

# **Guide to Importing & Exporting**

## **Breaking down the Barriers**

## **H M CUSTOMS & EXCISE**

### **WELCOME YOU TO THE**

### **NEW IMPORTERS AND EXPORTERS STARTER PACK**

#### **Contents**

##### **(i) Introduction**

- Who is this publication aimed at?
- H M Customs and Excise
- Frontier Customs Officers
- Regional Business Education and Support Teams (BEST)
- Why would I come into contact with HM Customs and Excise?
- Can I use an Agent to act on my behalf?
- What is an Import?
- What is an Export?
- Countries of the EC
- Why do I need to be aware of all this?
- How to use this Pack?
- National Advice Service (NAS)
- Tariff Classification Service
- Notices
- Acknowledgements

##### **(ii) A Guide To Import Procedures**

- The Tariff
- Why are Customs and Excise interested in my goods?
- The Single Administrative Document (SAD) – C88
- Completing the C88
- What is the Commodity Code?
- What is the Customs Procedure Code (CPC)?
- Payment of Import Duty
- What is the Import Value?
- How do I decide the value of my goods for import purpose?
- General Valuation Statements (GVS)
- Rates of Exchange
- What documentation will I have when I import?
- What is meant by "Customs Control"?
- What is a Deferment Account and how does it work?
- What are Preferential Rates of Duty?
- What are Customs Freight Simplified Procedures (CFSP)?
- Can I personally bring commercial goods, purchased outside the UK, back with me?
- Further Information
- An example of a completed C88 form
- Am I likely to need an import licence?
- What are Common Agricultural Policy (CAP) Licences?
- How will I know if I need a licence?
- What are Department of Trade and Industry (DTI) Licences?
- What are Department for the Environment, Food & Rural Affairs (DEFRA) Licences?
- When will I need a Department for Environment, Food & Rural Affairs (DEFRA) Licence?
- When will I need a Forestry Commission Inspection Document?
- When will I need a European Commission Licence?

What are Health & Safety Executive (HSE) controls?  
When will I need a Radio Communications Agency (RDA) Licence?  
What are Tariff Quotas?  
Who imposes Tariff Quotas?  
Will I be involved in Tariff Quotas?  
How do I request a share of the Quota?  
What happens to my request?  
Where can I get further advice?  
What are Import Preferences?  
What are the Import Preference Schemes?  
What is meant by the "origin" of the product / goods?  
Roles and Responsibilities  
What if my goods are not transported directly to the UK?  
Can certificates be obtained retrospectively or replacements obtained?  
What happens if I cannot get a certificate in time?  
Can I claim a preference for every import?  
What if the quota is used up?

### **(iii) A Guide To Export Procedures**

The Tariff

Why are Customs and Excise interested in my goods?

Export Declaration

Can I use an Agent to make an export declaration on my behalf?

How do I make an export declaration?

NES Export Declarations

When are the declarations made?

How is an export declaration made?

What details need to be declared?

Unique Consignment Reference (UCR)

WCO Recommendation for UCR

What is a Commodity Code?

What is a Customs Procedure Code (CPC)?

Are there any export taxes?

What if my goods don't go directly from the UK to outside the EC?

Can I personally take goods directly to the customer?

Do I have to keep any documents?

Further Information

An example of a completed C88 form

Am I likely to need an export licence?

How do I know if I need a licence?

What type of licences are there?

What are Export Preferences?

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

What evidence is required?

What happens to my EUR1 once it has been completed?

What if an error is made?

What happens if documents are lost?

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

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

### **(iv) Transit Systems**

What are Community Transit and Common Transit (CT)?

Status of Goods

Documentation

What are the types of CT Movement?  
What are the Control Procedures?  
Computerisation of CT  
Transport International Routier (TIR)

**(v) An Explanation of Duty Relief Schemes**

What are Duty Relief procedures?  
When might they be of use?  
What are the schemes?  
What is Inward Processing Relief (IPR)?  
How does IPR work?  
Do I need to be authorised to use IPR?  
What is Outward Processing Relief (OPR)?  
How does OPR work?  
Do I need to be authorised to use OPR?  
What is "Returned Goods Relief" (RGR)?  
How does RGR work?  
Do I need to be authorised to use RGR?  
What is "Temporary Importation relief" (TI)?  
How does TI work?  
Do I need to be authorised to use TI?  
What is Customs Warehousing?  
How does Customs Warehousing work?  
Do I need to be authorised to use Customs Warehousing?  
What is End-Use Relief?  
How does End-Use Relief work?  
Do I need to be authorised to use End-Use Relief?  
What is Processing under Customs Control (PCC)?  
How does PCC work?  
Do I need to be authorised to use PCC?  
What are Aircraft Spare Part Depots (ASPD)?  
How does ASPD work?  
Do I need to be authorised to use ASPD?  
What is Free Zone?  
How does Free Zone work?  
Do I need to be authorised to use Free Zone?  
What are "Rejected Imports"?  
How does Rejected Imports work?  
Do I need to be authorised to use Rejected Imports?  
What is the Community System of Duty Reliefs (CSDR)?  
How does CSDR work?  
Do I need to be authorised to use CSDR?  
What is Onward Supply Relief (OSR)?  
How does OSR work?  
Do I need to be authorised to use OSR?  
What other relief schemes are there?

## 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.

#### H M Customs and Excise

When most people think about Customs and Excise, they think mainly of the uniformed officers they encounter at ports and airports.

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

However Customs and Excise 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

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 Customs and Excise which you may encounter:-

- **Customs Frontier Officers** – work at ports / airports, dealing with the clearance of goods.
- **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

## **Introduction Section i**

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 Customs and Excise 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 Business Education and Support Teams have been introduced.

### **Regional Business Education and Support Teams (BEST)**

Business Education and Support Teams (BEST) 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, specialist workshops or one-to-one consultations. 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 BEST themselves.

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

You can contact the BEST team in your region by phoning the National Advice Service on +44 (0)845 010 9000.

### **Why would I come into contact with HM Customs and Excise?**

Customs and Excise 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. More information on this may be found in the HM Customs and Excise Tariff, Volume 3, Part 1.

## **Introduction**

### **Section i**

#### **What is an Import?**

You **import** when you bring goods into the UK from outside the EC for whatever reason.

The distinction as to when the word **imports** should be applied is not just semantics – it reflects the differences in the law for the treatment of imports against that for trade within the Economic Community – called Intra-EC trade.

#### **What is an Export?**

You **export** when you send goods from the UK to outside the EC for whatever reason.

