit countries.

The UK, like many other national administrations uses the Minimal Common Core (MCC) software developed by the European Commission, which provides all the basic data capture and messaging functionality for effective connection to the European network.

### **How can I submit NCTS declarations?**

To submit electronic transit declarations you must have access to a computer and an Internet connection. If you wish to be authorised to have your Transit Accompanying Document (TAD) and List of Items (LoI) printed at your designated premises you will also need a laser printer capable of printing the declaration barcode in the required format.

In the UK there are three access routes to NCTS:

- E-mail via Electronic Data Capture Services (EDCS)
- HM Revenue and Customs NCTS web channel
- NCTS XML (Extensible Mark-up Language) declaration channel

### **E-mail via EDCS**

To use the e-mail service, you must be able to make declarations to the NCTS by Electronic Data Interchange (EDI) and to exchange the necessary messages with the system. You also need specialist software to construct and translate the messages that the NCTS requires. The e-mail route can process up to 999 items per declaration.

### **HM Revenue and Customs NCTS web channel**

To use the web service you need a UK Traders Unique Reference Number (TURN) and a UK postcode. You must register for a Government Gateway account and then enrol for online service. The web-based route can process up to 99 items per declaration.

### **NCTS XML (Extensible Mark-Up Language) declaration channel**

To use the XML service you must register for a Government Gateway account. You will also need to purchase or develop your own XML wrapping tool for delivering of messages direct from your organisation, or use a service provider that will perform the XML wrapping on your behalf.

### **Location of the goods**

Unless you are an Authorised Consignor or Consignee, there are two distinct types of location where the goods must be made available to Customs at departure and destination :

## **Transit Systems Section iv**

- Customs offices and
- Approved Customs sub-places

A list of UK Customs sub-places appears in the UK Integrated Tariff Volume 3 Appendix C.

If you are an Authorised Consignor or Consignee, you may designate the premises where you will make the goods available to Customs.

### **What are the control procedures?**

All transit movements are the responsibility of a “Principal” who is the person or company who undertakes to ensure that the goods are delivered to the office of destination or approved customs sub-place within the prescribed time limit. The Principal must usually put up a guarantee to secure the relevant duties and other charges in case the goods do not arrive intact at the office of destination.

The guarantee can be individual (covering a single operation) or (for approved principals) comprehensive. An individual guarantee can be cash (lodged at the office of departure), or vouchers (purchased from a guarantor such as a bank or insurance company).

To start a transit movement the trader inputs an electronic declaration to the NCTS. Customs at the office of departure may prescribe an itinerary and will set a time limit for presentation of the goods at the Customs Office of Destination or to an Authorised Consignee. Customs at departure may also seal the goods. The computer system at the office of departure will generate a Transit Accompanying Document (TAD), and will send an electronic Anticipated Arrival Record to the Office of Destination. Traders may be approved to generate the TAD at their own premises.

The Transit Accompanying Document (TAD) must travel with the goods. Where goods are to transit a non-EU country during a CT operation, an office of transit will control the movement at the point of exit and re-entry to the EU. The TAD must be presented at each office of transit noted on the declaration. The results of any checks are noted on the NCTS before the operation is allowed to proceed to the office of destination.

The TAD and the goods must be presented to customs at the office of destination / customs sub-place. Customs at destination will input an arrival message to the NCTS, control the end of the transit operation and record the results of the controls on the NCTS. A message is sent back to the office of departure and if the control results are satisfactory the transit operation is discharged.

If the control results are not satisfactory or if they are not received within the time limit the Principal is contacted and asked to provide proof that the procedure has ended correctly. If proof is not provided the enquiry procedure is initiated to recover the potential debt.

