

The Customs Declaration Service

Understanding the impact of CDS, the UCC and Brexit

Version 13



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

1987

1988

CHIEF

Customs Handling of Import
and Export Freight

1994

2001

Union Customs Code

EU Customs Data Model

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



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Customs Declaration Service

BIFA/ASM CDS Regional Seminars

Sharon Mole

September 2018

Contents

- Context
- Benefits to traders
- Key changes
- Migration timeline
- Trade testing
- What do businesses need to do to prepare
- Stakeholder engagement
- Where to go for support



Customs in context

- Trade is worth £700bn to the UK economy each year
- The current Customs Handling of Import and Export Freight (CHIEF) system, the means by which we identify goods for checks at ports, is critical to our customs models, enabling the flow of international trade
- In 2017, it was also responsible for the collection of £34bn in tax and duties



Road



Air



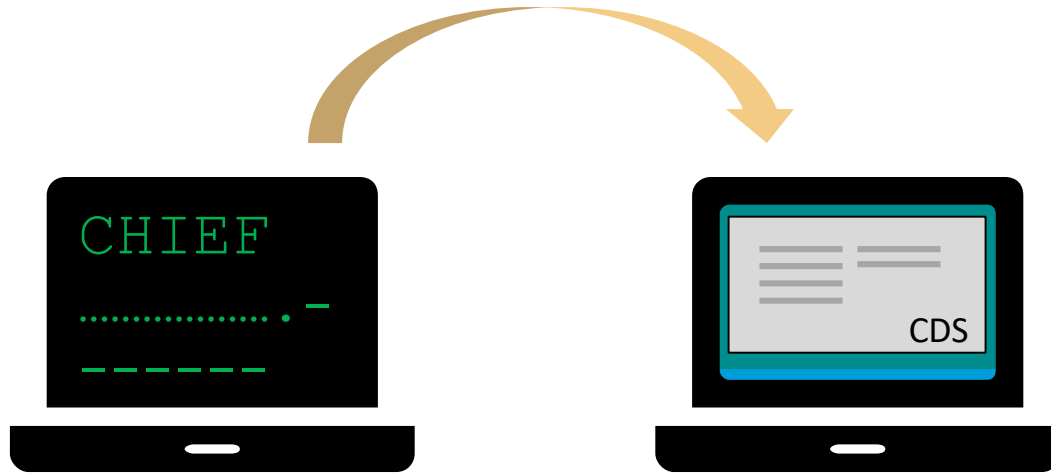
Rail



Maritime



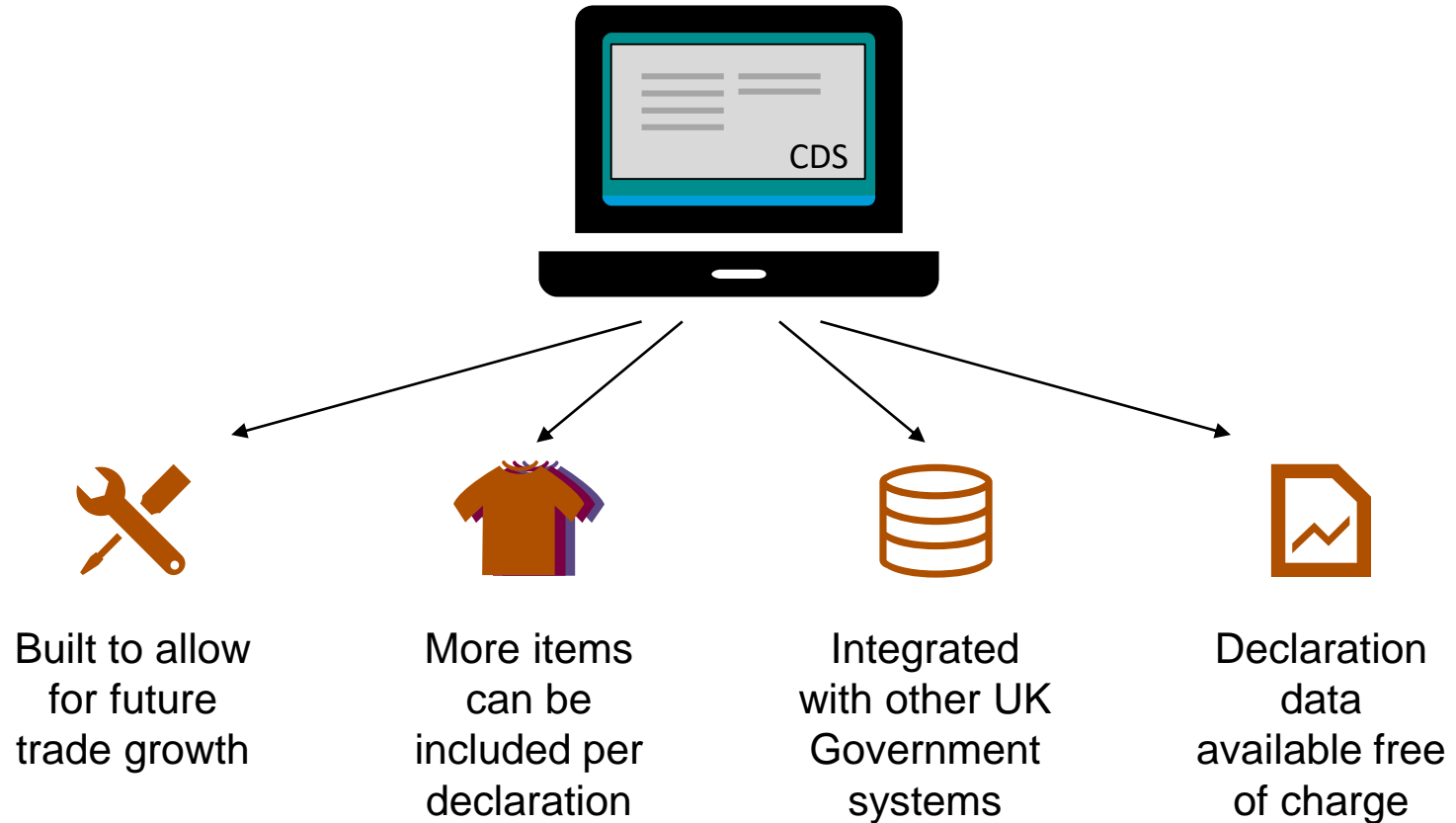
Introducing the new Customs Declaration Service