Customs and Excise use the term “export” to mean the movement of goods to a destination outside of the customs and / or fiscal territory of the European Community (EC).

#### **Countries of the EC**

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

Austria, Belgium, Denmark, Finland, France, Germany, Greece, The Irish Republic (Eire), Italy, Luxembourg, The Netherlands, Portugal, Spain (but not the Canary Islands), Sweden and The United Kingdom (but not the Channel Islands).

Introduction  
Section i

**Countries of the EC**  
as at June 2002

 Austria	 Belgium	 Denmark
 Finland	 France	 Germany
 Greece	 Republic of Ireland	 Italy
 Luxembourg	 The Netherlands	 Portugal
 Spain (not the Canary Isles)	 Sweden	 United Kingdom (not the Channel Isles)

## Introduction

### Section i

#### **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, Customs and Excise 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 Customs and Excise 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.

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**

If you contact the NAS and your query is specific to Tariff Classification, you will need to contact the Tariff Classification Service. In the sections of this guide on Import and Export procedures, you will find reference to this service. They will assist you with finding the correct commodity code for your imports / exports and can be contacted on **+44 (0)1702 366077** between 8.30 and 17.00 Mondays – 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**

Customs and Excise 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 [www.hmce.gov.uk](http://www.hmce.gov.uk), under Forms and Publications, then follow the links under Catalogue of Publications Section.

#### **Acknowledgements**

Customs and Excise thanks other Contributors for their valuable input to this pack.

- Inland Revenue (IR)
- Department for the Environment, Food and Rural Affairs (DEFRA)
- Department of Trade and Industry (DTI)
- Rural Payments Agency (RPA)

## A Guide To Import Procedures Section ii

### 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 EC. 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 EC 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 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 65,000 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, the Country Codes for the world, lists of UK docks 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 £230. 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 in some Customs offices and 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.

The Tariff is available to buy from:-

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

General enquiries and orders  
Orders only  
Subscriptions  
Web site

Telephone +44 (0)870 600 5522  
Fax +44 (0)870 600 5533  
Email [subscriptions@theso.co.uk](mailto:subscriptions@theso.co.uk)  
[www.thestationeryoffice.com](http://www.thestationeryoffice.com)

## **A Guide To Import Procedures**

### **Section ii**

#### **Why are Customs and Excise 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 set in place by UK laws and EC Regulations.
- Restrictions set in place by UK laws and EC Regulations.

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

Import details are usually collected through the submission to Customs and Excise, of the Single Administrative Document (SAD). This document, in the same format, is used throughout the EC to declare imports – each EC country having it printed in their own language. In the UK it is known as form C88.

The C88 allows a legal declaration for the import of goods to be made on one form – therefore the signatory takes responsibility for the import. Copies of the form can be found at the end of this section.

The import C88, gives all the information needed for a complete picture of what the goods are and what is happening to the shipment. 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.

#### **Completing the C88**

Two of the most important pieces of information required on the C88 are the Commodity Code (also called Tariff Heading, Tariff Code, Classification Code or Harmonisation Code) and the Customs Procedure Code (CPC). Both have significant impact on duty due and how the consignment is treated.

#### **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 likely to apply eg. DTI Import Licence may be needed. Classifying your products to the right commodity codes 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 prime importance. Commodity Codes are contained in Volume 2 of the Tariff and there are some 65,000 of them. The Tariff has monthly updates as codes can change, be removed or new ones added.

If after having carefully studied the Tariff, you are unable to find the correct commodity code, Customs Classification Service can assist you. If required they can also provide a written Binding Tariff Information (BTI) decision. The Classification Service can be

## A Guide To Import Procedures Section ii

contacted on +44 (0)1702 366077 between 8.30 and 17.00 Mondays – 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* – Customs and Excise do not examine every consignment and so will normally accept your declared Commodity Code(s), as long as it is a valid code. 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 its quality, finish etc, before giving the go-ahead for full importation of the product? Certain samples can get a relief on duty and VAT and there are CPCs to cover this. (Notice 367 covers treatment of samples.)

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**

Once an import C88 has been submitted and accepted by Customs and Excise, any monies payable against that import are due. The monies due must be secured by Customs before your goods can be released – the usual method is by use of a **Deferment Account** (see below), for you or your agent. You can also pay by sterling traveller's cheques, Bankers Draft, Company Cheque, BACS, CHAPs or Euros.

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

When you import goods, Customs will be looking to see an import value declared "the value for customs purposes". This must reflect the *true* value of your goods at import. To find the value you need to look at *all* aspects of money paid out against your import.

For example – if you import sports goods incorporating a supplier's brand name or logo, it is possible that a Royalty Fee would have been paid. This fee may need to be taken into account when declaring the "value for customs purpose".

### **How do I decide the value of my goods for import purpose?**

There are six different methods by which you can work out the "value for Customs purposes". Most importations are valued under the transaction value method, based on the price actually paid or payable. It is quite feasible for a larger importer to be using more than one valuation method, due to having more than one overseas supplier. To help guide you to a correct value on the C88, there are two Notices – 251 and 252.

### **General Valuation Statements (GVS)**

If you are likely to receive the same goods from the same supplier regularly, and you are sure you have agreed the value and how that will be arrived at, you can register a **General**

## A Guide To Import Procedures Section ii

**Valuation Statement (GVS)**, with Customs and Excise GVS Registration Unit, at our East London Business Centre. This GVS removes the need to complete a single valuation declaration for each and every consignment coming in. The agreement with your supplier needs to be in place for a period of time and lasts for three years.

### **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 Customs and Excise website at [www.hmce.gov.uk](http://www.hmce.gov.uk). On the front home page under the section Business and Trade click on exchange rates. The monthly rates shown are checked weekly and changes made if they differ by more than 5% from the last published rate. Alternatively the exchange rates are available from the National Advice Service and are also published in the financial pages of some newspapers.

### **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 Customs and Excise 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.

### **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, are they going to be re-exported or completely destroyed, how long are they due to be in the UK / EC. An Assurance Officer can visit the trader and inspect the records and goods and if the conditions under which importation was allowed have not been

## **A Guide To Import Procedures**

### **Section ii**

met, we may have to bring a deposit of potential duty / VAT to account, impose a penalty or even seize the goods. Our catalogue of Publications - Notice 999 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 can be a useful method of paying the duty and VAT due. This is an account, set-up between yourself and Customs and Excise. A Financial Institution eg bank or similar, will need to act as your guarantor. The account "holds" an amount of your money, equivalent to the greatest amount of duty and VAT which could become payable in one month of importing.

