The Customs Declaration Service

Understanding the impact of CDS, the UCC and Brexit

Version 11

The Customs Declaration Service

- We hope to answer the following questions

  - What is CDS?

  - Why is it being introduced?

  - When is this happening?

  - How will all this affect my business?

- Not necessarily in that order!

How did we get here?

UN EDIFACT
Electronic Data Interchange for
Administration, Commerce and Transport

CHIEF
Customs Handling of Import
and Export Freight

Union Customs Code
EU Customs Data Model

| 1987 | 1988 | 1994 | 2001 | 2016 |

SAD
The Single Administrative Document

WCO Data Model
World Customs Organisation

The EUCDM – Impact on the Trade

- Forms the basis for every customs declaration and notification

- Legally defines how to complete a declaration and defines the specifications for the IT systems

- Affects all EU customs systems (NCTS, ICS, AES etc)

- Requires significant updates to existing software or new types of software for both Customs and Traders

- Redefines the commercial relationship between forwarder and customer

- Education and training

Data Elements

- 8 main groups of data elements

- Define all the data required to be declared

- Requires more data than the current SAD

Why do we need to replace CHIEF?

- Old technology – expensive and difficult to make changes

- Requirement for a more flexible and efficient service able to handle future changes and increasing volumes

- General revision of the customs law bringing the code in line with requirements of modern trade

- Incompatible with the EU Customs Data Model and the UCC requirements

- EU referendum and Brexit

What is the Customs Declaration Service?

- A new system designed to replace CHIEF and its functionalities

- Compatible with the EU Customs Data Model

- Flexible – to meet any new customs process requirements

- More modular than the previous CHIEF system – allowing HMRC to reuse some of its existing technology

- Efficient to maintain and scalable to grow in capacity – in line with government plans to increase international trade

- Cost effective and simple to use for traders when doing business in the UK

What does CDS do?

- Processes customs declarations

- Creates a comprehensive trade facilitation environment

- Access to pre-defined reports on import and export data

- Access to the Tariff

- Ability to apply for new authorisations and simplifications

- Ability to check duty deferment statements

- Allows to align Customs systems with wider HMRC infrastructure

- Online help including self-service tools, guides and checklists

What can the trade do to prepare for CDS?

- Stay informed

- Inform your clients of the coming changes

- Engage with your customs software supplier

- Review your existing software

- Estimate your training needs

Customs Declaration Service (CDS)

BIFA/ASM CDS Regional Seminars

Why replace CHIEF?

- Old technology – expensive and difficult to make changes

- Create a modern and more flexible and efficient service.

- Be better able to handle future changes and increasing volumes of international trade – even more important following the UK's decision to leave the EU.

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Strategic Alignment

- UCC alignment – gives the trade facilitations that UK business wanted.

- Opportunities to align customs systems with wider HMRC infrastructure and take advantage of economies of scale.

- Customs end users can take full advantage of Making Tax Digital and Business Tax Account developments to improve customer experience.

- Creation of component based architecture will allow UK systems to be more flexible and efficient.

CDS Readiness Preparations

The approach to Readiness of CDS has been structured using a 5 Pillar model successfully used by the Infrastructure & Projects Authority for the 2012 Olympics. It includes the following Pillars:

1) **Internal Readiness** – Enabling the HMRC internal workforce to work with the new CDS Service

2) **External Readiness** – Enabling the migration of traders to CDS

3) **IT Delivery** – Delivery of the IT components that make up the new CDS Service

4) **Go Live and Support** – Enabling the successful transition of CDS from Delivery to Live Support

5) **Contingency** – Preparing contingency options in the event of CDS not being available

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CDS Customer Migration – Definition and scope

Customer migration can be defined as the migration of all declarants that currently use CHIEF to the new CDS solution. The core customer population consists of:

Declarants – 'Traders' / 'Customers' who submit their own declarations
3rd Party Declarants – e.g. freight forwarders, customs agents and other entities who submit declarations on behalf of or more individual Declarants

FPOs – Fast Parcel Operators
CSPs – Community Service Providers
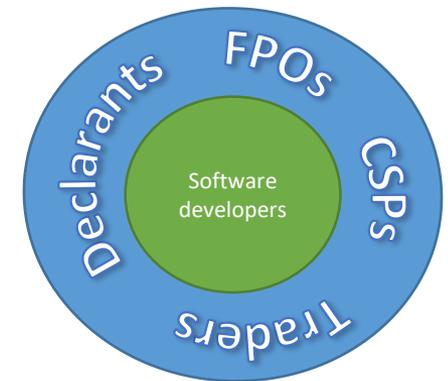
The key enabling component across declarant supply chains is the declaration software used.
Therefore it is crucial that the software houses that develop declaration software are ready to support CDS.

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CDS Phased Delivery & Migration Overview

Commencing in August 2018 there will be a phased migration of traders from CHIEF to CDS, aligned to the planned delivery of CDS functionality.

Migration tranches
Customers will be migrated in 'tranches' which will be aligned to functional releases. Tranches are groups of traders.

Functional releases

Release 1 – 12th August 18
Scope: Supplementary declaration functionality (Type Z and Y), limited C and F (specific criteria applicable to all types).

CDS Phased Delivery & Migration Overview

Functional releases

Release 2 – November 18

Scope: Remaining import functionality including support for Quota and multiple deferment accounts on a declaration.

Release 3 – TBC

Scope: All exports, however following feedback from external parties, a phased implementation for the delivery of exports including inventory linking is being considered.

CDS Release 1

Release 1 Traders will be able to submit declarations for the following customs procedures:

- Supplementary declaration into free circulation

- Supplementary declaration out of Customs Warehousing into Free Circulation

- Simplified declaration into Free Circulation

- Simplified declaration into Customs Warehousing

- Simplified declaration out of Customs Warehousing and into Excise Warehousing

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CDS Release 1

- Simplified declaration out of Customs Warehousing and into free circulation will Onward Supply Relief

- Pre-lodged Simplified Declaration into Free Circulation

Constraints in Release 1 include:

- Any liabilities will be paid via a single deferment account on a declaration

- Only warehousing in the UK

- Only licensable commodities requiring Department for International Trade (DIT) and Rural Payments Agency (RPA) licences can be declared.