- Today, customs declarations are made through the Customs Handling of Import and Export Freight (CHIEF) system
- CHIEF has served the UK well over 25 years but is old technology and needs to be replaced
- Businesses are now gradually moving over to making declarations on the new Customs Declaration Service (CDS)
- CDS will be a flexible declaration system that can handle anticipated future import and export growth



Benefits to traders



CDS readiness preparations

Work to get HMRC and external customers ready for CDS has been structured into five work areas:

Internal Readiness

Enabling HMRC staff to use the new system

External Readiness

Helping traders and declarants to move from CHIEF to CDS

IT Delivery

Delivering the new system

Go Live and Support

Enabling the transition of the new system from Delivery to Live Support

Contingency

Planning options in the event CDS is not available



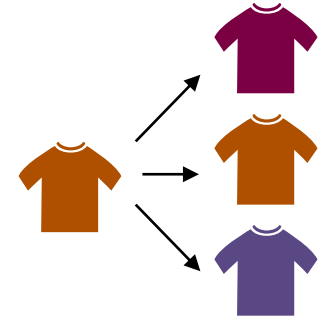
Key changes



Changes to the
Import and
Export Tariff,
required by the
Union Customs
Code



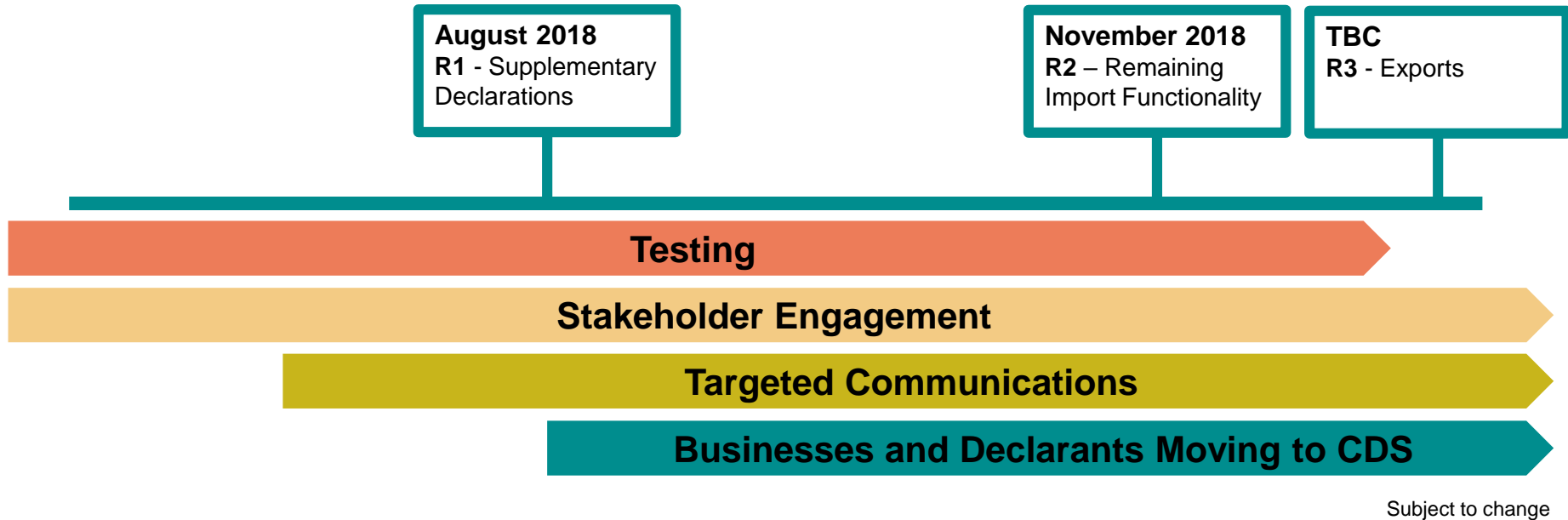
New or different
data now needs
to be included
with your
declaration



This means
there may be
additional
required codes
for certain
product types



CDS migration timeline



For **Releases 1 and 2** we are moving declarants to CDS in **two tranches**:

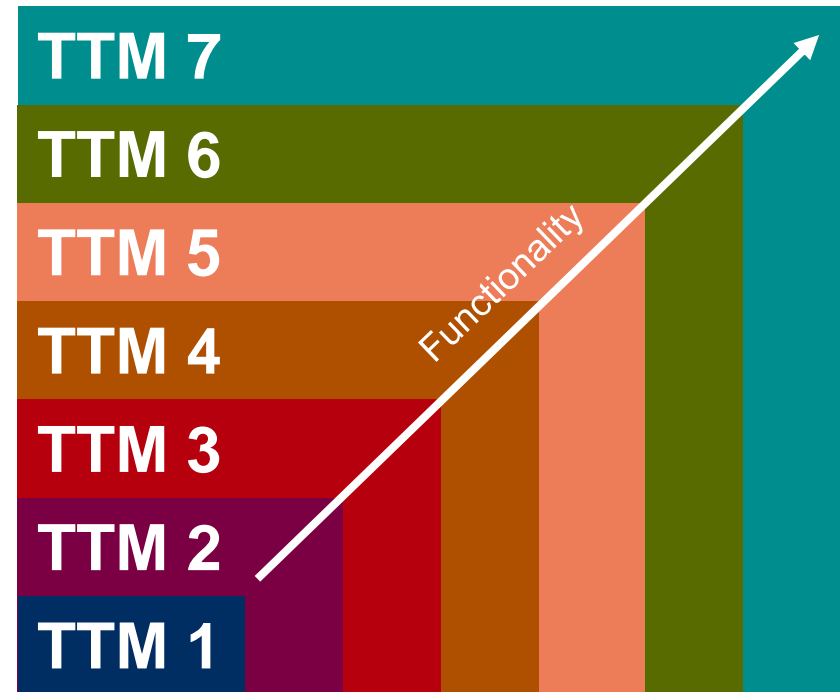
Tranche 0 – declarants who account for the lowest volume of declarations

Tranche 1 – declarants who account for the largest volume of declarations.