Throughout the month, your *Deferment Account Number* is quoted on the import C88's. On the 15<sup>th</sup> of the following month, the total amount due for those imports is debited from the account. By the 16<sup>th</sup>, the funds in the account must be back to the agreed level. This is usually controlled by use of direct debit arrangements. You are not able to overdraw this account.

For smaller importers, tying-up capital in this manner can be restrictive and therefore the benefit of "deferment" can be lost. Notice 101 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. This preferential rate is sanctioned by the presentation at import, of a declaration; further information is given in Notice 826. Volume 1 Section 7 of the Tariff contains additional information in terms of which countries are involved.

As there can be abuse in this area of importing, 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.

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

CFSP 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 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.

#### **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.

## **A Guide To Import Procedures**

### **Section ii**

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.

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.

#### **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 143 and 144**

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

Notice 199 – An overview of general import procedures.

##### **Notice 600 – Classifying your Imports or Exports**

This tells you how to classify your Imports and Exports.

VAT Notice 702 – gives general information on imports from a VAT aspect.

VAT Notice 702/6 – deals with Import VAT Certificates (C79's).

## A Guide To Import Procedures Section ii

### An Example of a completed C88 Form

<b>6</b>	<b>2 Consignor/Exporter</b> No <input type="checkbox"/> MR A K SMITH GORDON & GORDON PAIGN AVENUE AUSTRALIA	<b>1 DECLARATION</b>		A OFFICE OF DISPATCH/EXPORT	
		<b>3 Forms</b> 1   1	<b>4 Loading lists</b>		
		<b>5 Items</b> 1	<b>6 Total packages</b> 10	<b>7 Reference number</b> INV. 664411/99	
	<b>8 Consignee</b> No 111 2222 33 000  BRIGGS BOOTS LTD 14, BRIGHT DRIVE READING, BERKS RG1 5B8 UNITED KINGDOM	<b>9 Person responsible for financial settlement</b> No			
		<b>10 Cry1st dest/ last consig.</b>	<b>11 Trad/Prod. country.</b>	<b>12 Value details</b> XXX A XXXXXX or XXX D XXXXXX	
	<b>14 Declarant/Representative</b> No 222 3333 44 BODDINGTON'S FREIGHT SERVICE PETERBROOKE AVENUE, COLNBROOK	<b>15 Country of dispatch/export</b>		<b>16 Country of origin</b>	<b>17 Country of destination</b>
	<b>18 Identity and nationality of means of transport at departure/on arrival</b> BA 1064	<b>19 Ctr.</b> Y   0	<b>20 Delivery terms</b>		
	<b>21 Identity and nationality of active means of transport crossing the border</b>	<b>22 Currency and total amount invoiced</b> AUD   5,480-00		<b>23 Exchange rate</b> 2.5896	<b>24 Nature of transaction</b>
	<b>25 Mode of transport at the border</b> 40	<b>26 Inland mode of transport</b>	<b>27 Place of loading/unloading</b> LMR		<b>28 Financial and banking data</b>
	<b>29 Office of exit/entry</b>	<b>30 Location of goods</b> B.A. SHED 2			
<b>31 Packages and description of goods</b>	Marks and numbers - Container No(s) - Number and kind  1 x BOX CONTAINING 10 BOXES CONTAINING ADULT MALE LEATHER FOOTWEAR IN PAIRS. BOX MARKED "1 TO UK c/o BDFS"		<b>32 Item</b> 1   No	<b>33 Commodity Code</b> 64035995   00	
		<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   00		<b>38 Net mass (kg)</b> 8.00	<b>39 Quota</b>
		<b>40 Summary declaration/Previous document</b>			
		<b>41 Supplementary units</b> TEN		<b>42 Item price</b> 5,480-00	<b>43 V/M Code</b>
<b>44 Additional Information Documents produced/ Certificates and authorisations</b>	L.I = A999 * END		<b>44 A.I. Code</b>		<b>45 Adjustment</b> B000
		<b>46 Statistical value</b> £2,116-16			
<b>47 Calculation of taxes</b>	<b>Type</b>	<b>Tax base</b>	<b>Rate</b>	<b>Amount</b>	<b>MP</b>
	111	2116.16	8%	169.29	A
	813	2285.45	S	399	A
	<b>Total:</b>				569   A
	<b>50 Principal</b> No		<b>Signature:</b>		<b>48 Deferred payment</b>
					<b>49 Identification of warehouse</b>
<b>51 Intended offices of transit (and country)</b>	represented by				
	Place and date:				
<b>52 Guarantee</b>					<b>Code</b>
					<b>53 Office of destination (and country)</b>

**A Guide To Import Procedures  
Section ii**

**An Example of a completed C88 Form**

not valid for

D CONTROL BY OFFICE OF DEPARTURE

Stamp:

Result:

Seals affixed: Number:

Identity:

Time limit (date):

Signature:

54 Place and date:

COLNBROOK 29-08-01

Signature and name of declarant/representative:

*S Boddington*

MRS S BODDINGTON

## **A Guide To Import Procedures**

### **Section ii**

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

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

- Common Agricultural Policy (CAP) Licences,
- Department of Trade and Industry (DTI) Licences,
- Department for Environment, Food & Rural Affairs (DEFRA) Licences,
- European Commission Licences,
- Forestry Commission Licences and
- Radio Communications Agency (RCA) Licences.

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

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

#### **How will I know if I need a 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, eg. 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 their website at [www.rpa.gov.uk](http://www.rpa.gov.uk).

#### **What are Department of Trade and Industry (DTI) Licences?**

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

When you have established the commodity code or codes relevant to your product, the DTI 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.

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

DTI 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,
- 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,

## **A Guide To Import Procedures Section ii**

- 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.

Also issued by the DTI are 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 DTI can be contacted on +44 (0)1642 364333, or visit their website at [www.dti.gov.uk](http://www.dti.gov.uk).

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

If you import meat, poultry, milk, some other foodstuffs, livestock, blood, plant life, endangered species or fur a DEFRA licence will usually be required.

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

Goods such as meat, poultry, milk, animal bones or blood, eggs, 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 Certificate of Veterinary Clearance (CVC) issued by the BIP will normally be required to obtain customs clearance.

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.

All plants intended for growing, and a range of fruit, vegetables and other plant products must be accompanied by a Phytosanitary (plant health) Certificate and / or import licence.

Endangered species and their products, eg parrots, tortoises, birds of prey, monkeys, caviar, ivory and coral, need specified permits or other documentation to be legally imported into the European Union (EU).