Overview of Trade Test

To support readiness for CDS, trade test provides external software developers with an environment against which their software can be tested.

All functionality is tested comprehensively by HMRC prior to each release.

Trade test is not the CDS production environment and only test data should be used.

For each new functional release into trade test we will provide:

- Connectivity through the trade test environment and API
- CDS declaration functionality
- Technical specifications and documentation
- HMRC support staff

CDS uses an agile delivery approach and functionality will be incrementally delivered into trade test.

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Overview of Trade Test

The trade test milestones will incorporate increasingly complex scenarios over time, aligning with the high-level delivery and migration strategy of the CDS programme by releasing milestones in the order of:

- Import Supplementary declarations

- Import Frontier declarations (including inventory linking)

- Exports (including inventory linking)

Trade test began with its 'vanilla' release to a limited group of developers in December 2017. This was opened to all CSPs and external developers as TTM2 in January 2018.

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Overview of Trade Test

In March 2018, HMRC released TTM3 on time to the full developer community, enabling tests using a range of commodity and country codes, as well as introducing a number of complex duty calculation scenarios.

Most recently, TTM4.1 was released in May 2018. This milestone enhances existing functionality by introducing FEC checks, currency conversion, and Type Z declarations for goods not placed into customs warehousing.

CDS Trade Test Milestone Summary

All Scope Necessary to Support CDS Release 3: Exports

TTM7

All Scope Necessary to Support CDS Release 2: All remaining imports functionality, including Quota

TTM6

Supplementary Declarations via EIDR: Release for free circulation and Simplified Frontier Declaration
IMY (H1), IMC (H1), IMF (H1)

TTM5

Supplementary Declarations via EIDR: Release for free circulation
IMZ (H1)

TTM4

Supplementary Declarations via EIDR: Release for free circulation and imports from special fiscal territories
IMZ (H1), IMZ (H5), EXZ (B1)

TTM3

Widening the reach of Trade Test
IMZ (H1), EXZ (B1)

TTM2

Supplementary Declaration (EIDR) "Vanilla"
IMZ (H1), EXZ (B1)
Only one simple commodity To/From only one country Simple duty calculation

TTM1

Inviting the wider developer community to engage with the trade test environment and test the scope available from TTM1.

Supplementary Type Z declarations coming out of warehousing only. Release for free circulation and imports from special fiscal territories procedures. Introduction of more commodities and more countries. Complex duty calculation including definitive ADD and CAP goods, as well as preference claims.

Type Z declaration either ex-warehouse into free circulation, or straight into free circulation with no previous procedure. Introduces currency conversion, FEC checking functionality without amendments, the ability to declare goods requiring locally held licences DiT and RPA, and the validation of a CCG authorisation. Badges available for CSPs with privileged access.

Inventory linking (imports). Type Y declaration into free circulation with no previous procedure. Type C frontier declaration: into free circulation; into customs warehousing; out of customs warehousing and into excise warehousing; out of customs warehousing and into free circulation with Onward Supply Relief. Pre-lodged Type F frontier declaration into free circulation.

All developer-facing scope required for CDS Release 2 – all remaining imports functionality, including Quota – enters trade test (TBC).

All developer-facing scope required for CDS Release 3 – exports – enters trade test (TBC).
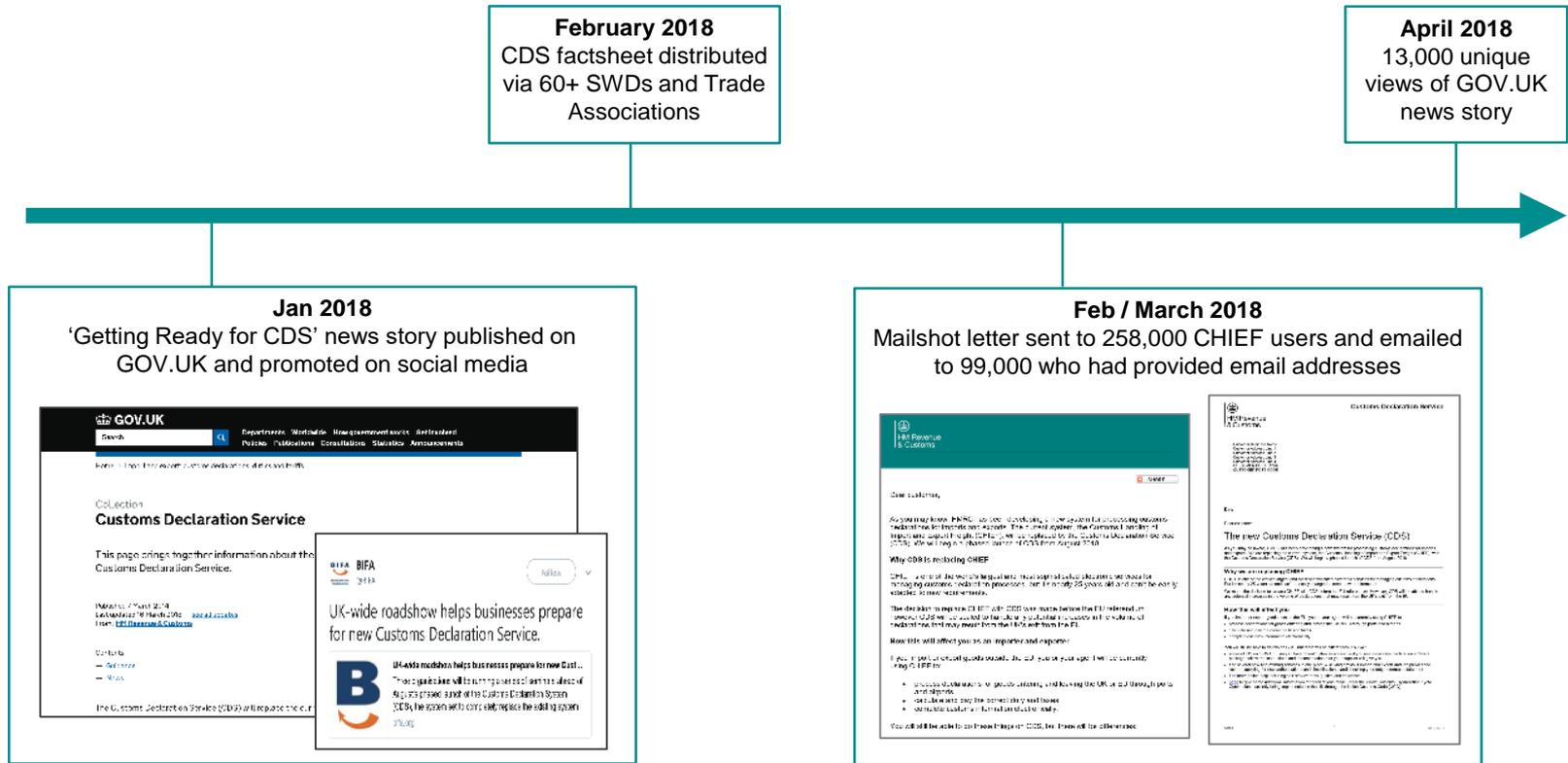
Engagement