### **What is simplified transit?**

There is a range of transit simplifications available for use by compliant and reliable traders. These include:

- Use of a comprehensive guarantee, or guarantee waiver
- Use of seals of a special type
- Exemption from a prescribed itinerary
- Authorised Consignor status
- Authorised Consignee status

## **Transit Systems Section iv**

- Procedures specific to certain modes of transport (goods carried by rail or large container, air, sea, pipeline)
- Other national or bi-lateral simplifications based on Art 97 of the Community Customs Code / Article 6 of the Common Transit Convention

These simplifications are subject to authorisation by the National Simplifications Team at the CCTO in Harwich.

Further details about transit can be found in [The Transit Manual](#) on the European Commission website. Guidance on transit procedures in the UK is provided in the [Transit Manual Supplement](#) found within the Imports and Exports section of the HMRC website.

Further details about NCTS can be found on the HM Revenue & Customs website or contact UKCS +44 (0)1255 244790.

### **Community status documents**

Community status documents have no transit function but are required where the Community status of the goods needs to be proved e.g. where the goods are moving from one EC member state to another, via a third country (other than a Common Transit country). There are various documents that can be used to prove Community status. These include :

- a T2L (copy 4 or 4/5 of the SAD);
- a commercial document such as an invoice or a transport document or a shipping company's manifest;
- a T2LF where proof of Community status is required for goods consigned to or from the special territories;
- a T2M form to prove the Community status of sea fishing products caught by Community fishing vessels in certain circumstances.

Documents used to prove Community status have to be authenticated by customs (except for commercial documents where the value of the goods does not exceed EUR 10 000). The documents may be issued retrospectively.

If you use status documents on a regular basis you can become an authorised consignor for Community status purposes. Otherwise, if your T2L/T2LF status document requires authentication, it must be sent, with a stamped self-addressed envelope, to Salford National Clearance Hub (NCH) at the following address :

The National Clearance Hub  
Custom House  
Furness Quay  
Salford  
Manchester  
M50 3XN  
Tel : +44 (0)161 2617000 (Main Office)

A full list of documents and rules used for providing Community status and guidance on the use of Community status documents can be found in the Transit Manual.

### **Transport International Routier (TIR)**

TIR is an international Convention that provides for goods to move across one or more international borders with minimal customs interference. The movement must essentially be by road to, via and from European countries and some North African and Asian countries.

## **Transit Systems Section iv**

However, for the purposes of TIR, the European Union is regarded as a single territory. TIR cannot be used to move goods between Member States of the EU unless they go via a third country.

Anyone who has travelled on European roads may recognise the familiar blue and white TIR plates affixed to thousands of lorries and trailers using TIR.

TIR can be operated in fifty-five countries, all of whom have signed the Convention on the International Transport of Goods under cover of TIR Carnets. Goods that are moved under TIR can pass to and through these countries with any customs duties and other taxes under suspension and without the need for unloading / reloading at international frontiers.

With effect from 1<sup>st</sup> January 2009, traders who move goods under the cover of a TIR Carnet will also be required to submit a TIR declaration to the NCTS for that part of the journey within the territory of the European Union. The NCTS will generate the Transit Accompanying Document (TAD) which will be affixed to the TIR Carnet.

It is important to note that the paper TIR Carnet remains the legal instrument and will be required to be presented along with any accompanying documents, the vehicle and the goods.

There are five main principles to the TIR system:

- Access to the system is controlled by the national guarantee associations and customs authorities. In the UK operators must apply for authorisation to use TIR Carnets to one of the two national guarantee associations – either the Freight Transport Association (FTA) or the Road Haulage Association (RHA);
- The goods must be listed on, and accompanied by, an internationally recognised document, the TIR Carnet. The Carnet is taken into use in the country of departure and serves as the control document in the countries of departure, transit and destination;
- The duties and taxes at risk are covered by an internationally valid guarantee;
- The goods must travel in approved secure vehicles and containers; and
- Customs control measures taken in the country of departure should be accepted by the countries of transit and destination.

### **Procedure at the Office of Entry into the Community**

The TIR carnet holder or his / her representative is responsible for lodging the TIR carnet data in the computerised system (NCTS). The Carnet travels with the goods and is presented to Customs at the office of entry into the Community.