The furs of certain animal species may only enter the European Union (EU) if accompanied by evidence of their legal origin.

You can contact DEFRA on their general helpline number +44 (0)20 7904 6000 or visit their website at [www.defra.gov.uk](http://www.defra.gov.uk).

### **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 visit their website at [www.forestry.gov.uk](http://www.forestry.gov.uk).

## **A Guide To Import Procedures**

### **Section ii**

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

The import of certain ozone depleting substances (ODS) 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.

You can contact the Global Atmosphere Division of DEFRA for further information on +44 (0)20 7944 5234 or visit the website at [www.defra.gov.uk](http://www.defra.gov.uk).

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

The import of certain carcinogenic substances (mainly for use in dyes) goat hair and certain other animal hair is prohibited unless an Exemption Certificate has been issued.

The importation of raw asbestos and many products made from it is banned, and special written authority would be required to import even small samples for research.

You can contact the HSE Information line on +44 (0)8701 545500, or visit their website on [www.hse.gov.uk](http://www.hse.gov.uk).

#### **When will I need a Radio Communications Agency (RDA) 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 Radio Communications Agency.

You can visit the RDA website at [www.radio.gov.uk](http://www.radio.gov.uk) or contact them by phone on +44 (0)20 7211 0211.

## A Guide To Import Procedures Section ii

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

A Tariff Quota is any pre-set value or quantity of given goods, which may be imported during a specified period with a reduction of the normal customs duties, and beyond which any additional quantity of these goods can 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 (eg 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) but in the UK for CHIEF processing purposes this is converted to a four digit Tariff Quota Serial Number (TQSN).

### **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 TQSN 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 TQSN 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.

## A Guide To Import Procedures Section ii

### 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 traders economic operators can usually assume that quota benefit has been allowed. When however the starting balance is small, the quota has a history or 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 bleated 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 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 Customs and Excise. This team can provide you with up-to-date information on specific Tariff Quota Serial Numbers (TQSN). You can contact the CTQU between the hours of 9.30 to 16.00 on +44 (0)1702 366859 or 366787, by facsimile on +44 (0)1702 366785 or through the Customs and Excise website [www.hmce.gov.uk/business/importing/tariff/tariffquotas](http://www.hmce.gov.uk/business/importing/tariff/tariffquotas). Their address is:

HM Customs and Excise  
Central Tariff Quota Unit (CTQU)  
1<sup>st</sup> Floor  
Alexander House  
21 Victoria Avenue  
Southend on sea  
Essex  
SS99 1AA

Details of Duty rates, most up to date quota balances and other tariff information can be found on the European Commission DDS website :

[www.europa.eu.int/comm/taxation\\_customs/dds/en/home](http://www.europa.eu.int/comm/taxation_customs/dds/en/home). Where the order number is known 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.

## A Guide To Import Procedures Section ii

### 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 – a product can benefit from a preference if it originates in certain countries but not from others. Preference Certificates are issued in the country of origin and submitted in the country of import. These certificates accompany individual consignments.

### What are the Import Preference Schemes?

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

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

GSP Certificates can be issued only by those countries who have signed-up to the relevant agreements. A full list can be found in the Tariff Volume 1, Part 7.

The form required is called GSP Certificate Form A. It is a certificate of 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 any Agreement being introduced, but see below concerning declarations and 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 gives more detail about this facility.

The GSP Certificate 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**

Most reciprocal agreements apply to both import to the EC and export from the EC. There are two ways to declare preference. The most commonly used is an EUR 1 form.

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 alternative. Similarly, if the importer / exporter becomes approved, he can use a declaration on the invoice declaring preference regardless of the values involved. See Notice 826 for further details. This facility can also be used under the GSP scheme.

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

The entitlement to claim 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

## **A Guide To Import Procedures**

### **Section ii**

rules. More guidance on the specific rules can be found in our Notices 812, 828, 829 and 832.

#### **Roles and Responsibilities**

If the supplier states he is able to send a preference document covering your consignment, it is in your interest to check the legality of the documentation.

Your supplier will have had to obtain a preference certificate from 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 unsubstantiated claim 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. Section 2 of Notice 826 suggests checks you can make prior to importation.

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

As a general rule ALL movements of consignments on which preference is claimed at import to the EC should be transported direct from the preference country. 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.

#### **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 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.

There is a time limit for the production of valid documentary proof – this is initially one month (see Notice 826) from the date the entry is accepted, but can be extended by a further three months if required. If at the end of this period the proof 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 – 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.

## **A Guide To Import Procedures**

### **Section ii**

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.

For further information about Import Preferences you should read Notice 826 "Tariff Preferences: Imports"

## A Guide To Export Procedures Section iii

### 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 EC. 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 EC 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 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 65,000 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, the Country Codes for the world, lists of UK docks 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 £230. 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 in some Customs offices and 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.

The Tariff is available to buy from :-

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

General enquiries and orders  
Orders only  
Subscriptions  
Web site

Telephone +44 (0)870 600 5522  
Fax +44 (0)870 600 5533  
Email [subscriptions@theso.co.uk](mailto:subscriptions@theso.co.uk)  
[www.thestationeryoffice.com](http://www.thestationeryoffice.com)

## A Guide To Export Procedures Section iii

### **Why are Customs and Excise 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 EC,
- Enforcing export restrictions and prohibitions,
- Ensuring that export licensing requirements are met,
- Ensuring that EC 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 DTI, DCMS, RPA, DEFRA etc.

### **Export Declaration**

Export details are collected through the submission to Customs of an export declaration. You may make this yourself or use an agent to do it for you.

### **Can 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 on the declaration needs an explanation, we may still look to you as the legally declared exporter and not the agent for clarification.

### **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 New Export System (NES) or by using a paper Single Administrative Document (SAD).

A simplified declaration using either the local clearance procedure or simplified declaration procedure must be made electronically to NES. Both of these procedures require prior authorisation by Customs.

There are other simplified procedures that do not require authorisation by Customs. These are the low value and non-statistical procedures. These may be made by paper SAD or electronically.

### **NES Export Declarations**

In support of the Government's initiative to develop electronic services by 2005 exports now have to be declared electronically to CHIEF. Details may be found at:-

[www.hmce.gov.uk](http://www.hmce.gov.uk)

Select Importing, Exporting and EC trade>New Export System>A-Z

Export details are collected through the submission to Customs of electronically coded data. From March 2002 a phased implementation of electronic declarations was introduced. Details are captured on the Customs mainframe computer system, CHIEF, and may be sent via a variety of electronic routes.