Ongoing engagement with key customer groups, including:

- Enhanced HMRC Business Relationship Management arrangements between HMRC and its key delivery partners, including regular technical workshops and 1-2-1s with CSPs, software developers and FPOs.

- Engaging with trade associations and groups including ACITA, BIFA, AICES, AFSS to provide regular progress updates.

- Updates to the Joint Customs Consultative Committee (JCCC).

- Linking into other Government engagements to join up where possible on messaging about HMG goods clearance processes.

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Communications

HMRC started a communications campaign in January to raise awareness about CDS.

February 2018
CDS factsheet distributed via 60+ SWDs and Trade Associations

April 2018
13,000 unique views of GOV.UK news story

Jan 2018
'Getting Ready for CDS' news story published on GOV.UK and promoted on social media

Feb / March 2018
Mailshot letter sent to 258,000 CHIEF users and emailed to 99,000 who had provided email addresses

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Communications

We are now developing a multi-channel communications campaign that sets out what businesses need to do to prepare to move to CDS.

Launching in August 2018 this will direct people to GOV.UK where you will be able to access relevant, tailored information.

Social | Direct Comms | Targeted Content | Events | Press

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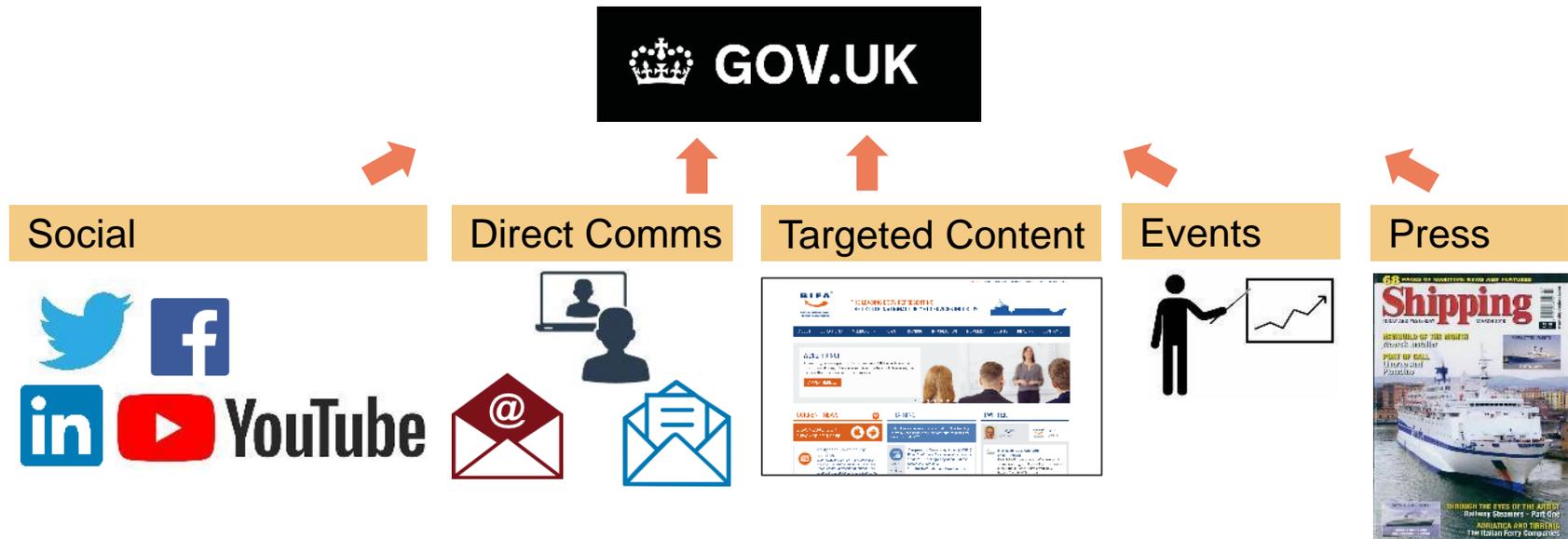
CDS Contingency

HMRC has created a contingency programme so it will have additional resilience built into the delivery of, and the transition to, CDS.

The contingency programme is also responsible for ensuring the existing CHIEF system is scaled so that it is capable of managing the volume of declarations expected when the UK leaves the EU.