Customs at the office of entry will :

- Check the vehicle / container and approval certificates as appropriate;
- Check the seals; and
- Check that Box 22 of Voucher No. 1 contains the name of the office of destination.

The officer will then :

- Complete the relevant details on the next pair of vouchers 1 and 2;
- Remove Voucher No 1 (white) from the carnet and complete the corresponding counterfoil; print out an Office Copy TAD, attach it to voucher no 1; and
- Return the carnet to the holder or representative.

### **Procedure at the Office of Destination**

## **Transit Systems Section iv**

The principal (or his / her authorised representative) present the goods, the vehicle, the TIR carnet and the TAD to Customs at the office of destination or to an EU authorised consignee approved to receive TIR consignments.

At the office of destination, Customs will :

- Check that the seals are intact and – unless an irregularity is found – endorse the Carnet with the rectangular office date stamp;
- Use the MRN to retrieve the data from the NCTS system and send the appropriate 'Control Results' message to the office of departure; and
- Send Voucher No 2 to the CCTO for onward transmission to the office of departure / entry as designated in the box 'for official use'.

If the goods are delivered to an authorised consignee the officer will ;

- Check that the seals are intact and – unless an irregularity is found – send the documents to the office of destination to be endorsed as above; and
- Use the MRN to retrieve the data from the NCTS system and send the appropriate 'Control Results' message to the office of departure.

Further details about TIR can be found on the HMRC website.

## An Explanation of Duty Relief Procedures Section v

### What are Duty Relief procedures?

Duty Relief procedures can:

- provide relief from, or delay payment of, duty and / or VAT
- allow reduced or nil rates of duty to be applied to goods, if they are permanently or temporarily imported under specific conditions and / or imported to a specific location.
- Provide relief from duty and / or VAT for goods temporarily exported from and returned to the EU.

### When might they be of use?

They can be used in the following circumstances:

- When you import goods temporarily for use, process, or repair within the EU.
- When you re-import goods which have been used, processed or repaired outside the EU.
- When you return goods to a supplier outside the EU because they are damaged or are not to the required specification.
- When you re-import goods returned by a customer outside the EU because they are damaged or are not to the required specification.

### What are the schemes?

There can be many different reasons why an import is made and there are various procedures to fit specific circumstances, these include:

- Inward Processing Relief (IPR)
- Outward Processing Relief (OPR)
- Returned Goods Relief (RGR)
- Temporary Importation Relief (TI)
- Customs Warehousing (CW)
- End Use Relief
- Processing under Customs Control (PCC)
- Aircraft Spare Part Depots (ASPD's)
- Free Zones (FZ)
- Rejected Imports Relief
- Community System of Duty Reliefs (CSDR)
- Onward Supply Relief (OSR)

### What is Inward Processing Relief (IPR)?

IPR provides relief in order to promote exports from the EU and assist Community processors to compete on an equal footing in the world market.

If you import non-EU goods to be used in the processing of products which are intended to be re-exported outside the EU, IPR allows the customs duties to be relieved for the time required for you to enter, process and dispose of the goods.

### How does IPR work?

There are two methods of IPR, suspension and drawback.

Under ***IPR suspension*** customs duties are suspended when the goods are first entered to the procedure in the EU. The duty liability is discharged when the goods are re-exported from the EU or subject to another form of eligible disposal. However, if the goods are

## An Explanation of Duty Relief Procedures Section v

released into the EU, import VAT will also become due and compensatory interest will be charged on the duty suspended.

Under **IPR drawback**, customs duties and import VAT are paid when the goods are entered. The customs duty can be claimed back when the goods are exported and you may be able to reclaim the import VAT as input tax. There are some restrictions on the type of goods that can use IPR drawback. The examples below, which are not exhaustive, include goods that are subject to :

- quantitative import restrictions;
- Tariff measures;
- most CAP goods
- goods subject to an export refund or tax applies to a product that will be produced;

### **Do I need to be authorised to use IPR?**

Yes. There are a number of types of authorisation and you will need to consider which one best suits your needs.

