



Inward processing, Authorisation by declaration

Customs Information Paper 36 (2016)	
Who should read:	Importers, Agents, anyone involved in importing goods to the authorisation by declaration procedures.
What is it about:	Summary of common queries received since 1st May 2016
When effective:	Immediately
Extant until/ Expires	

1. Background

HMRC have received a number of queries regarding the authorisation by declaration procedures, in particular for Inward Processing.

The following guidance should assist with queries arising from using the authorisation by declaration procedure (previously known as simplified authorisations)

2. Common Queries

You are reminded that all entries to an authorisation by declaration for Inward Processing (IP) and End Use relief (EnU) must have duty and VAT secured by a guarantee.

Goods subject to Anti-Dumping cannot be entered to IP using Customs procedure Codes 5100001 or 51 00 003. If your goods are subject to anti-dumping measures you will require a full authorisation and an economic test which can take some time. You will not be able to clear goods to IP whilst waiting for an authorisation /economic test to be carried out. You should note that until you receive your full IP authorisation and the economic test has been undertaken no relief will be available. The authorisation will only be valid from the date of the economic test and cannot be granted retrospectively.

You can place a guarantee by any of the following methods which is released upon receipt of a satisfactory bill of discharge using form BOD3 or BOD4

MOP codes N-mcd paper declarations
P-agents FAS account

Q-security from deferment account
S - Security by individual guarantee
T- Security from declarants guarantee account
U -security from consignees guarantee account-standing authority
or V - security from consignees guarantee account- specific
authority

It is not possible to apply for reduction or waiver because that flexibility is possible only for comprehensive guarantee. This means that 100% of the guarantee has to be provided even if the person concerned has an AEOC status.

For those paid by deferred MCD (miscellaneous Cash Deposit) or FAS MCD, the money is debited from your account when the import entry is cleared.

If the BOD3 is submitted on time and the procedure has been operated correctly, the money taken will be repaid to the owner of the deferment/FAS account. Any charges paid by an importer to an agent in order to use their account to fund the guarantee is a commercial arrangement between the agent and Importer. Monies refunded will need to be repaid to the importer by the agent.

HMRC cannot give a timescale for repayment, it will depend on the method of payment used and the number of applications. We recommend you submit your Bill of Discharge as soon as you have re-exported the goods or declared them to free circulation.

If you select MOP S individual guarantee then you must be in possession of a CE250 applied for before import and kept and monitored by National Clearance Hub. If not one of the options above should be used .The deferment account number will be the guarantee number.

You only need to apply on a CCG1 form if you wish to set up a brand new deferment account to use as security on entries to IP by authorisation by declaration, If you already have a deferment account a CCG1 will not be required.

You are reminded that this type of authorisation may only be used a maximum of three times per calendar year. If you have reached or are likely to reach this limit you should apply for a full IP/End use authorisation using forms SP1/SP3 and submit form CCG1 now. Holding a CCG1 doesn't exempt you from the limit of three uses of this procedure. Entries exceeding this limit may be refused.

Economic Code (ECO codes). These have changed and are numbered 1 - 22.They can be found on page 735 of Commission Implementing Regulation 2015/2447. Please note HMRC cannot advise you of the correct code

3. Contacts.

Further information can be found on www.gov.uk by entering Special Procedures and also stop press notice 17 to the Tariff.

Issued on the 18 May 2016 by Customs Directorate, HMRC.

Your Charter explains what you can expect from us and what we expect from you.
For more information go to: [Your Charter](#)