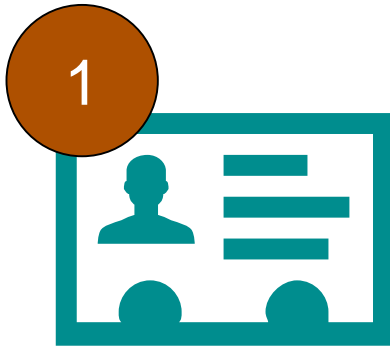
CDS trade testing

- Since December 2017 we have enabled software developers to test their applications as new functionality is developed
- We will continue with this testing approach until CDS is fully implemented
- For businesses that currently make declarations directly in CHIEF we're also developing the new interface to do this in CDS

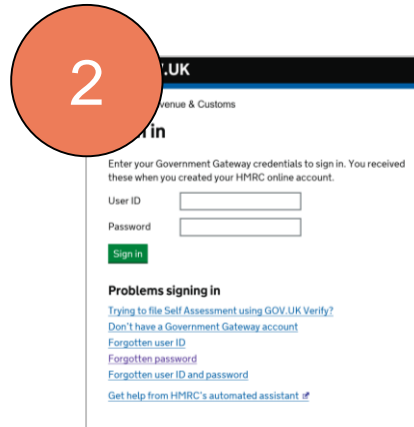


What do businesses need to do to prepare?

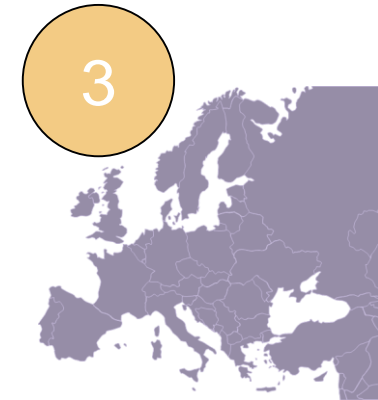
All current CHIEF users will need to:



1
Make sure they have an EORI number, or register for a new one*



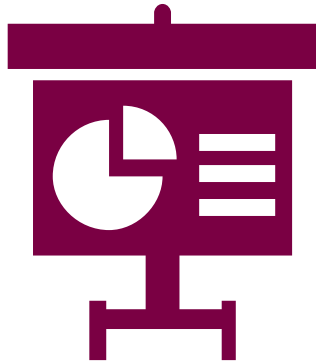
2
Make sure their company has a Government Gateway account and have access to it, register for CDS and authorise their software developer



3
Understand the changes to the Import and Export Tariff, available via GOV.UK

What do businesses need to do to prepare?

You should also consider:



Any training or information your business needs to provide to your staff, for example for the new Data Elements

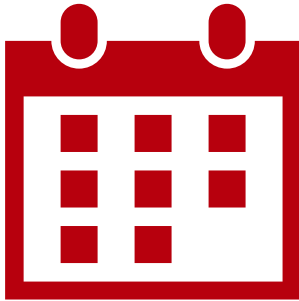


Finance process impacts, for example changes to Duty Deferment or Flexible Accounting System (FAS) accounts



What do businesses need to do to prepare?

HMRC have engaged extensively with software developers and CSPs to prepare for CDS. If you use third party or in-house developed software, or a CSP, you should:



Contact your software developer, in-house team or CSP for further details on how they are preparing for CDS and...



... find out how they are working closely with HMRC to prepare

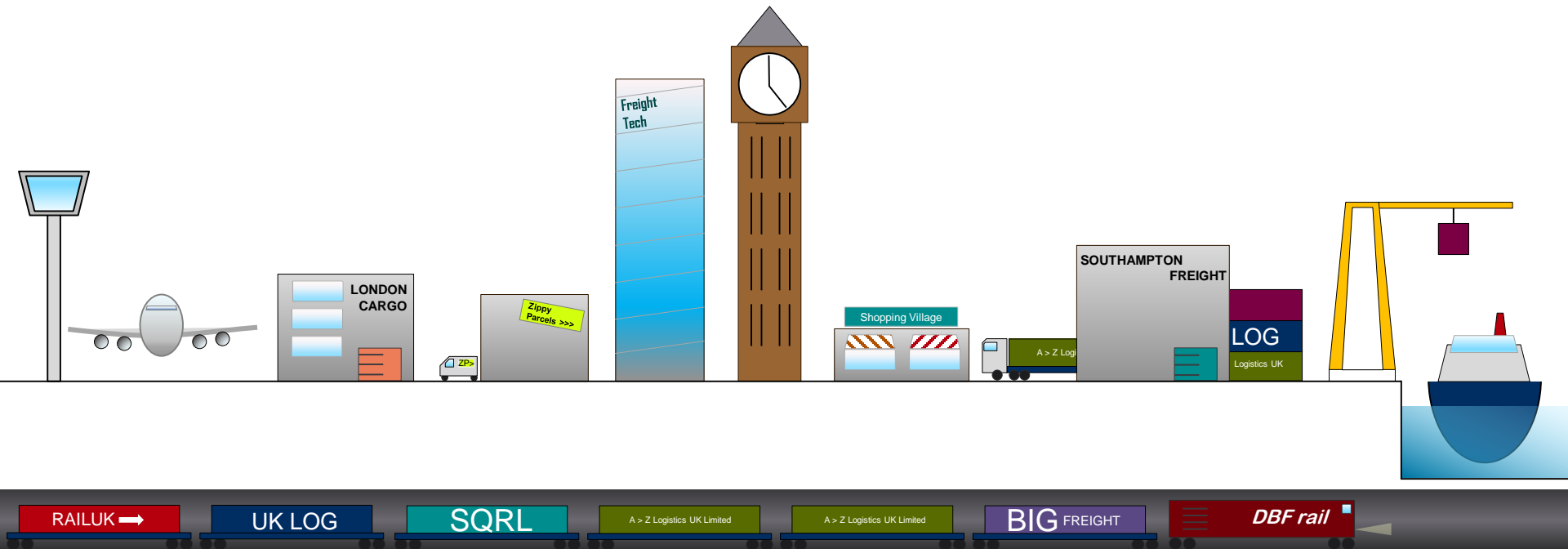


Developing CDS in partnership with our stakeholders

We are working with a broad range of stakeholders to help them:

- Understand the changes and new data requirements
- Make changes to their systems and software applications
- Update their customers on what they need to do to prepare for CDS

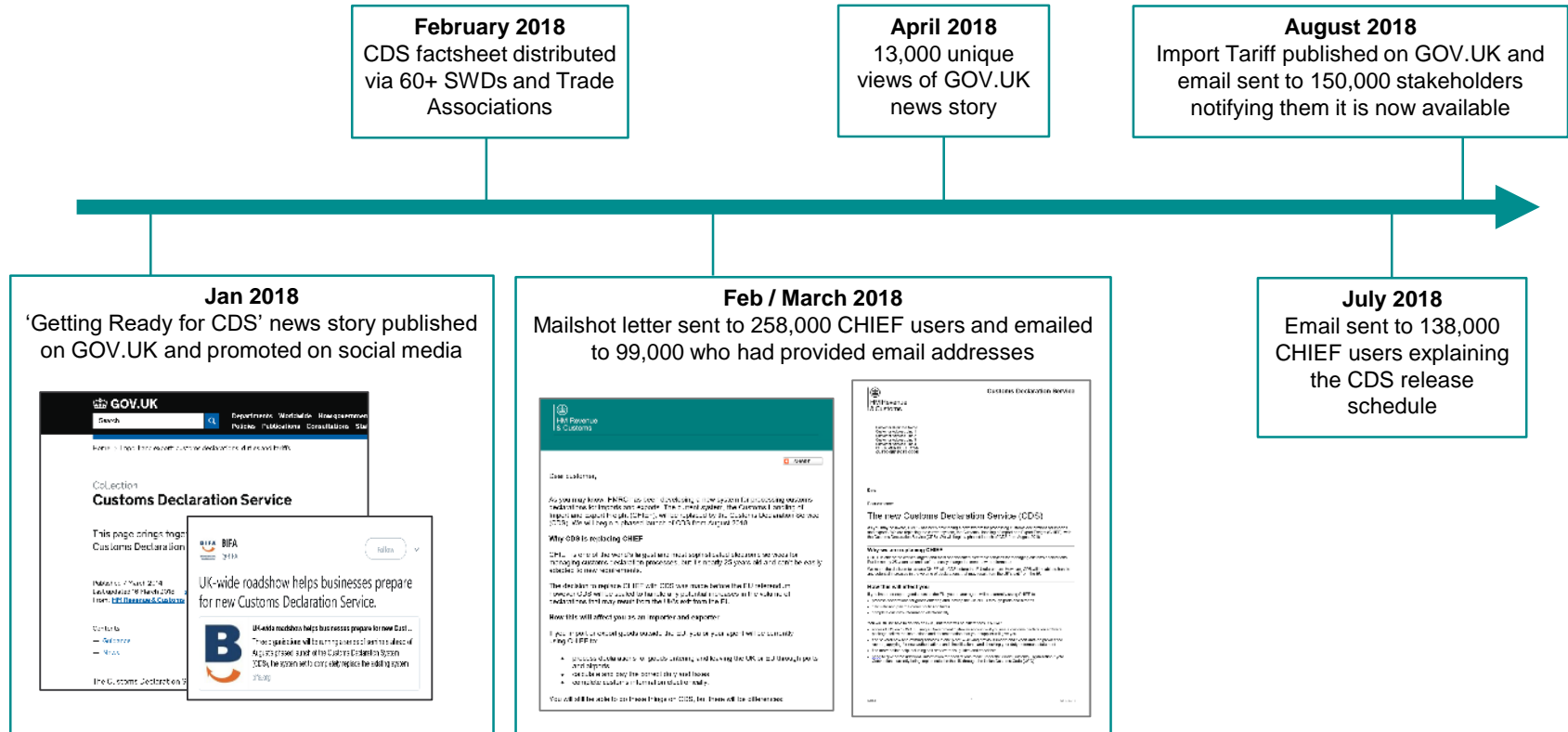
We are also working across government to help other departments understand how the introduction of CDS will affect them and their customers



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Communications

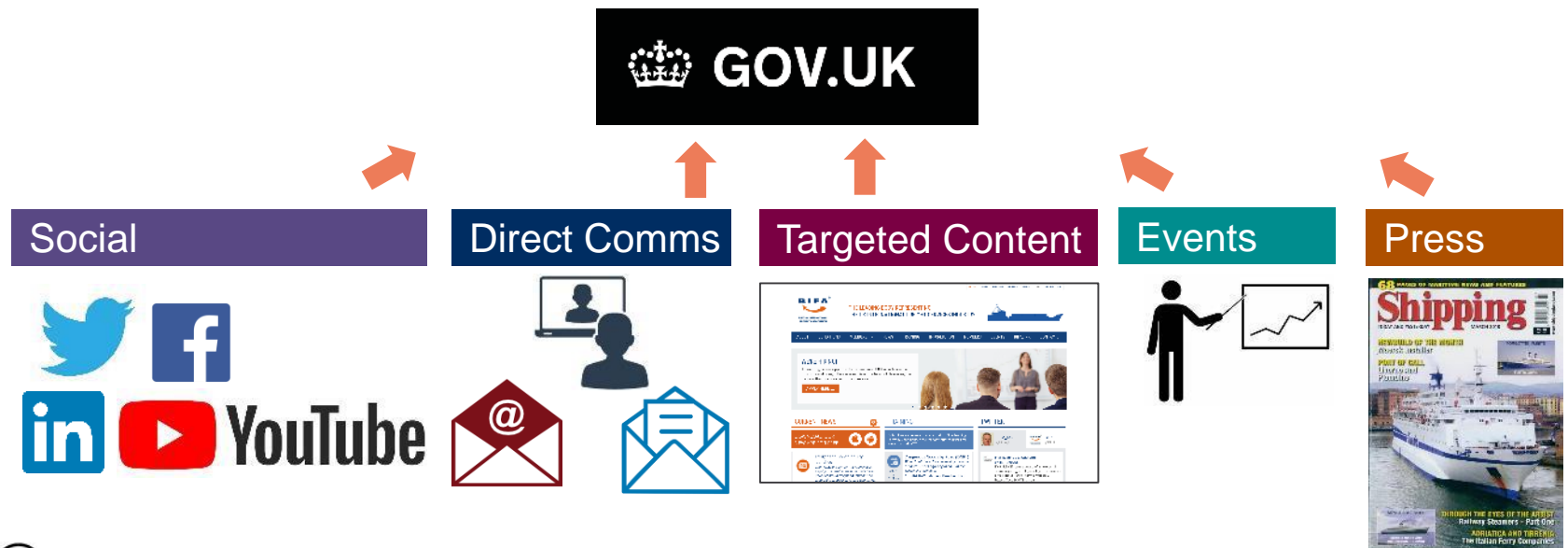
HMRC started a communications campaign in January to raise awareness about CDS.