Most require you to make a prior application to HM Revenue and Customs using form [C&E 810](#). Applications for authorisation usually take a month to process before you can import any goods using the procedure.

If you only occasionally import goods for processing, and the operation is carried out entirely in the UK, you can apply for a simplified authorisation on the C88 (SAD) entry at the point of import. On your entry you will need to quote the appropriate IPR CPC in the '51' series for IPR suspension or the '41' series for drawback.

If you use IPR you will need to keep records with details of all imports, processing operations, transfers and disposal of your goods entered to this procedure.

Further information can be found in the Tariff, Volume 3, Part 3, [Notice 221](#) Inward Processing Relief and [Notice 221A](#) Inward Processing Relief using a simplified authorisation, which is available via the HM Revenue & Customs website.

### **What is Outward Processing Relief (OPR)?**

Outward Processing Relief provides duty relief on imports from 3<sup>rd</sup> countries of goods which have been produced from previously exported EU goods. When you re-import the goods you may be able to pay import duty and VAT on a reduced value subject to certain conditions. You should normally be the person arranging for the process / repair to be carried out but if you are not you may be able to obtain specific authorisation to enable you to export and re import the goods.

The processing work can range from the very simple through to involved manufacturing. In some instances goods which have gone out for repair can be replaced instead under the Standard Exchange System if it is not practicable to have the exported goods repaired. However, the replacements must be of equivalent commercial value. Replacement goods will also be subject to import VAT on the full value of the goods.

Dispatches in one consignment can be re-imported over a period of time in smaller amounts. In addition, goods originally exported from the UK do not have to return to the UK – the re-importation can be to another EU country.

## **An Explanation of Duty Relief Procedures Section v**

### **How does OPR work?**

HMRC are required to check that the re-imported goods have been manufactured from the items exported. In the case of repairs it is necessary to show e.g. by serial number, that the part exported is the part returned. You will be required to keep adequate records to show that the goods exported have been used in the re-imported product.

### **Do I need to be authorised to use OPR?**

Yes, there is a Simplified authorisation which is applied for at the point of export, which can be used if you occasionally need to export goods for repair. It cannot be used for any other type of process (exceptionally replacement could be allowed).

Alternatively you can apply for the relevant authorisation by making an application to HM Revenue & Customs on form [C&E 1153](#) prior to exporting the goods. You will be issued with an authorisation number to quote on all your OPR entries. You can make regular exports and the operation can be anything from simple processing to involved manufacturing – on the application form you state in detail what processes will be carried out on your goods.

Further details about OPR can be found in [Notice 235](#) Outward Processing relief.

### **What is Returned Goods Relief (RGR)?**

If you import goods that were previously exported from the customs union (the EU, Turkey, San Marino and Andorra), then returned goods relief could be of use. The goods must be reimported in the same condition as at export from the customs union, with no processing having been carried out on them outside the union, apart from routine maintenance or unforeseen running repairs.

### **How does RGR work?**

RGR can be used for goods exported temporarily, which you know will eventually be returned to you. In addition RGR can be used if your overseas customer needs to return the goods i.e. they are broken or you have sent the wrong specification. You can also use RGR if you purchase goods abroad which were exported from the customs union by others.

In all these situations HMRC would normally treat these as an import of non-EU goods and therefore duty and VAT would be due. By declaring the consignment at import to RGR, you can get total or partial relief from the import duty and in some cases the VAT, subject to certain conditions.

### **Do I need to be authorised to use RGR?**

In most circumstances you would not need to be authorised to use RGR. However to support your claim for RGR, you must be able to prove to HMRC that the goods were those originally exported from the customs union and establish their “duty status” at the time of original export. If you did not export the goods, you will probably need to seek help from the original exporter in getting this information.

More details about RGR can be found in [Notice 236](#) Customs: Importing returned goods free of duty and tax.