CDS Contingency

The major elements of our contingency plans are:

- A carefully managed transition process between August 2018 and January 2019, where HMRC can flex the pace of transition to reflect service performance.

- CHIEF will be operated in tandem with CDS during the transition from one system to the other (known as dual running). This will provide an additional level of contingency, should it be required

- Scaling of the legacy declaration processing services to handle the volumes of declaration that HMRC expects after the UK leaves the EU, to ensure that they remain a viable contingency solution beyond March 2019 if required.

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Any Questions?

Listed below are some useful e-mail addresses:

Sign up for information and updates on CDS by visiting our GOV.UK page. Go to GOV.UK https://www.gov.uk/ and search for **'Customs Declaration Service'** and you will find the registration service.

If you have further questions please send an e-mail to declarationservices.customs@hmrc.gsi.gov.uk

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CDS Tariff Overview

Changes introduced by CDS Tariff

✓ Declarations will require completion using Data elements, rather than by box number. Split into 8 data groups

✓ Procedure codes formerly called Customs Procedure Codes will be split into 2 parts

✓ Harmonisation of codes – set out in Law and Appendices

✓ An audit trail of previous document ID's (MUCR, DUCR and MRN), EPU's will be invalid

✓ Increased number of items allowed per declaration from 99 to 999

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Changes introduced by CDS Tariff

To fill in the declaration, you will be required to select a declaration Category that will provide the data set to be followed (Supp Decs = H1)

Declaration Types, determine along with the declaration Category, the data set to be followed and dictate specific business rules

Greater number of Data Elements than Box numbers

External users access via Gov.uk – Submit Declarations, Obtain real time information and reports and view duty deferment accounts

No longer have to pay for MSS Data

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CDS Tariff publication

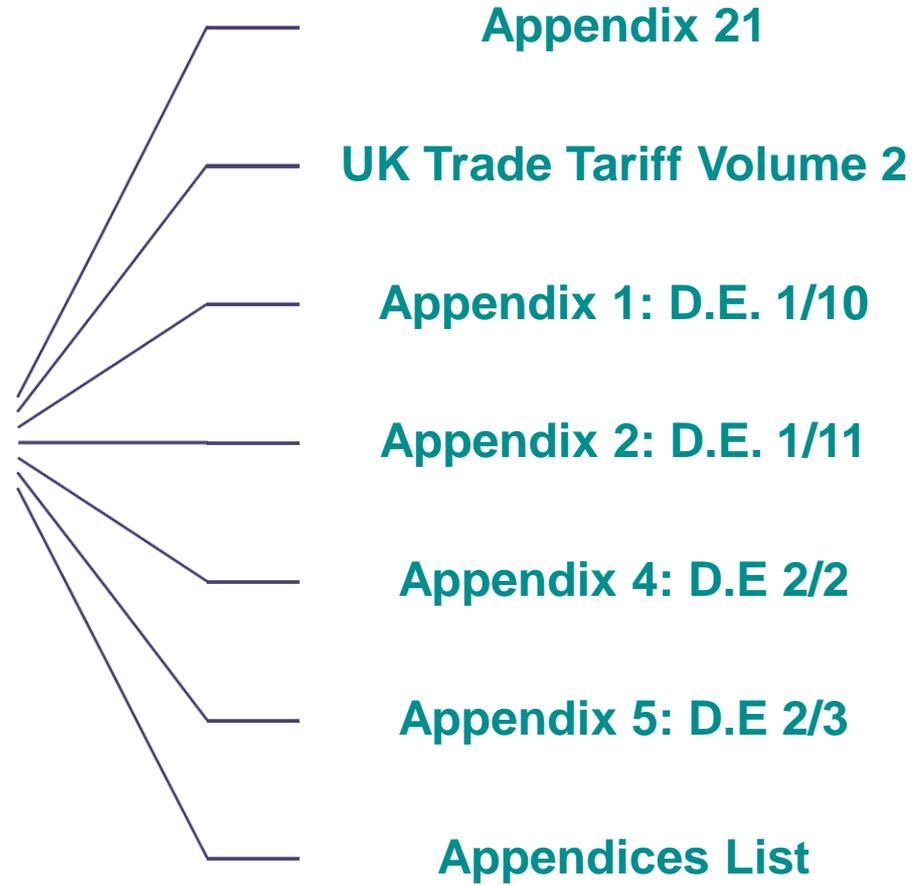Volume 3 - Imports

Volume 3 - Exports

Volume 3 - Imports Inventory Release

Volume 3 - Exports Inventory Release

CDS Tariff Manual

Navigating CDS Volume 3

UK Trade Tariff Volume 3 Import Declaration completion Guide

- Appendix 21
- UK Trade Tariff Volume 2
- Appendix 1: D.E. 1/10
- Appendix 2: D.E. 1/11
- Appendix 4: D.E 2/2
- Appendix 5: D.E 2/3
- Appendices List

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Import Declaration Completion Guide

Declaration Categories	Field format	No. of occurrences at header level	No. of occurrences at item level
C21, H1, H2, H3, H4, H5 & I1	a2	1x	99x

Declaration Categories	• Which types of declaration require the completion of the data element
Field format	• The number and type of characters allowed in the field
Number of occurrences at header level	• The number of times the data element may be used at header level
Number of occurrences at item level	• The number of times the data element may be used at item level

Customs Declarations – What's changed

- Everything and nothing

- Background communications and technology is changing.

- Declarations require more data – and some existing data has changed.
  - More data is required in box 44
  - .. and more in boxes 02, 08 and 14
  - .. and more boxes are now being used in the UK (e.g. 17a, 18, 20, 23, 24)
  - .. And some existing data has been split into more than one element.