Communications

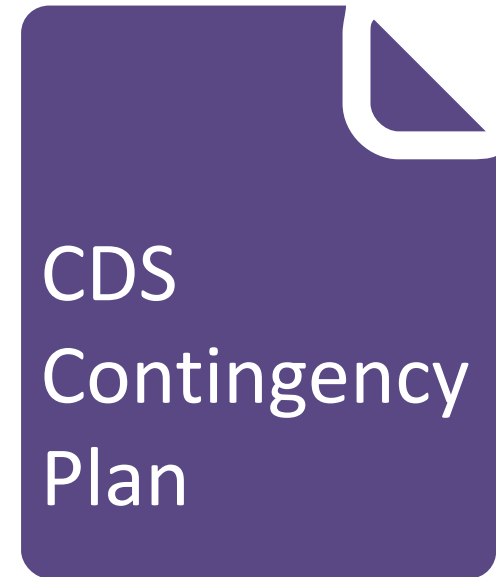
We have launched a multi-channel communications campaign that sets out what businesses need to do to prepare to move to CDS.

Intensifying in September 2018 this will direct people to GOV.UK where you will be able to access relevant, tailored information about what you need to do to prepare.



Contingency planning

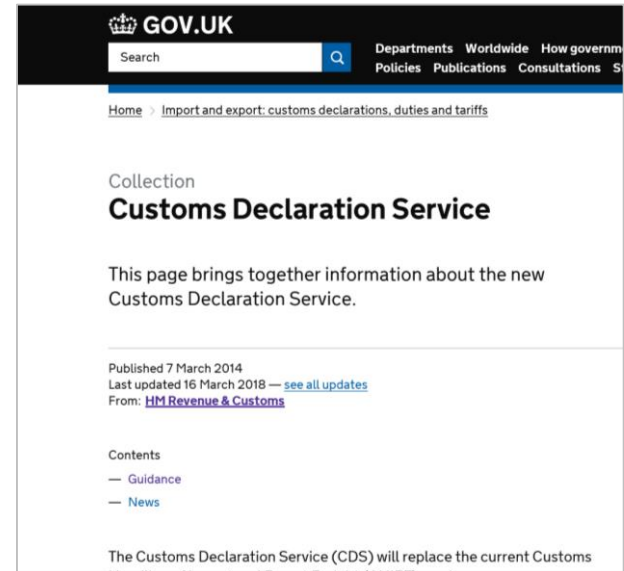
- From the outset, the CDS team has made it a priority that the new system is introduced without impacting imports or exports
- CHIEF is being tested to make it capable of managing any increase in the volume of declarations expected when the UK leaves the EU



Where you can find more information

- Visit:
gov.uk/customsdeclarationservice for more information and to **register for updates**
- Look out for updates on social media and via trade press
- Speak to your software developer
- If you have specific questions your developer cannot help you with, contact:

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



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



CDS Tariff publication

Volume 3 - Imports

Volume 3 - Exports

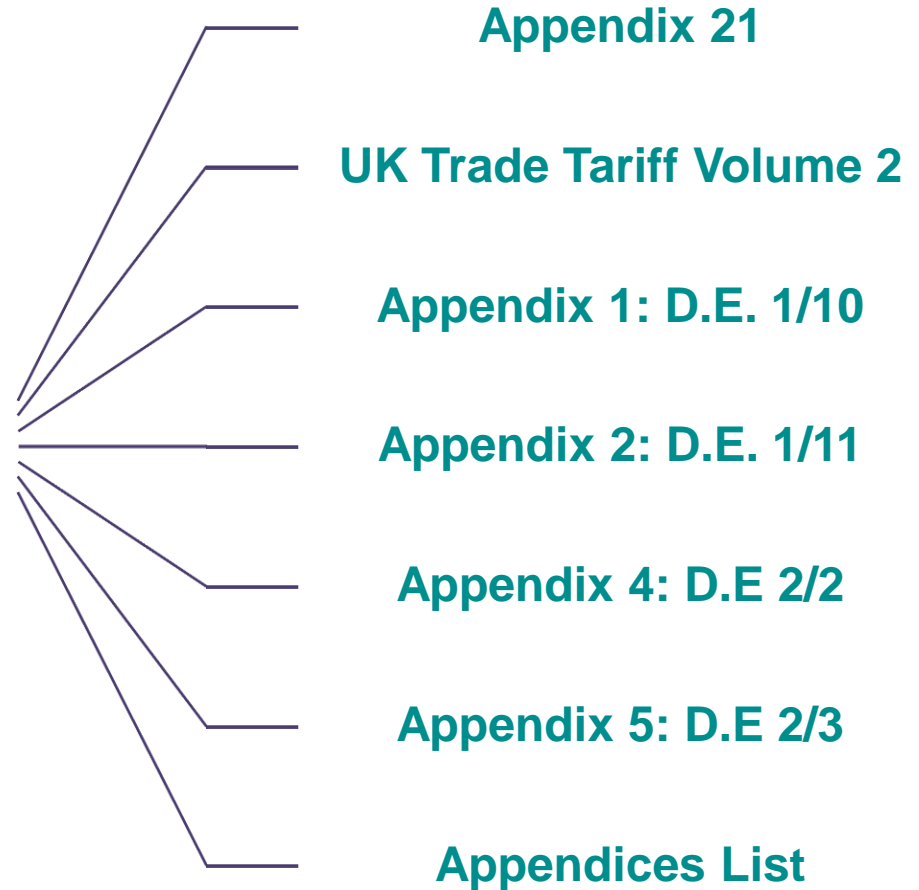
Volume 3 - Imports Inventory Release

Volume 3 - Exports Inventory Release

CDS Tariff Manual



Navigating CDS Volume 3



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

Procedure (first subdivision)

Procedure (second subdivision)

CCCIP Annex 37

SAD Box 37(1)

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 lines
 - Unless you require different MoP etc.
- Method of payment
 - Now **E** for deferred payment
 - And **A** for cash 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 in the name of and on behalf of another person".