### **What is Temporary Importation Relief (TI)?**

Temporary Importation generally allows you to temporarily import goods with relief from customs duty, specific customs duty (previous CAP charges), antidumping duty and countervailing duty. Goods must not be processed or repaired other than routine maintenance necessary to preserve them in the condition in which they were imported.

There are several different TI reliefs. Some examples of these are:

## An Explanation of Duty Relief Procedures Section v

- goods coming in for an exhibition,
- goods coming in for your company to test (but not to destruction),
- sample goods to show to prospective buyers,
- animals coming in for training / breeding / veterinary treatment or competitions.

Some of the reliefs will require that the goods remain in overseas ownership and / or restrict how they may be used. Goods must also be re-exported within the prescribed time-limits.

### **How does TI work?**

Goods can be entered to TI in one EU country and staying under Customs control, move to another EU country, e.g. exhibition to exhibition.

For most importations security (either by cash deposit, or bank guarantee) equal to the full amount of duty and import VAT potentially due will be required. This may be reclaimed when the goods have been re-exported and satisfactory documentary evidence can be provided.

### **Do I need to be authorised to use TI?**

Yes. You can apply for authorisation at the time you import your goods:

- for a simplified authorisation quoting the appropriate TI relief CPC in the '53' series (further information on this can be found in the Tariff volume 3 part 3) on your C88 entry; or for **certain** types of goods only,
- by 'oral declaration' supported by an inventory document (form [C108](#)); or
- by 'declaration by any other act' where declaration and authorisation is accepted to have been made by going through the green 'nothing to declare' channel or its equivalent.

You can also make a prior application for TI authorisation to HM Revenue & Customs using form [C&E 1331](#) or for TI Means of Transport, Containers or Pallets, form [C&E 1331A](#). This can be used where regular imports are to be made and for different types of goods and uses. You will be issued with an authorisation number to quote on all your TI relief entries. Goods can also be imported for use from outside the EU or from a Special Territory of the EU such as the Channel Islands, on which VAT only is due e.g. yachts or civil aircraft.

More details about Temporary Importation can be found in the following [Notice 200](#) Temporary Importation; [Notice 306](#); Temporary importation - containers and pallets; [Notice 308](#) Temporary Importation - means of transport and [Notice 28](#) Importing aircraft parts, aircraft spare parts depots and temporary importation, which includes temporary importation of civil aircraft.

### **ATA Carnets**

These can also be used for certain temporary importations and exportations. An ATA carnet is a book of vouchers that replaces the normal customs documentation at the time of importation and exportation. The ATA carnet system is operated worldwide under the ATA and Istanbul Conventions. Security to cover potential import duties is lodged in the country of issue. In the UK, ATA carnets are issued by Chambers of Commerce and Industry. Further information and details of Chambers of Commerce and Industry in other countries can also be obtained from :

## An Explanation of Duty Relief Procedures Section v

The London Chamber Of Commerce and Industry  
Export Documents – Carnets  
33 Queen Street  
London EC4R 1AP

Tel : +44 (0)20 7248 4444  
Fax: +44 (0)20 7203 1921 / (0)20 7248 0391  
Email: [aallan@londonchamber.co.uk](mailto:aallan@londonchamber.co.uk)

Further details about ATA carnets can be found in [Notice 104](#) ATA and CPD Carnets.

### **What is Customs Warehousing?**

Customs warehousing is a storage procedure whereby the payment of customs duties and / or import VAT can be suspended or delayed when non-Community goods are stored in a defined location (premises or place) or under an inventory system authorised as a customs warehouse.

The normal rules relating to import and export prohibitions and restrictions apply to goods imported into and exported from customs warehouses. Therefore, licences are needed in the normal way.

### **How does Customs Warehousing work?**

There are different types of warehouses, depending on the responsibilities you wish to assume. Private warehouses (known as types C, D and E) are for the storage of goods deposited by an individual trader, authorised as the warehouse keeper who need not own the goods but who must take on the responsibilities of the depositor. A public warehouse (Type A) is authorised for use by a warehouse keeper whose main business is the storage of other trader's goods. A Type A warehouse keeper does not take on the responsibilities of the depositor.