Once the goods have arrived at an approved location a message is sent to CHIEF. The data is then processed and, providing the goods are either not selected for examination or further checks are necessary, the goods will be given Permission to Progress. This positive method of control can avoid goods being packed unnecessarily in advance of shipment.

## **A Guide To Export Procedures**

### **Section iii**

#### **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, 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 Control 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. Most SDP and LCP require supplementary declarations and the conditions of your authorisation should be fully discussed fully with you 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 supplementary declaration will not be required.

You may however complete a manual C88 document and submit this to Customs for input to the CHIEF system but this is only carried out at dedicated offices. Most exporters tend to employ freight agents to complete documentation 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. 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 Service 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.
- Customs inputting the declaration. This method may be subject to delays but we aim to process the declarations within 12 working hours subject to the paperwork being correct.

Therefore CHIEF offers a standard validation process across the UK and invariably clearance for export can be achieved within minutes 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 where the goods are being sent, commodity codes, Customs Procedure Codes and values. The most important piece of information is the Unique Consignment Reference.

## A Guide To Export Procedures Section iii

### Unique Consignment Reference (UCR)

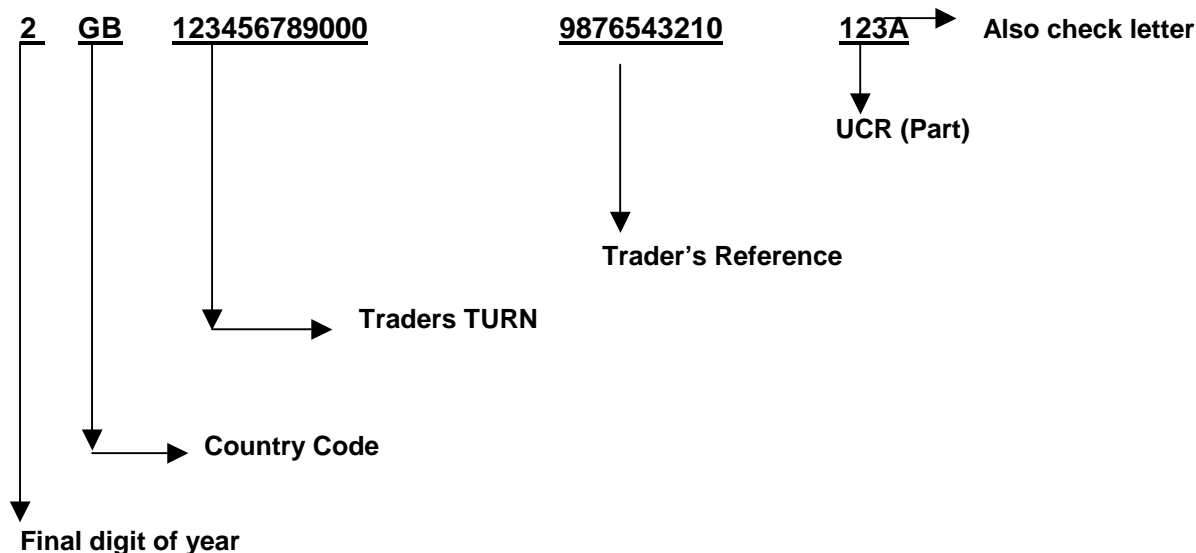
The use of a Unique Consignment Reference (UCR) is mandatory for all electronic declarations. The UCR is the means by which you and Customs can identify your goods to your records. The UCR consists of up to 35 (alpha / numeric) characters and is split into four parts. It is based on the World Customs 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. Once the goods have shipped the loader will then send a departure message quoting the UCR.

- 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 series of numbers that are unique to the trader, providing an audit trail within their commercial accounting system

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 mis-keying), a further optional field of 4 characters has been made

### WCO Recommendation for UCR



### 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. If after having carefully studied the Tariff you are unable to identify the correct commodity code, our 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

## A Guide To Export Procedures Section iii

8.30 and 17.00 Mondays – 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 full export declarations 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 reimported to the UK / EC – however the CPC has to have notified Customs and Excise of this at their export. You cannot apply this retrospectively.

A CPC declaring a straight export is important if you are VAT registered as this forms part of your 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.

### **Are there any export taxes?**

Currently there are no export taxes, duties or levies in force on goods exported from the EC. 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 of Trade and Industry Overseas Desks in London.

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

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 (EC), the truck travels to the Swedish / Finnish border,
- at this border the truck passes through into Finland (EC) 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 EC and non-EC border. Physically the truck driver drives over that

## A Guide To Export Procedures Section iii

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, invariably, 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 Finish Customs.

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

You may wish to personally take your goods to a prospective customer based outside the EC. 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. In order to verify the export, the officer needs to see both the declaration and the goods. See Notice 6 for specific details. You should allow extra time of 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 for specific details.

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

For any commercial export 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.

### **Further Information**

Following the introduction of the New Export System (NES) new exporters are encouraged to look at details on our website:

[www.hmce.gov.uk](http://www.hmce.gov.uk) >Importing, Exporting and EC trade>New Export System>A-Z

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 60 – The Intrastat General Guide. This explains the movement of goods to other EC countries.

Notice 143 – A Guide To International Post Users.

Notice 235 – Outward Processing Relief.

**A Guide To Export Procedures**  
**Section iii**

Notice 266 – Rejected Imports, repayment / remission of duties.

Notice 275 – Export Procedures.

Notice 276 – New Export Procedure (NES).

Notice 502 – A Brief Guide to Export Procedures.

Notice 600 – Classifying Your Imports and Exports.

Notice 703 – Exports and Removals of Goods from the United Kingdom. This is a VAT notice and explains the VAT aspects of exporting.