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

Indirect Representation

"... the customs representative shall act in his or her own name 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]

	<u>CHIEF</u>	<u>CDS</u>
Swissport Cargo, Stansted Airport	GBLSASLS	GBAUSTNLSASLS
Immingham Docks	GBIMM	GBAUIMMIMMIMM

Valuation

- Lots of changes
- Just when you thought the C105A was dead ...
- This information is now embedded in the declaration
- .. And not just when the value exceeds a certain limit

EUROPEAN COMMUNITY DECLARATION OF PARTICULARS RELATING TO CUSTOMS VALUE (Method 1) D.V.1	
 <p>1 NAME AND ADDRESS OF SELLER (Block Letters)</p>	<p>FOR OFFICIAL USE</p>
<p>2(a) NAME AND ADDRESS OF BUYER (Block Letters)</p>	<p>Data Protection Act 1998</p> <p>HM Customs and Excise collects information in order to administer the taxes for which it is responsible (such as VAT, insurance premium tax, excise duties, air passenger duty, landfill tax), and for detecting and preventing crime.</p> <p>Where the law permits we may also get information about you from third parties, or give information to them, for example in order to check its accuracy, prevent or detect crime or protect public funds in other ways. These third parties may include the police, other government departments and agencies.</p>
<p>2(b) NAME AND ADDRESS OF DECLARANT (Block Letters)</p>	
<p>IMPORTANT NOTE</p> <p>By signing and lodging the declaration the declarant accepts responsibility for the accuracy and completeness of the particulars given on this form and on any continuation sheet lodged with it and the authenticity of any document produced in support. The declarant also accepts responsibility to supply any additional information or document necessary to establish the customs value of the goods.</p> <p>NOTE: You are advised to read Notice 251 and 252 before completing this form. Complete all applicable sections before signing Box 10(b) declaration.</p>	<p>3 Terms of delivery</p> <p>4 Number and date of invoice</p> <p>5 Number and date of contract</p>
<p>6 Number and date of any previous Customs decision concerning boxes 7 to 9</p>	<p>Enter X where applicable</p>
<p>7 (a) Are the buyer and seller RELATED in the sense of Article 143(*) of Regulation (EEC) No. 2454/93? If 'NO', go to box 8.</p> <p>(b) Did the relationship INFLUENCE the price of the imported goods?</p> <p>(c) (reply optional) Does the transaction value of the imported goods CLOSELY APPROXIMATE to a value mentioned in Article 29 (2) (b) of Regulation (EEC) No. 2913/92? If 'YES', give details.</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p>
<p>8 (a) Are there any RESTRICTIONS as to the disposition or use of the goods by the buyer other than restrictions which:</p> <ul style="list-style-type: none"> - are imposed or required by law or by the public authorities in the Community, - limit the geographical area in which the goods may be resold, or - do not substantially affect the value of the goods? <p>(b) Is the sale or price subject to some CONDITION or CONSIDERATION for which a value cannot be determined with respect to the goods being valued?</p> <p>Specify the nature of the restrictions, conditions or considerations as appropriate:</p> <p>If the value of conditions or considerations can be determined, indicate the amount in box 11(b).</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p>
<p>9 (a) Are any ROYALTIES and LICENCE FEES related to the imported goods payable either directly or indirectly by the buyer as a condition of the sale?</p> <p>(b) Is the sale subject to an arrangement under which part of the proceeds of any subsequent RESALE, DISPOSAL or USE accrues directly or indirectly to the seller?</p> <p>If 'YES' to either of these questions, specify conditions and, if possible, indicate the amounts in boxes 15 and 16.</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p>
<p>(7) NOTES TO BOX 7</p> <p>1. PERSONS SHALL BE DEEMED TO BE RELATED ONLY IF:</p> <ul style="list-style-type: none"> (a) they are officers or directors of one another's businesses; (b) they are legally recognized partners in business; (c) they are employer and employee; (d) any person directly or indirectly owns, controls or holds 5% or more of the outstanding voting stock or shares of both of them; (e) one of them directly or indirectly controls the other; (f) both of them are directly or indirectly controlled by a third person; (g) together they directly or indirectly control a third person; or (h) they are members of the same family. <p>2. The fact that the buyer and the seller are related need not preclude the use of a transaction value (see Art. 29 (2) of Regulation (EEC) No. 2913/92 and the interpretative notes on that provision in Annex 23).</p>	<p>10(a) Number of continuation sheets D.V.1 BIS attached</p> <hr/> <p>10(b) Place:</p> <p>Date:</p> <p>Signature:</p>

C 105A

(B) (May 2000)


[CONTINUED OVERLEAF]