The depositor has the responsibility of being bound by the declaration placing the goods under the customs warehousing procedure and will be liable for any duties and taxes.

### **Do I need to be authorised to use Customs Warehousing?**

Yes, an application on a [C1410](#) form has to be made to HM Revenue & Customs. Your Authorisation Number must be quoted on all customs warehousing entries, to your premises.

Further details about customs warehousing can be found in [Notice 232](#) Customs Warehousing.

### **What is End-Use Relief?**

End-use provides relief to promote certain EU industries and trades. To qualify for relief the following must apply:

- the goods and / or processes must be eligible for end-use;
- you must be authorised for the relief, and
- the goods must be put to their prescribed end-use within agreed time limits. The length of time an end-use authorisation can be issued for depends on the type of goods and the processing involved. The period of authorisation does not normally exceed 3 years from the date the authorisation takes effect. Renewal can be considered for exceptional circumstances.

### **How does End-Use Relief work?**

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End-use relief applies only to duty. VAT if due, must be paid unless any separate VAT relief applies. End-use does not include relief from Excise duty or Anti dumping duty (ADD).

### **Do I need to be authorised to use End-Use Relief?**

You need to be authorised to import or receive end-use goods. Authorisations are issued to the person importing or having the goods imported.

If you are a processor of end-use goods you must be authorised to receive such goods from importers, either in your own right or as a named processor in the importer's authorisation.

There are four different types of end-use authorisation:

- **Simplified authorisation** using form [C100](#), used to import goods on a one-off basis for simple operations within the UK. A trader using the simplified end-use facility cannot make use of it more than three times in a calendar year. Simplified declaration procedures, e.g. Customs Freight Simplified Procedure (CFSP) cannot be used in association with simplified end-use.
- **Authorisation within the UK** using form [C1317](#). This type of authorisation can cover processing on your behalf by other companies where operations are solely within the UK.
- **Single Community authorisation**, where processing or transport of goods involves more than one Member State. Application is made on the model form (Annex 67) in Commission Regulation 2454/93.
- **Integrated Authorisation**. This is for traders to import and process goods which require authorisation for end-use and another customs procedure, for example IPR. Application is made using form [C1317](#).

Further details about End Use Relief can be found in [Notice 770](#) Imported goods: end-use relief.

### **What is Processing under Customs Control (PCC)?**

PCC allows certain raw materials or components to be imported under duty suspension arrangements for processing and subsequent release to free circulation in the EU. If you intend to export the processed products you should apply for inward processing relief.

### **How does PCC work?**

After processing the finished products may be declared to free circulation at the lower duty rate that applies rather than the rate that applies to the raw materials.

### **Do I need to be authorised to use PCC?**

There is a simplified authorisation available at the time of import for goods being processed in the UK only and which fall in Part A of Annex 76 of EC Regulation 2454/93. For all other types of process you will need to apply for an authorisation on form [C&E 1321](#). You will be issued with an authorisation number which must be quoted on all import documents. If your goods do not fall within Part A of the Annex your application will also be subjected to an economic test. No authorisation can be issued until the test has been concluded by BERR (formerly DTI) / DEFRA. If your goods fall within Part B of the Annex, this test will be carried out by the relevant section of the Customs Code Committee in Brussels.

Further details about PCC can be found in [Notice 237](#) Processing under Customs Control (PCC).

### **What are Aircraft Spare Part Depots (ASPD)?**

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If you are involved in storing goods required in the UK by non-UK airlines for the day to day running and maintenance of aircraft you may be eligible to operate an ASPD.

### **How does ASPD work?**

ASPDs are used for storing goods for:

- Non UK airlines for the maintenance of their own aircraft
- UK and other EU Airlines for the maintenance of aircraft owned and operated by other non UK airlines for whom they act as agents or
- Aviation, engineering and maintenance companies

Please note that BERR (formerly DTI) licences are needed for the export of civil aircraft parts to Iran and Iraq.