Customs Declarations – The 'old' Customs Code

Particulars to be entered	CCCIP Annex 37
Procedure (first subdivision)	SAD Box 37(1)
Procedure (second subdivision)	SAD Box 37(2)

Customs Declarations – 'Old' v 'New'

UCC DA Annex B	Particulars to be entered		CCCIP Annex 37
DE 1/10	Procedure code	Procedure (first subdivision)	SAD Box 37(1)
DE 1/11	Additional Procedure code	Procedure (second subdivision)	SAD Box 37(2)

Data Elements

- 157 data elements in the UCC, organised in 8 groups

  - Only 78 used in import declarations

  - Only 65 used in export declarations.

- These groups don't align to a declaration in the same way as the old legislation (header then items)

- In comparison, 72 'data elements' were defined in the old customs code, organised in SAD boxes

  - Only 59 used in import declarations.

Data Elements

Group 1 – Message information (including procedure codes)

DE	Data Element Descriptive Name	SAD box	Header	Item
1/1	Declaration type	01(1)	1x	
1/2	Additional declaration type	01(2)	1x	
1/6	Goods item number	32		1x
1/8	Signature/authentication	54	1x	
1/9	Total number of items	5	1x	
1/10	Procedure	37(1)		1x
1/11	Additional procedure	37(2)		99x

🟨	Changed in some way
🟩	New

Data Elements

Group 2 – Reference of messages, documents, certificates, authorisations

DE	Data Element Descriptive Name	SAD box	Header	Item
2/1	Simplified declaration/Previous documents	40	9999x	99x
2/2	Additional information	44		99x
2/3	Documents produced, certificates and authorisations, additional references	44	1x	99x
2/4	Reference number/UCR	44	1x	1x
2/5	LRN (Local reference number)		1x	
2/6	Deferred payment	48	1x	
2/7	Identification of warehouse	49	1x	

Data Elements

Group 3 – Parties

DE	Data Element Descriptive Name	SAD box	Header	Item
3/1	Exporter	02	1x	1x
3/2	Exporter identification nr	02	1x	1x
3/9	Consignee	08	1x	1x
3/10	Consignee identification nr	08	1x	1x
3/15	Importer	08	1x	
3/16	Importer identification nr	08	1x	
3/17	Declarant	14	1x	
3/18	Declarant identification no	14	1x	
3/19	Representative	14	1x	
3/20	Representative identification nr	14	1x	
3/21	Representative status code	14	1x	
3/24	Seller	02	1x	1x
3/25	Seller identification nr	02	1x	1x
3/26	Buyer	08	1x	1x
3/27	Buyer identification nr	08	1x	1x
3/37	Additional supply chain actor(s) identification no	44	99x	99x
3/39	Holder of the authorisation identification no	44	99x	
3/40	Additional fiscal references identification no	44	99x	99x

Data Elements

Group 4 – Valuation information/Taxes

DE	Data Element Descriptive Name	SAD box	Header	Item
4/1	Delivery terms	20	1x	
4/3	Calculation of taxes — Tax type	47		99x
4/4	Calculation of taxes — Tax base	47		
4/5	Calculation of taxes — Tax rate	47		
4/6	Calculation of taxes — Payable tax amount	47		
4/7	Calculation of taxes — Total	47		
4/8	Calculation of taxes — Method of payment	47		
4/9	Additions and deductions	45	99x	99x
4/10	Invoice currency	22(1)	1x	
4/11	Total amount invoiced	22(2)	1x	
4/12	Internal currency unit	44	1x	
4/13	Valuation indicators	45		1x
4/14	Item price/amount	42		1x
4/15	Exchange rate	23	1x	
4/16	Valuation method	43		1x
4/17	Preference	36		1x

Data Elements

Group 5 – Dates/Times/Periods/Places/Countries/Regions

DE	Data Element Descriptive Name	SAD box	Header	Item
5/8	Country of destination code	17a	1x	1x
5/9	Region of destination code	17b	1x	1x
5/12	Customs office of exit	29	1x	
5/14	Country of dispatch/ export code	15a	1x	1x
5/15	Country of origin code	34a		1x
5/16	Country of preferential origin code	34b		1x
5/17	Region of origin code	34b		1x
5/21	Place of Loading	61	1x	
5/23	Location of goods	30	1x	
5/27	Supervising customs office	44	1x	

Data Elements

Group 6 – Goods identification

DE	Data Element Descriptive Name	SAD box	Header	Item
6/1	Net mass (kg)	38		1x
6/2	Supplementary units	41		1x
6/5	Gross mass (kg)	35	1x	1x
6/8	Description of goods	31		1x
6/9	Type of packages	31		99x
6/10	Number of packages	31		99x
6/11	Shipping marks	31		99x
6/13	CUS code	31		1x
6/14	Commodity code — Combined nomenclature code	33		1x
6/15	Commodity code — TARIC code	33		1x
6/16	Commodity code — TARIC additional code(s)	33		99x
6/17	Commodity code — National additional code(s)	33		99x
6/18	Total packages	06	1x	

Data Elements

Group 7 – Transport information (modes, means and equipment)

DE	Data Element Descriptive Name	SAD box	Header	Item
7/2	Container	19	1x	
7/4	Mode of transport at the border	25	1x	
7/5	Inland mode of transport	26	1x	
7/7	Identity of means of transport at departure	18(1)	1x	1x
7/9	Identity of means of transport on arrival	18(1)	1x	
7/10	Container identification number	31	9999x	9999x
7/14	Identity of active means of transport crossing the border	21(1)	1x	1x
7/15	Nationality of active means of transport crossing the border	21(2)	1x	1x

Data Elements

Group 8 – Other data elements (statistical data, guarantees, tariff related data)

DE	Data Element Descriptive Name	SAD box	Header	Item
8/1	Quota order number	39		1x
8/2	Guarantee - type	52	9x	
8/3	Guarantee Reference	52	99x	
8/5	Nature of transaction	24	1x	1x
8/6	Statistical value	46		1x
8/7	Writing-off	44		99x