Valuation

Seller

Buyer

Delivery terms

EUROPEAN COMMUNITY DECLARATION OF PARTICULARS RELATING TO CUSTOMS VALUE (Method 1) D.V.1	
 <p>1 NAME AND ADDRESS OF SELLER (Block Letters)</p>	FOR OFFICIAL USE
2(a) NAME AND ADDRESS OF BUYER (Block Letters)	<p>Data Protection Act 1998</p> <p>HM Customs and Excise collects information in order to administer the taxes for which it is responsible (such as VAT, insurance premium tax, excise duties, air passenger duty, landfill tax), and for detecting and preventing crime.</p> <p>Where the law permits we may also get information about you from third parties, or give information to them, for example in order to check its accuracy, prevent or detect crime or protect public funds in other ways. These third parties may include the police, other government departments and agencies.</p>
2(b) NAME AND ADDRESS OF DECLARANT (Block Letters)	
<p>IMPORTANT NOTE</p> <p>By signing and lodging the declaration the declarant accepts responsibility for the accuracy and completeness of the particulars given on this form and on any continuation sheet lodged with it and the authenticity of any document produced in support. The declarant also accepts responsibility to supply any additional information or document necessary to establish the customs value of the goods.</p> <p>NOTE: You are advised to read Notice 251 and 252 before completing this form. Complete all applicable sections before signing Box 10(b) declaration.</p>	<p>3 Terms of delivery</p> <p>4 Number and date of invoice</p> <p>5 Number and date of contract</p>
6 Number and date of any previous Customs decision concerning boxes 7 to 9	Enter X where applicable
7 (a) Are the buyer and seller RELATED in the sense of Article 143(*) of Regulation (EEC) No. 2454/93? If 'NO', go to box 8.	<input type="checkbox"/> YES <input type="checkbox"/> NO
(b) Did the relationship INFLUENCE the price of the imported goods?	<input type="checkbox"/> YES <input type="checkbox"/> NO
(c) (Apply optional) Does the transaction value of the imported goods CLOSELY APPROXIMATE to a value mentioned in Article 29 (2) (b) of Regulation (EEC) No. 2913/92? If 'YES', give details.	<input type="checkbox"/> YES <input type="checkbox"/> NO
8 (a) Are there any RESTRICTIONS as to the disposition or use of the goods by the buyer other than restrictions which: - are imposed or required by law or by the public authorities in the Community, - limit the geographical area in which the goods may be resold, or - do not substantially affect the value of the goods?	<input type="checkbox"/> YES <input type="checkbox"/> NO
(b) Is the sale or price subject to some CONDITION or CONSIDERATION for which a value cannot be determined with respect to the goods being valued?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Specify the nature of the restrictions, conditions or considerations as appropriate:	
If the value of conditions or considerations can be determined, indicate the amount in box 11(b).	
9 (a) Are any ROYALTIES and LICENCE FEES related to the imported goods payable either directly or indirectly by the buyer as a condition of the sale?	<input type="checkbox"/> YES <input type="checkbox"/> NO
(b) Is the sale subject to an arrangement under which part of the proceeds of any subsequent RESALE, DISPOSAL or USE accrues directly or indirectly to the seller?	<input type="checkbox"/> YES <input type="checkbox"/> NO
If 'YES' to either of these questions, specify conditions and, if possible, indicate the amounts in boxes 15 and 16.	
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C 105A

(B) (May 2000)

[CONTINUED OVERLEAF]

Valuation

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

Valuation

Valuation indicators



1 NAME AND ADDRESS OF SELLER (Block Letters)	FOR OFFICIAL USE Data Protection Act 1998 HM Customs and Excise collects information in order to administer the taxes for which it is responsible (such as VAT, insurance premium tax, excise duties, air passenger duty, landfill tax), and for detecting and preventing crime. Where the law permits we may also get information about you from third parties, or give information to them, for example in order to check its accuracy, prevent or detect crime or protect public funds in other ways. These third parties may include the police, other government departments and agencies.						
2(a) NAME AND ADDRESS OF BUYER (Block Letters)							
2(b) NAME AND ADDRESS OF DECLARANT (Block Letters)							
IMPORTANT NOTE By signing and lodging the declaration the declarant accepts responsibility for the accuracy and completeness of the particulars given on this form and on any continuation sheet lodged with it and the authenticity of any document produced in support. The declarant also accepts responsibility to supply any additional information or document necessary to establish the customs value of the goods. NOTE: You are advised to read Notice 251 and 252 before completing this form. Complete all applicable sections before signing Box 10(b) declaration.	3 Terms of delivery 4 Number and date of invoice 5 Number and date of contract						
6 Number and date of any previous Customs decision concerning boxes 7 to 9							
<table border="0"> <tr> <td style="width: 80%;">7 (a) Are the buyer and seller RELATED in the sense of Article 143(*) of Regulation (EEC) No. 2454/93? If 'NO', go to box 8.</td> <td style="text-align: right;">Enter X where applicable <input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>(b) Did the relationship INFLUENCE the price of the imported goods?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>(c) (reply optional) Does the transaction value of the imported goods CLOSELY APPROXIMATE to a value mentioned in Article 29 (2) (b) of Regulation (EEC) No. 2913/92? If 'YES', give details.</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> </table>		7 (a) Are the buyer and seller RELATED in the sense of Article 143(*) of Regulation (EEC) No. 2454/93? If 'NO', go to box 8.	Enter X where applicable <input type="checkbox"/> YES <input type="checkbox"/> NO	(b) Did the relationship INFLUENCE the price of the imported goods?	<input type="checkbox"/> YES <input type="checkbox"/> NO	(c) (reply optional) Does the transaction value of the imported goods CLOSELY APPROXIMATE to a value mentioned in Article 29 (2) (b) of Regulation (EEC) No. 2913/92? If 'YES', give details.	<input type="checkbox"/> YES <input type="checkbox"/> NO
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(b) Did the relationship INFLUENCE the price of the imported goods?	<input type="checkbox"/> YES <input type="checkbox"/> NO						
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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'

Valuation

Additions and deductions

FOR OFFICIAL USE					
		Item	Item	Item	
A. Basis of calculation	11 (a) Net price in CURRENCY OF INVOICE (Price actually paid or price payable for settlement at the material time for valuation for customs purposes)				
	(b) Indirect payments - see box 8(b) (rate of exchange:				
	12 TOTAL A in NATIONAL CURRENCY				
B. ADDITIONS: Costs in NATIONAL CURRENCY NOT INCLUDED in A above (*) QUOTE BELOW previous relevant Customs decisions, if any:	13 Costs incurred by the buyer				
	(a) commissions, except buying commissions				
	(b) brokerage				
	(c) containers and packing				
	14 Goods and services supplied by the buyer free of charge or at a reduced cost for use in connection with the production and sale for export of the imported goods. The values shown represent an apportionment where appropriate.				
	(a) materials, components, parts and similar items incorporated in the imported goods				
	(b) tools, dies, moulds and similar items used in the production of the imported goods				
	(c) materials consumed in the production of the imported goods				
	(d) engineering, development, artwork, design work and plans and sketches undertaken elsewhere than in the Community and necessary for the production of the imported goods				
	15 Royalties and licence fees - see box 9 (a)				
16 Proceeds of any subsequent resale, disposal or use accruing to the seller - see box 9 (b)					
17 Costs of delivery to (place of introduction)					
(a) transport					
(b) loading and handling charges					
(c) insurance					
18 TOTAL B					
C. DEDUCTIONS: Costs in NATIONAL CURRENCY INCLUDED in A above (*)	19 Costs of transport after arrival at place of introduction				
	20 Charges for construction, erection, assembly, maintenance or technical assistance undertaken after importation				
	21 Other charges (specify)				
	22 Customs duties and taxes payable in the Community by reason of the importation or sale of the goods				
	23 TOTAL C				
24 VALUE DECLARED (A + B - C)					