### **Do I need to be authorised to use ASPD?**

Yes application is made on form [C&E 286](#). Further details about ASPDs can be found in [Notice 28](#) Importing aircraft parts, aircraft spare parts depots and temporary importation.

### **What is Free Zone?**

A Free Zone is a designated area in which non-Community goods are treated as being outside the customs territory of the Community for the purpose of import duties.

### **How does Free Zone work?**

Free Zone goods mean that import duties (including agricultural charges) are not due provided the goods are not released for free circulation. Import VAT is also suspended until the goods are removed to the UK market or used or consumed within the Free Zone.

UK Free Zones are controlled principally on the basis of the requirements of customs warehousing procedures, on an audit basis rather than physical checks on arrival.

The normal rules relating to import and export prohibitions and restrictions apply to goods imported into and exported from free zones. Therefore, licences are needed in the normal way.

There are no special reliefs in Free Zones from other taxes, excise duties or local authority (council tax) rates.

There are currently five free zones in the UK located at Liverpool, Prestwick, Sheerness, Southampton and Tilbury.

### **Do I need to be authorised to use Free Zone?**

To operate within free zones you will need prior authorisation from Customs. You should apply in writing to the customs office responsible for the free zone.

Further details about Free Zones can be found in [Notice 334](#) Free Zones.

### **What are Rejected Imports?**

As the customer of an overseas supplier, you will be unaware in many cases if goods are correct until you open the packages. By that time the import has taken place and duty / VAT will have been paid. If the goods are not acceptable, for example they are broken or the wrong specification has been sent, it is likely that you will want to send the goods back to your supplier, i.e. you reject the import.

## **An Explanation of Duty Relief Procedures Section v**

Your supplier may send a credit note for the value of your order, but you will still need to recover the duty and possibly VAT. If you are VAT-registered, you will receive a VAT Certificate to use with your VAT Return as usual. Under these circumstances, the Rejected Imports procedure can be of use to reclaim the duty.

### **Do I need to be authorised to use the Rejected Imports procedure?**

No, you do not need to be authorised to use the procedure. However if you have received goods you cannot use, provided that you inform your local Compliance Business Centre before you dispose of the goods – for example by re-export, or destruction, Customs accept a claim for repayment of duty, plus VAT if you are not VAT registered. You need to be able to prove why you are rejecting the import, and have a copy of the import entry showing the duty and VAT paid against the consignment.

You can reject part of a consignment, and the duty and VAT would be apportioned accordingly.

More details about Rejected Imports and the procedure for making claims can be found in [Notice 266](#) Rejected imports: repayment or remission of duty and VAT.

### **What is the Community System of Duty Reliefs (CSDR)?**

CSDR is the collective term for a number of different conditional reliefs designed to promote educational, scientific, social and cultural advancement by allowing certain goods to be imported free of customs charges. Examples of goods which may qualify for relief include :

- those imported by charities for the benefit of needy people;
- goods for the disabled;
- museum and gallery exhibits;
- scientific research equipment;
- commercial samples; and
- goods for examination, analysis and test.

Each relief has its own set of Customs Procedure Codes (CPCs) and relevant conditions to be met.

### **How does CSDR work?**

Importers must maintain clear records and audit trails in respect of goods imported to facilitate assurance visits and demonstrate the eligibility criteria are met and the goods have been put to the prescribed use. For some of the reliefs, there are post import disposal restrictions.