Declaration Categories

- The tariff also refers to categories of declaration

H1	Declaration for release for free circulation and ; Special procedure — specific use — declaration for end-use
H2	Special procedure — storage — declaration for customs warehousing
H3	Special procedure — specific use — declaration for temporary admission
H4	Special procedure — processing — declaration for inward processing
H5	Declaration for the introduction of goods in the context of trade with special fiscal territories
I1	Import Simplified declaration

- This just means - For this type of procedure (e.g. declaration to customs warehousing) you only fill in this list of data elements

Procedure (CPC) Codes [Box 37]

- It's essentially a 7 character code – just as it is in CHIEF.
    - Digits 1 and 2 – The requested procedure
    - Digits 3 and 4 – The previous procedure
    - Characters 5-7 – Additional procedure code

- CHIEF only allows one 7 character code per item
- All reliefs, restrictions etc. wrapped up in that one code.

Procedure (CPC) Codes [Box 37]

- With CDS, each item has one 4 digit code – representing the requested and previous procedure

  - E.g. 4000 (entry to free circulation)

- Each item can have up to 99 (3 character) additional procedures codes!

  - Each code relates to a specific relief/measure etc.

  - E.g. C07 (Relief from duty for goods of negligible value)

  - 000 if no additional procedures

- These are really important! They are a fundamental part of the way CDS assesses the liability to duty and VAT.

Commodity Additional Codes [Box 33]

- Each commodity code can have up to **99** four digit additional codes

  - Used to identify measures for specific goods – e.g. anti-dumping duty

  - Will also be used to identify any claim for zero rating for VAT purposes – e.g. 'VATZ'

- These are important too! They are also part of the way CDS assesses the liability to duty and VAT.

Tax Lines [Box 47]

- In normal circumstances you don't declare Tax Rate

- Method of payment

  - Now E for deferred payment

  - And D for FAS payment

- HMRC calculate revenue due based on procedure and additional procedure codes, commodity and additional code(s), origin country, preference etc.

Deferment Number [box 48]

- Doesn't require the prefix

- However, if the DAN is used to pay customs duty you also need to declare details of the guarantee to which the deferment is linked.

- So if you use your customer's deferment number in order to account for customs duty then you also have to declare their Guarantee Reference number.

Guarantees and Authorisations

- Guarantees [box 52]

  - Required for special procedures

  - Also required to identify whose deferment is being used for customs duty

- Authorisation Holders [box 44]

  - Required to indicate who is authorised for what…

  - Code for type of authorisation + holder's EORI number

Previous Documents [box 40]

- Now at header and item level
  - 9,999 at header level
  - .. and 99 for each item

- More emphasis from HMRC on an audit trail

- DUCR, DUCR part number and MUCR now declared as previous documents

Import Parties [Box 2]

- Exporter and Seller replace Consignor

- Seller is only required for a declaration to free circulation and only if different from the Exporter.

Exporter

"The last seller of the goods prior to their importation into the Union".

Annex B 3/1 - Commission Delegated Regulation (EU) 2015/2446

Exporter

"The transaction value of the goods sold for export to the customs territory of the Union shall be determined at the time of acceptance of the customs declaration on the basis of the sale occurring immediately before the goods were brought into that customs territory.".

Article 128 - Commission Implementing Regulation (EU) 2015/2447

Seller

"Where the seller is different to the Exporter, enter the full name and address of the seller of the goods.

In case the customs value is calculated in accordance with Article 74 of the Code, this information shall be provided, if available.".

Annex B 3/24 - Commission Delegated Regulation (EU) 2015/2446

Import Parties [Box 8]

- Importer and Buyer replace Consignee

- Buyer is only required for a declaration to free circulation and only if different from the declared Importer.

Importer

The Importer is "the party who makes, or on whose behalf an import declaration is made".

Annex B 3/15 - Commission Delegated Regulation (EU) 2015/2446

Buyer

"The last known entity to whom the goods are sold or agreed to be sold. If the goods are to be imported otherwise than in pursuance of a purchase, the details of the owner of the goods shall be provided".

Annex B 3/26 - Commission Delegated Regulation (EU) 2015/2446

Declarant [Box 14]

- ## Box 14 now includes Declarant and Representative

Declarant

"the person lodging a customs declaration … in his or her own name or the person in whose name such a declaration … is lodged".

Art. 5(15) - Regulation (EU) 952/2013 – The UCC

Representative

"any person appointed by another person to carry out the acts and formalities required under the customs legislation in his or her dealings with customs authorities".

Art. 5(6) - Regulation (EU) 952/2013 – The UCC

Direct Representation

"… the customs representative shall act <u>in the name of</u> and on behalf of <u>another person</u>".

Art. 18(1) - Regulation (EU) 952/2013 – The UCC

Indirect Representation

"… the customs representative shall act <u>in his or her own name</u> but on behalf of another person".

Art. 18(1) - Regulation (EU) 952/2013 – The UCC

Location of Goods [box 30]

- Currently GB + port code + shed code

- The UCC defines it as:
  - 2 character country code +
  - 1 character type of location code +
  - 1 character qualifier code of the identification +
  - Either
    - 35 character Identification of location +
    - 3 digit (optional) additional identifier
  - Or
    - 70 character free text street and number +
    - 9 character postcode +
    - 35 character city

Type of location codes

A – Designated location (All frontier locations)
B – Authorised place (e.g. warehouse)
C – Approved place (CoA airfields)
D – Other (e.g. wind farms, pipelines)

Qualifier codes

T – Postal code
U – UN/LOCODE (sort of!) for frontier
V – Customs Office Identifier
W – GPS coordinates
X – EORI number
Y – Authorisation number (e.g. warehouse)
Z – Free text

Location of Goods [box 30]

	CHIEF	CDS
Swissport Cargo, Stansted Airport	GBLSASLS	GBAUSTNLSASLS
Immingham Docks	GBIMM	GBAUIMMIMMIMM

Valuation

- Invoice total [box 22] now optional
  - Potentially declare item price [box 42] in different currencies
  - Monetary values (and weights) now allow up to 16 digits

- Additions and Deductions [Box 45] and old Value Build-Up boxes [61 - 68]
  - UCC has these coded – and declared in National currency!
  - HMRC will allow declaration of these in other currencies
  - National codes introduced to reflect old VBU [boxes 61-68] – sort of!