## A Guide To Export Procedures Section iii

### An Example of a completed C88 Form

<b>6</b>	<b>EUROPEAN COMMUNITY</b>					<b>1 DECLARATION</b>			* If only 1 item to declare - leave blank. Otherwise go to 1/2, etc																
	<b>2 Consignor/Exporter</b> No 11 2233 44 <input type="checkbox"/> WHITTINGTON'S WICKERWORK LTD COPPICE LANE WILLOW BRIDGE BERKS UNITED KINGDOM					EX	3 Forms	4 Loading lists				*	5 Items	6 Total packages	7 Reference number										
	<b>8 Consignee</b> No  BRONX BASKETS 1020 MARYLAND AVENUE CHICAGO, USA					<b>9 Person responsible for financial settlement</b> No			10 Cry1st dest/ last consig.	11 Trad/Prod. country.	12 Value details		13 CAP												
	<b>14 Declarant/Representative</b> No BODDINGTON'S FREIGHT SERVICE					<b>15 Country of dispatch/export</b> UNITED KINGDOM			15 C disp./exp. Code	17 Country destin.Code	a	b	a	b											
	<b>18 Identity and nationality of means of transport on arrival</b> MV AIRSIDE DD/MM/BY®					19 Ctr.	20 Delivery terms	16 Country of origin	<b>17 Country of destination</b> UNITED STATES OF AMERICA																
	<b>21 Identity and nationality of active means of transport crossing the border</b>					1	1	22 Currency and total amount invoiced	23 Exchange rate	<b>24 Nature of transaction</b>															
	<b>25 Mode of transport at the border</b> 10		<b>26 Inland mode of transport</b>	<b>27 Place of unloading</b> STN		<b>28 Financial and banking data</b> ® YOU NEED TO DECLARE THE DATE ON WHICH THE BOAT WILL SAIL (OR THE AIRCRAFT TAKE-OFF) .																			
	<b>29 Office of exit/entry</b>					<b>30 Location of goods</b>			32 Item	33 Commodity Code	1	No	46021091	00	00										
	<b>31 Packages and description of goods</b>  Marks and numbers - Container No(s) - Number and kind  2 BOXES 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)					a	b	<b>34 Country origin code</b>		<b>35 Gross mass (kg)</b>		<b>36 Preference</b>													
						<b>37 PROCEDURE</b> 1000 00		<b>38 Net mass (kg)</b> 9		<b>39 Quota</b>															
<b>40 Summary declaration/Previous document</b>																									
<b>41 Supplementary units</b>						<b>42 Item price</b>		43 V/M Code																	
<b>44 Additional Information Documents produced/ Certificates and authorisations</b>  LI = A999  INV NO. BB002/6					A.I. Code	<b>45 Adjustment</b>		<b>46 Statistical value</b> £1,000-00																	
					48 Deferred payment	<b>49 Identification of warehouse</b>																			
<b>47 Calculation of taxes</b> <table border="1" style="width: 100%; border-collapse: collapse; font-size: x-small;"> <thead> <tr> <th>Type</th> <th>Tax base</th> <th>Rate</th> <th>Amount</th> <th>MP</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td colspan="5" style="text-align: center;">Total:</td> </tr> </tbody> </table>					Type	Tax base	Rate	Amount	MP						Total:					<b>B ACCOUNTING DETAILS</b>					
					Type	Tax base	Rate	Amount	MP																
Total:																									
<b>50 Principal</b> No					Signature:			C OFFICE OF DEPARTURE																	
<b>51 Intended offices of transit (and country)</b> represented by  Place and date:					Code	<b>53 Office of destination (and country)</b>																			
					<b>52 Guarantee</b>																				

**A Guide To Export Procedures  
Section iii**

**An Example of a completed C88 Form**

not valid for

D CONTROL BY OFFICE OF DEPARTURE

Stamp:

Result:

Seals affixed: Number:

Identity:

Time limit (date):

Signature:

54 Place and date:

READING 30-05-00

Signature and name of declarant/representative:

*S Boddington*

MRS S BODDINGTON

## A Guide To Export Procedures Section iii

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

An export licence may be needed for any goods and can range from live animals and animal products to endangered species and cultural goods. Controls on the export of ozone depleting substances, arms and ammunition and other military goods are also to be considered.

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

Licences are required for a range of items and you should always check with the various Other Government Departments (OGDs) as to whether a licence is required.

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

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

These may be general licences where exporters may export agreed quantities of licensable goods to approved destinations, dependant on the quantity of goods being exported. Other licences may be granted to regular exporters of licensable goods to agreed consignees. Additional criteria may specify the nature of goods and countries of destination.

With the development of electronic services various OGDs are linking their computer system into CHIEF. This avoids the manual handling of paper licences and also allows exporters to export goods from the UK at various locations at the same time.

CHIEF will hold details of some OGDs and update them on a daily basis. The first OGDs to link to CHIEF were the RPA and DTI.

- **Common Agricultural Policy (CAP) Licences** are usually needed for the export of foodstuffs, whether as raw materials or processed products. They are issued and controlled by the Rural Payments Agency (RPA) and policed by Customs and Excise. 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 their website at [www.rpa.gov.uk](http://www.rpa.gov.uk).

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 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 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;
  - 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 dual-use goods to all destinations, including other EC Member States;

## A Guide To Export Procedures

### Section iii

- Goods that you are aware, or have been informed, may be for use in connection with chemical, biological or nuclear weapons;
- Specific additional goods to certain destinations, currently Iran, Iraq, Bosnia and Herzegovina, Croatia and the Federal Republic of Yugoslavia, Pakistan and India.

Many less sensitive goods to less sensitive destinations are covered by open general export licences. You can contact the DTI on the export licensing helpdesk on +44 (0)20 7215 8070, or visit their website at [www.dti.gov.uk/export.control](http://www.dti.gov.uk/export.control).

Customs process the licences and enforce the controls created by the DTI legislation. If a licence is required and is not presented, the goods may be seized. Deliberate breaches of the regulations covering export prohibitions and restrictions can result in prosecution, with a maximum penalty of 10 years imprisonment.

- **Department for Environment, Food and Rural Affairs (DEFRA) Licences** cover animals and animal products 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. DEFRA will be able to advise if a license is required. Their general contact number is +44 (0)20 7904 6000 or visit their website on [www.defra.gov.uk](http://www.defra.gov.uk).
- **Department of Culture, Media and Sports (DCMS) Licences** are required for the export of certain heritage items from the UK. You can contact DCMS on +44 (0)20 7211 6000 or visit their website at [www.culture.gov.uk](http://www.culture.gov.uk).

## **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 827 – Export Procedures.

#### **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 Notices 812, 827 (procedures), 828, 829 and 832 (Rules).

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

There are two different ways to declare preferential origin. The most commonly used is an EUR 1 Certification. Detailed guidance on how to complete a Certificate is contained in Section 10 of Notice 827.

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. Section 19 of Notice 827 provides specific information relating to the facilities available for exporters to each country.

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

EUR 1 Certificates have to be stamped by Customs prior to being despatched to your overseas customer.

When an exporter presents an EUR 1 for authorisation, the accuracy of the claim may be checked by Customs.

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 do make sure you retain any evidence you may hold.