(*) Where amounts are payable in FOREIGN CURRENCY, indicate in this section the amount in foreign currency and the rate of exchange by reference to each relevant element and item.

Reference	Amount	Rate of exchange

C100A Reverse(05/03)

Valuation

- Additions and Deductions [Box 45] and old Value Build-Up boxes [61 - 68]
 - Code plus value or percentage
 - National codes introduced to reflect old VBU [boxes 61-68] – sort of
 - Header and/or item level

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

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



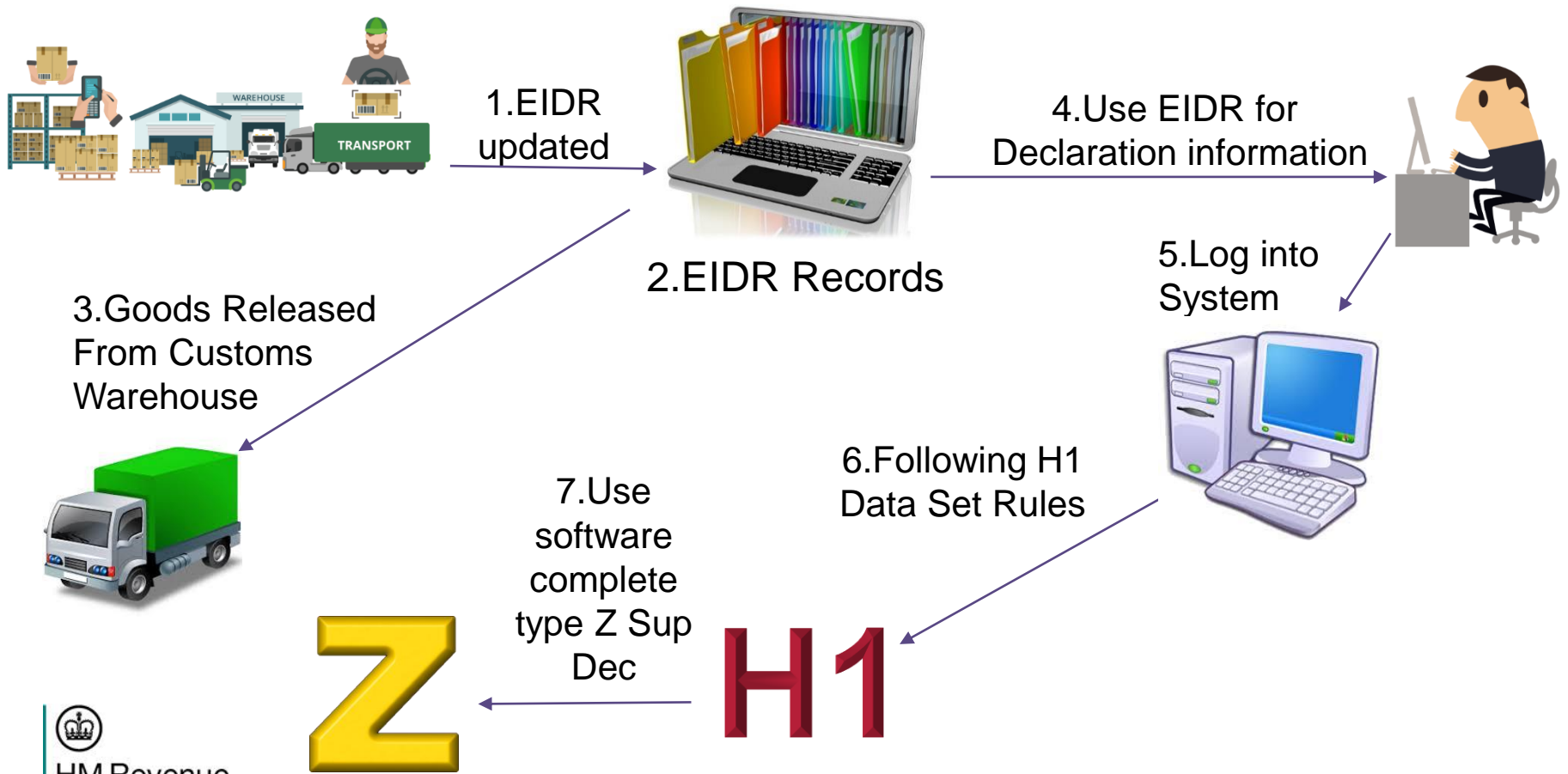
Importer is an AEO authorisation holder



Declarant and Importer are the same party (self rep)

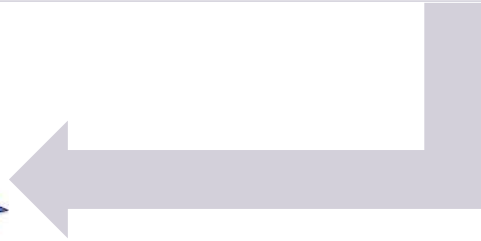


Process - H1 Removal from Customs Warehouse using Entry In Declarants Records



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 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 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 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



The Customs Declaration Service

Understanding the impact of CDS, the UCC and Brexit



Contact us



British International
Freight Association

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BRITISH INTERNATIONAL
FREIGHT ASSOCIATION



Contact us

Agency Sector Management (UK) Limited

T: +44 (0) 1784 242200

E: admin@asm.org.uk



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>