Valuation

- Delivery Terms [Box 20]
    - INCOTerm required
    - … and associated UN/LOCODE location
    - … or Country code followed by location name

Valuation

- Nature of Transaction [Box 24]

  - 2 digit (or sometimes a 1 digit) code describing the type of transaction

HMRC have stated you only have to declare the first digit

1	Transactions involving actual or intended transfer of ownership .. against financial or other compensation
2	Return and replacement of goods free of charge after registration of the original transaction
3	Transactions involving transfer of ownership without financial or in kind compensation (e.g. aid shipments)
4	Operations with a view to processing under contract (no transfer of ownership to the processor)
5	Operations following processing under contract (no transfer of ownership to the processor)
6	Particular transactions recorded for national purposes
7	Operations under joint defence projects or other joint intergovernmental production programmes
8	Transactions involving the supply of building materials and technical equipment under a general construction or civil engineering contract for which no separate invoicing of the goods is required and an invoice for the total contract is issued
9	Other transactions which cannot be classified under other codes

Valuation

- Valuation indicator [box 45] is now a 4 digit code reflecting:

  - 1st digit   Party relationship, whether there is price influence or not

  - 2nd digit   Restrictions as to disposal

  - 3rd digit   Sale price subject to some conditions

  - 4th digit   Sale subject to arrangement accruing proceeds to the seller

- Each digit is a '1' or a '0' – essentially 'yes' or 'no'

Other significant additions or changes - CFSP

- For CFSP, no final supplementary declaration at month end

- Some sort of audit based control by gross weight of goods declared?

- For simplified procedures, you now use the same procedure code on both the simplified and supplementary declaration.

Other significant additions or changes

- LRN (local reference number)

- Country of destination [box 17a] now on import declarations

- Documents [box 44] now only at item level – x99

- Additional Information [box 44] now only at item level – x99

Other significant additions or changes

- Under the UCC all communication with customs is electronic

  - What about the paper SAD?

  - What about Declaration reports (E2, X2 etc.)?

- Facility to upload documents directly into CDS

- No entry numbers – MRN replaces this

- FEC challenges no longer stop a declaration!

- No EDCS (email) service.

- No HCI, but …

Declaration Scenario

Declaration Category	Declaration Title	Requested Procedure Codes(CPC's) (Digits 1 and 2)
H1	Declaration for release for free circulation or end-use	01, 07, 40, 42, 44, 61
H2	Declaration for customs warehousing	71
H3	Declaration for temporary admission	53
H4	Declaration for inward processing	51
H5	Declaration for goods from the special fiscal territories	40, 42, 61
I1	Import Simplified Declaration	01, 07, 40, 42, 44, 51, 53, 61, 71

H1 Removal from Customs Warehouse using Entry In Declarants Records

Procedure code 4071(ex-warehouse), with C32 (Trade Fare Samples – duty relief) and F45 (VAT Relief) additional procedure codes

Goods:: Adults T Shirts subject to 20% VAT

EIDR used to remove the goods from a customs warehouse: H1 additional declaration type Z
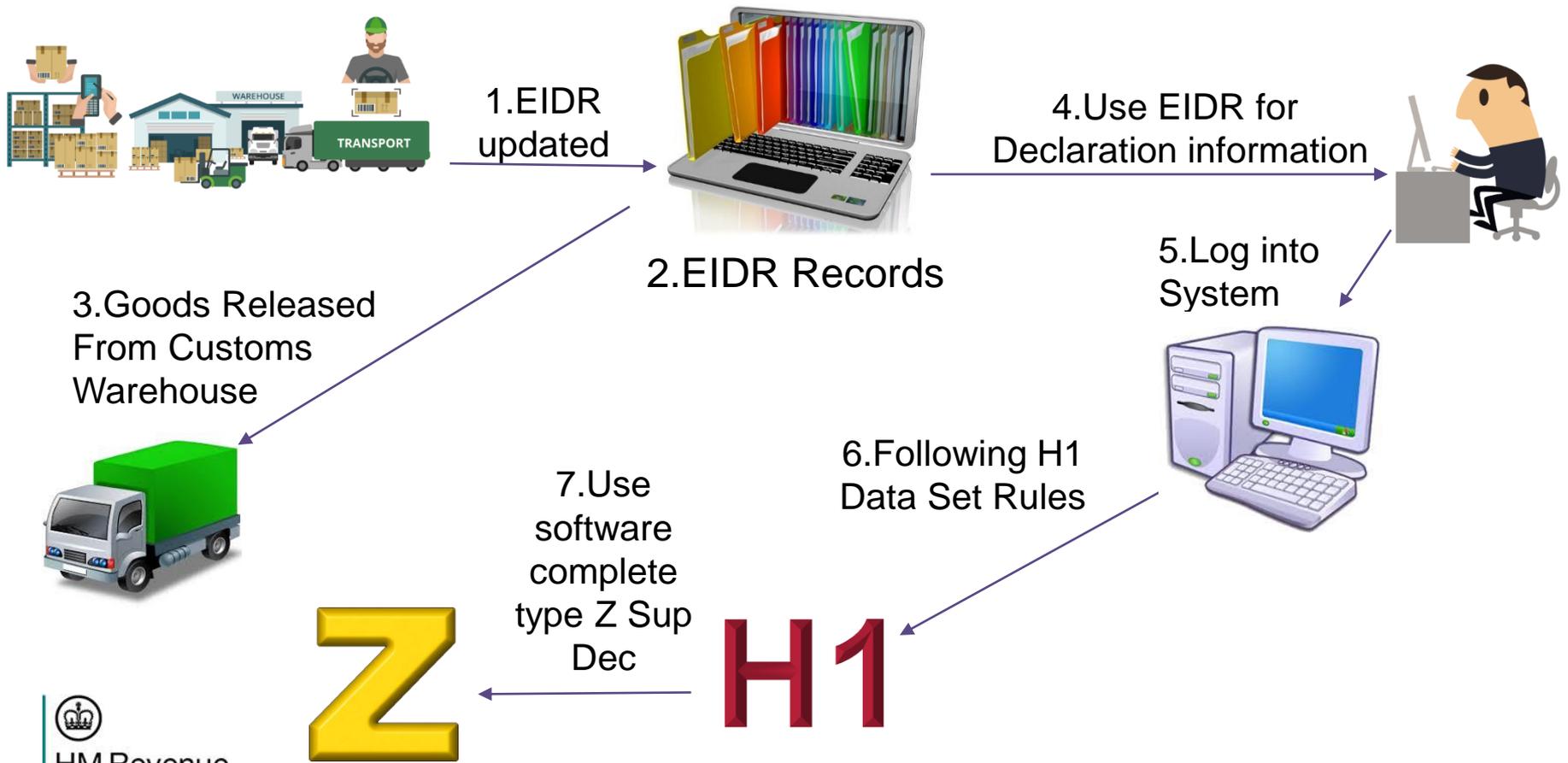
Importer is an AEO authorisation holder