### **Do I need to be authorised to use CSDR?**

In some cases prior authorisation is necessary. Imports to museums and art galleries are covered by general authorisations for the premises themselves. Other imports such as goods for the disabled and goods for scientific research are covered by specific authorisations. Imports of goods for Test do not require prior authorisation. Most authorisations are granted by the National Imports Relief Unit (NIRU), Enniskillen. Their contact details are :

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National Imports Relief Unit (NIRU)  
HM Revenue & Customs  
Custom House  
Killyhevlin Industrial Estate  
Enniskillen  
Co Fermanagh  
Northern Ireland  
BT74 4EJ

Telephone : +44 (0) 2866 322298

Fax : +44 (0) 2866 324018

E-mail : [enquiries@nirucustoms@hmrc.gsi.gov.uk](mailto:enquiries@nirucustoms@hmrc.gsi.gov.uk)

In certain circumstances, private establishments must be authorized by other Government Departments such as the Home Office and Department of Health.

Further details about CSDR reliefs can be found in Volume 1, Part 10 of the Tariff, and in the various relevant Notices in the 300 series.

### **What is Onward Supply Relief (OSR)?**

OSR is a relief from import VAT for goods imported into the UK from outside the EU by a UK VAT registered trader in the course of an onward supply of those actual goods to another Member State.

### **How does OSR work?**

OSR provides a third choice where goods are imported into the UK (or are being removed from a customs procedure allowing suspension of customs duty and import VAT – IPR suspension, TI, Processing under Customs Control, Free Zone and Customs Warehousing) that are destined for a customer in another Member State. Once entered to OSR in the UK the goods cannot be processed pending onward shipment.

Customs duty is paid in the UK but the import VAT is relieved provided the goods are shipped on to a VAT registered trader in another Member State within 30 days.

The requirement for the UK importer to make a VAT supply of goods means that this relief can only be used by import / customs clearance agents where they have been authorised under the terms of section 47 of the VAT Act by either the buyer or seller of the goods to act as a VAT agent for that company. In particular, the import / customs clearance agent will be responsible for issuing tax invoices and complying with VAT accounting rules – including raising EC sales lists (and where necessary supplementary declarations) and recording details on the VAT return – in relation to those goods.

### **Do I need to be authorised to use OSR?**

There is no need for prior approval but there are a number of conditions.

#### **You must;**

- be a UK VAT registered trader – note – you cannot claim OSR if you use a pseudo TURN or the code GBPR,
- be making a zero-rated supply of the imported goods – not merely dispatching them - to a taxable person (who will account for tax on their acquisition) in another EU country,
- dispatch the same goods as imported – note – you cannot process them first,

## An Explanation of Duty Relief Procedures Section v

- remove the goods to another EU country within one month of the date of importation (which is the date when the goods enter free circulation). If you cannot meet this deadline you can apply to NIRU for an extension (see paragraph 2.6 of [VAT Notice 702/7](#) Import VAT relief for goods supplied onward to another country in the EC, for contact details).
- AND
- complete EC sales lists and record EC trade figures on VAT returns. (If you are an agent you need to read paragraph 2.2 of [VAT Notice 702/7](#) Import VAT relief for goods supplied onward to another country in the EC.

### **Completion of the Import Declaration (SAD)**

To claim the relief, you must enter the appropriate Customs Procedure Code (CPC) in Box 37 of your import declaration.

By using the CPC, you are making a declaration that you :

- have met the conditions of the relief at paragraph 2.5 of [VAT Notice 702/7](#) Import VAT relief for goods supplied onward to another country in the EC,
- will produce, if asked by one of our officers, commercial evidence that shows the goods have been supplied onward to another EU country, and
- will pay on demand any import charges due if the conditions of the relief are not met.
- AND

In Box 44 of the import SAD you must enter :

- the expected place and date of onward consignment,
- the name, address, and VAT registration number of the consignee in the EU country of destination,
- if known, the identify of the onward transport, ship, aircraft, vehicle etc.

Further details about OSR can be found in [VAT Notice 702/7](#) Import VAT relief for goods supplied onward to another country in the EC.

### **What other relief schemes are there?**

Our catalogue of Publications ([Notice 999](#)) has a full listing of the Notices covering other Duty Relief Schemes such as Inherited Goods, Goods for Test to Destruction, Commercial Samples etc.