#### **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.

#### **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.

## **A Guide To Export Procedures**

### **Section iii**

#### **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 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 origination, unless you have such a Supplier's Declaration in place.

Further details on any of this and all other aspects of Export Preference can be found in Notices 812, 827, 828, 829 and 832.

## Transit Systems Section iv

### **What are Community Transit and Common Transit (CT)?**

Community Transit is a customs procedure for the control of goods, that are not in free circulation, moving across the Member States of the EU. The procedure is also used to control the movement of goods to and from Andorra, San Marino and the “special territories” of the Community (such as the Channel Islands). The procedure is also used to cover the movement of both Community and non free circulation goods to and through the EFTA and Visegrad countries, known as “common transit”.

Common transit is currently used by the European Free Trade Association (EFTA) countries (Iceland, Norway, Liechtenstein and Switzerland) and the Visegrad countries (Poland, Hungary, the Czech Republic and Slovakia) but will be extended to Slovenia, with effect from September 2003.

### **Status of Goods**

For CT purposes goods are said to have a particular customs status which is based on their liability to customs duty and other charges (e.g. excise duty and VAT) or claims to CAP refunds.

Goods are divided into two categories:

i) goods which have Community status (“Community goods”):

These are goods which:

- originate in the Community, or
- which have been imported from a non-EC country and have been put into free circulation (see below) in the Community, or
- which have been manufactured in the Community from materials or parts imported from a non-Community country provided the imported materials or parts are in free circulation.

The term “free circulation” is used to describe imported goods on which all import formalities have been complied with and any customs duties or equivalent charges which are payable have been paid and not repaid in whole or in part. Goods originating in the Community are also in free circulation unless a CAP export refund or other refund has been claimed on them.

Generally Community goods can move within the EC without any customs controls.

ii) goods without Community status (i.e. “non-Community goods”).

### **Documentation**

The 8-part Single Administrative Document (SAD) is used throughout the Community, EFTA and Visegrad countries for the purposes of import, export and transit controls. A CT declaration comprises copies 1,4 and 5 of the SAD.

In certain circumstances a Community status document (T2L) may be used where required to provide evidence to customs of Community status. A T2L can be either a copy 4 of the SAD, an invoice or a transport document. These documents have no transit function.

Another type of status document, the T2M, is used in certain circumstances to prove the Community status of sea fishing products caught by Community fishing vessels.

## **Transit Systems Section iv**

### **What are the types of CT Movement?**

There are two types of CT procedure:

i) The External CT procedure

This is used to control the movement of non-Community goods.

It is also used to control the movement of Community goods which are subject to a Community measure involving their export to a third country eg. CAP goods which are liable to an export refund.

The external CT procedure is also known as the "T1" procedure.

ii) The Internal CT procedure

This procedure controls the movement of free circulation goods to / from the special territories, movements to or via the EFTA / Visegrad countries and movements between the EFTA / Visegrad countries.

The internal CT procedure is also known as the "T2" procedure (or the "T2F" procedure for goods moving to / from the special territories).

### **What are the Control Procedures?**

To start a CT movement the completed declaration must be presented to customs at the local "office of departure" where it will be authenticated and a time limit for completing the movement will be set. Copies 4 and 5 of the CT declaration must travel together with the goods until they reach the Member State, EFTA or Visegrad country where the movement is to end. Here the declaration and goods must be presented to the appropriate customs at the "office of destination". This office will then stamp the copy 5 and return it to the office of departure so that the movement can be discharged.

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 within the prescribed time limit. The Principal must 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.

There are a range of transit simplifications available for use by compliant and reliable traders. These include the use of comprehensive and reduced guarantees / waivers, becoming Authorised Consignor's and Consignee's, using trader seals on vehicles, special loading lists, having an exemption from prescribed itineraries and being able to use commercial documentation instead of the SAD in the air, rail and sea environments. All of these simplifications are subject to authorisation by the customs authorities.

### **Computerisation of CT**

Community / Common Transit is currently undergoing a planned computerisation programme. The aim of computerisation is to replace the paper CT declaration with electronic messages. This will provide for Customs offices throughout the Community / Common Transit countries to exchange information electronically about goods despatched and goods received, thus speeding and tightening the whole process of control. The new system will also be able to carry out certain validation and verification checks, thus reducing the workload for Customs staff. Additionally, authorised CT operators will be able to access the system directly. This will enable them to reduce administrative and other costs. The UK connected all its transit offices to NCTS with effect from 30th June 2003. Traders can now submit electronic transit declarations to Customs and take advantage of the facilities offered by NCTS.

## Transit Systems Section iv

All the countries due to join the European Union, with effect from the 1<sup>st</sup> May 2004, are required to make electronic transit declarations.

Further details about CT can be found in The Transit Manual on the European Commission website, found at [www.europa.eu.int/comm/taxation\\_customs/publications/info\\_doc/customs/transitmanual\\_en](http://www.europa.eu.int/comm/taxation_customs/publications/info_doc/customs/transitmanual_en), and Notice 750 plus supplement. Further details about NCTS can be found on the HM Customs and Excise website at [www.hmce.gov.uk](http://www.hmce.gov.uk).

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

TIR is an international Convention that provides for goods to move across one or more international borders with minimum customs interference. The movement must essentially be by road to, via and from European countries and some North African and Asian countries. However, TIR cannot be used to move goods between Member States of the European Community unless they transit a third country.

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

TIR can be operated in fifty two 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.

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.

Further details about TIR can be found in Notice 464.

## **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 some goods temporarily exported to, or returned from, outside the EC.

### **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 EC.
- When you re-import goods which have been used, processed or repaired outside the EC.
- When you return goods to a customer outside the EC because they are damaged or are not to the required specification.
- When you re-import goods returned by a customer outside the EC 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 can be used to obtain duty relief on goods you import from outside the EC for processing and re-export from the EC. It can provide relief from customs duty, specific customs duty (previously CAP charges), anti-dumping duty and countervailing duty but does not relieve excise duties.

Processing can be anything from repacking or sorting goods to the most complicated manufacturing. Goods do not have to be re-exported to the non-EC country they were imported from – they can go to any non-EC destination or transferred to another authorised person in the UK / EC for further processing and re-export from the EC. You can also import goods for processing from outside the EC or from a Special Territory of the EC such as the Channel Islands, on which VAT only is due.

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

### **How does IPR work?**

There are two methods of duty relief, suspension or drawback. With either method, relief from duties will be allowed for the time required for you to enter, process and dispose of the goods, this is known as the 'through-put period'. For certain agricultural goods there are restricted through-put periods.