Declarant and Importer are the same party (self rep)

Process - H1 Removal from Customs Warehouse using Entry In Declarants Records

1.EIDR updated

2.EIDR Records

4.Use EIDR for Declaration information

3.Goods Released From Customs Warehouse

5.Log into System

6.Following H1 Data Set Rules

7.Use software complete type Z Sup Dec

Z

H1

H1 - Declaration Category

Free Circulation

Declaration Type
Data Element 1/1

IM

EIDR Supplementary Declaration

Data Element 1/2

Z

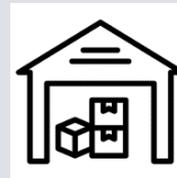**Goods Description**

Data Element 6/8

Adults T-Shirt

10 Digit Commodity Code

Data Element 6/14 & 6/15

61 09 10 00 10

T-shirts, singlets and other vests, knitted or crocheted

4 Digit Procedure Code

Data Element 1/10

4071

Ex-Warehouse

3 Digit Additional Procedure Code

Data Element 1/11

C32

Trade Fair Samples – duty relief

F45

VAT Relief

HM Revenue & Customs

Follow UK Trade Tariff, CDS Volume 3 Import Declaration Completion Guide
H1 Removal from Customs Warehouse using Entry In Declarants Records

Group 1
- D.E. 1/6 Goods Item number (SAD box 32)
- D.E 1/9 Total number items (SAD box 5)

Group 2
- D.E. 2/1 Simplified Declarations/ Previous documents (SAD box 40)
- D.E. 2/5 LRN (SAD box N/A)
- D.E.2/7 Identification of warehouse SAD box 49)

Group 3
- D.E. 3/16 Import ID number (SAD box 8)
- D.E.3/17 Declarant (SAD box 14)
- D.E. 3/39 Holder of the authorisation ID number (SAD box 44)

Group 4
- D.E. 4/1 Delivery Terms (SAD box 20)
- D.E. 4/8 Calculations of taxes- MOP (SAD box 47)
- D.E. 4/10 Invoice Currency (SAD box 22(1))
- D.E. 4/13 Valuation Indicators (SAD box 45)
- D.E. 4/14 Item Price Amount (SAD box 42)
- D.E. 4/16 Valuation Method (SAD box 43)
- D.E. 4/17 Preference (SAD box 36)

Group 5
- D.E. 5/8 Country of Destination Code (SAD box 17a)
- D.E. 5/14 Country of dispatch (SAD box 15a)
- D.E 5/15 Country of origin code (SAD box 34a)
- D.E 5/23 Location of goods (SAD box 30)

Group 6
- D.E 6/1 Net Mass (KG) (SAD box 38)
- D.E 6/5 Gross Mass (KG) (SAD box 35)
- D.E 6/ 9 Type of packages (SAD box 31)
- D.E 6/10 Number of packages (SAD box 31)
- D.E 6/11 Shipping Marks (SAD box 31)
- D.E 6/18 Total Packages (SAD box 6)

Group 7
- D.E 7/2 Container (SAD box 19)
- D.E 7/4 Mode of transport at Border (SAD box 25)
- D.E 7/10 Container identification number (SAD box 31)
- D.E 7/15 Nationality of active means of transport crossing the border (SAD box 31(2))

Group 8
- D.E 8/2 Guarantee Type (SAD box 52)
- D.E 8/3 Guarantee Reference Number (SAD box 52)
- D.E 8/5 Nature of transaction (SAD box 24)

Useful Information

Sign up for Import and Export Email alerts
Subscribe to email alerts

Register for CDS email updates from HMRC send your name and email address to: communications.cds@hmrc.gsi.gov.uk

HMRC Manuals via GOV.UK

https://www.gov.uk/hmrc-internal-manuals/customs-freight-simplified-procedures

https://www.gov.uk/hmrc-internal-manuals/customs-special-procedures

https://www.gov.uk/hmrc-internal-manuals/export-procedures

Questions and (hopefully) answers

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More useful links and information

The EUCDM (Data Model)   https://svn.taxud.gefeg.com/svn/Documentation/EUCDM/EN/index.htm

The Union Customs Code   http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R0952&from=EN

The UCC Delegated Regulation   http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R2446&from=EN

The UCC Implementing Regulation   http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R2447&from=EN