With IPR suspension customs duties are suspended when the goods are first entered to IPR in the EC. Import VAT is not due unless the goods are released to the Community market. If goods are diverted to the Community market compensatory interest will be charged on the duty suspended. Duty liability on goods is discharged when the goods are re-exported from the EC or put to another eligible disposal.

With IPR drawback customs duties and import VAT are paid when the goods are entered to IPR. It can be used for any goods except goods that are subject to:

- quantitative import restrictions,
- tariff measures,
- presentation of an import or export licence,
- a certificate within the framework of CAP, or
- goods where an export refund or tax applies to a product that will be produced under IPR.

You claim duty back when you re-export the goods or put them to another eligible disposal. You may be able to reclaim the import VAT as input tax.

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

Yes and there are two methods to do this.

If your IPR imports are not frequent and the operation you wish to carry out is relatively minor you can apply for a Simplified authorisation on the C88 entry at the point of import.

You can also make a prior application for IPR authorisation to Customs and Excise using form C&E 810. This can be used where regular imports are made and for different types of goods and processing operations. You will be issued with an authorisation number to quote on all your IPR entries. On the application you state what exactly will be happening. You can transfer or receive goods from other authorised users in the UK or EC whilst still under IPR .

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

Further details about IPR can be found in Notice 221.

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

Outward Processing Relief allows you to export Community goods, for processing or for repair. When you re-import the goods you may be able to pay import duty 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

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

### **Section v**

Standard Exchange System if it is not practicable to have the exported goods repaired. However, the replacements must be of equivalent commercial value.

Despatches in one consignment can be re-imported over a period of time in smaller amounts. In addition, what was originally exported from the UK does not have to return to the UK – the re-importation can be to another EC country.

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

Customs 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 eg. 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 prior full authorisation by making an application to Customs and Excise on form C&E 1153. 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 what exactly will be happening. A benefit of an OPR authorisation is that you can send goods out for processing and they can be re-imported to another OPR authorised firm, either in the UK or EC.

Further details about OPR can be found in Notice 235.

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

If you import goods which were previously exported from the customs union (the EC, Turkey, San Marino and Andorra), then a scheme called 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 done 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 ie. 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 Customs would normally treat these as an import of non-EC 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 simple terms no you do not need to be authorised to use RGR, however to support your claim for RGR you must be able to prove to Customs that the goods are 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.

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

More details about RGR can be found in Notice 236.

### **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 but does not relieve excise duties. 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:

- goods coming in for an exhibition,
- goods coming in for your firm 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 EC country and staying under Customs control, move to another EC country, eg. 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 Customs and Excise 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 EC or from a Special Territory of the EC such as the Channel Islands, on which VAT only is due eg. yachts or civil aircraft.

More details about Temporary Importation can be found in the following Notices 200; 306; (Containers and Pallets); 308 (Means of Transport) and 28 which includes temporary importation of civil aircraft.

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

Customs warehousing is a storage procedure whereby the payment of import duty and / or VAT can be suspended or delayed when non-Community goods are stored in a defined

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

location (premises or place) or under an inventory system authorised as a customs warehouse.

### **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. (The warehouse keeper in this instance 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 to any taxes / duty due.

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

Yes an application has to be made to Customs and Excise, you will be issued with an Authorisation Number which you would quote on all customs warehousing entries.

Further details about customs warehousing can be found in Notice 232.

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

End-use provides relief to promote certain EC 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. However in certain circumstances longer periods can be approved where there are duly justified good reasons e.g. for ongoing shipwork, continental shelf or civil aircraft operations. Renewal can be applied for if there is a continuing need.

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

End-use relief applies only to duty. VAT if due, must be paid unless any separate VAT relief applies. (Further details of VAT relief may be obtained from the customs National Advice Service.) 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 such as the importation of a single aircraft or aircraft engine.

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

- **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 en-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.

### **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 EC.

### **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 the 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.

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

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 EC 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

### **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.

### **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.

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

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

Free Zone goods means 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.

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

There are currently six free zones in the UK located at Liverpool, Prestwich, 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.

### **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 correct, 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, ie. you reject the import.

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, Rejected Imports Relief can be of use.

### **How does Rejected Imports work?**

Subject to certain conditions, it allows you to claim repayment or remission of the duty and VAT on goods you reject as being defective, not in accordance with contract, or in special situations for example addressed to you in error or received after a fixed delivery date.

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

In simple terms no you do not need to be authorised to use Rejected Imports however if you have received goods you cannot use, provided that you inform your local Customs Business Centre before you dispose of the goods – for example by re-export, or destruction, Customs can set in place 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 – it doesn't have to be the whole import, but the duty and VAT would be apportioned accordingly.

More details about Rejected Imports can be found in Notice 266.

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

CSDR is the collective term used to describe a number of individual arrangements which provide for relief from customs duty, excise and VAT on certain goods permanently

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

imported. CSDR currently consists of some 20 categories of goods which range from goods for Charities; museum items; goods for the disabled; educational aids and goods for examination, analysis and test. Each category of goods has its own Customs Procedure Code (CPC) and conditions.

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

CSDR is designed to promote educational, scientific, social and cultural advancement by allowing certain goods to be imported free of customs charges subject to the relevant qualifying conditions being met. Relief is claimed on importation by entering the goods to the relevant CPC. In some cases prior authorisation to claim relief is required. Importers must maintain clear records and audit trails in respect of goods imported to relief to facilitate assurance visits and demonstrate the eligibility criteria are met and the goods have been put to the prescribed use.

### **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. All necessary authorisations are granted by the National Imports Relief Unit (NIRU), Enniskillen. There contact details are as follows :

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

Telephone : 02866 322298

Fax : 02866 324018

E-mail : [enquiries@intradenu}@hmce.gsi.gov.uk](mailto:enquiries@intradenu}@hmce.gsi.gov.uk)

Further details about CSDR can be found in the 300 series.

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

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

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

OSR provides a third choice where goods are imported into the UK (or are removing from a customs procedure allowing suspension of customs duty and import VAT – IPR suspension, TI, Free Zone and Customs Warehousing) that are destined for a customer in another Member State. The goods cannot be processed whilst in the UK 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, for the buyer or seller of the goods to

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

### **Section v**

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 VAT registered trader
- You must be making a zero-rated supply of the imported goods to a taxable person in another EC Member State.
- You must remove the goods to that other EC Member State within one month.

Further details about OSR can be found in VAT Notice 702/7/93.

#### **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.