

EXPORT BEST PRACTICE GUIDE

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1. Introduction

Customs Information Papers (CIP) (10) 33 and (10) 63 highlighted that, in many cases, export formalities were not being correctly completed in the UK for both Direct and Indirect Exports. The CIPs defined the main problems and outlined the strategy for dealing with the issues.

The situation has still not improved.

Following dialogue with the trade through various means including a Non Compliance Working Group representing various bodies involved in the Export process, it has been decided that an Export Best Practice Guide should be made available to all to assist trade with voluntary compliance and offer Export Unit of Expertise assistance to trade trying to become more compliant. AICES have produced guidance and reference to these documents is made within this Export Best Practice Guide.

Whilst the content isn't exhaustive we have tried to cover the major issues where areas of non compliance are occurring.

BACKGROUND

2. The Export Process

There are **four** stages to the NES export process and these are covered in the following sections:

Pre Lodgement
Presentation/Arrival/Acceptance
Processing & Clearance
Departure

3. Export Systems and Access

This document will contain references to CHIEF transaction screens and their meanings. If you use commercial software and do not have access to these within your system, your software provider will be able to advise you of the equivalent screens available to you.

NES is the HMRC system that enables exporters/agents to send their export declarations electronically. It enables exporters or third parties acting on their behalf to declare export of goods to destinations outside the EU.

CHIEF validates the data as entered, performs risk assessments to identify consignments for control checks, and communicates electronically with other Government and commercial computer systems to enable licensing controls and release of goods for export by granting Positive Clearance – Permission to Progress (P2P).

It is essential to recognise that NES is a two part system with a CHIEF declarant role making input of an un-arrived export declaration and which is stored with 'hold' status. Subsequent legal presentation or arrival is then carried out using a different CHIEF role known as the 'loader'.

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Therefore the two distinct roles are:

1. Declarant
2. Loader

It is vital that both of these roles are carried out correctly on every export to avoid non compliance with HMRC requirements.

PRE-LODGEMENT & ASPECTS RELATING TO DECLARATION INPUT

4. How do I Pre-Lodge my entry?

Declarants and Loaders have a number of options for the route to use to make export declarations:

- Email
- XML (Extensible Mark-Up Language)
- WEB form via HMRC website
- Community System Provider (CSP) and software houses.
- Paper declaration input to NES by HMRC staff (CIE)

5. Routes in to CHIEF

E-mail and XML have to be embedded within a software package; such packages are normally purchased ‘complete off the shelf’ and will link to traders’ own commercial systems. These allow the trader to pre populate fields on the declaration after suitable programming.

Web and CSP routes allow access to the relevant CHIEF transaction screens (although the CSP route is often also used with software packages).

Email - Traders can opt to send their declarations to CHIEF over the internet in the form of a normal email attachment. The trader needs an email badge from HMRC CHIEF Operations (see 43 Contact Details) which gives the necessary access rights to send and receive messages to or from CHIEF. Traders need to purchase commercial messaging software which can translate the declarations sent to and messages received from CHIEF. On receipt of the email, the message is electronically date stamped and a confirmation of receipt is sent back to the trader. Please note email cannot be used for exporting CAP goods eligible for export refund.

XML (Extensible Mark-Up Language) - XML integrates traders’ systems with CHIEF. The trader needs a CHIEF badge from CHIEF Operations and a Government Gateway digital certificate (see 43 Contact Details). The trader uses the Government Gateway to interact with CHIEF through HMRC’s Electronic Data Capture System (EDCS). Messages are received by CHIEF and replies via email to the declarant. Traders need to purchase commercial messaging software to translate the messages sent to and from CHIEF.

WEB form via HMRC website - This option is available for exporters, their agents or loaders. Traders must apply to CHIEF Operations to register with HMRC and obtain a CHIEF badge. They must also register on the Government Gateway to enable them to obtain a password and ID.

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The password and ID ensures the legal admissibility of the declaration and provides confirmation of sender information. This option has cost and time implications as each declaration, arrival or departure message has to be keyed in from scratch, so, may only suit occasional exporters.

Community System Providers (CSP) - CSPs are commercial operators of Air or Seaport community inventory systems. They maintain electronic inventories which are interfaced to other frontier supply chain systems and record and control the movement of cargo and store related information such as goods arrival and departure within each Air or Port community.

In addition to the above, CSPs also provide direct access to CHIEF for the manual input of declarations and to CHIEF's arrival and departure screens for the purpose of notifying arrival of goods (presentation to HMRC) at the Port/Airport and departure at export where this is not automatically carried out by the interfaced supply chain systems. The CSP system manages all aspects of CHIEF messaging.

In order to access CHIEF via a CSP, traders need to apply to the CSP for a badge. This badge has two elements – one to access the CSP system itself and which allows access to the port inventory system and the other to access CHIEF for declarations or loader activities.

Paper Declaration Input to NES by HMRC staff (CIE) - There are rare occasions when of necessity, the trader completes a paper version of the declaration or arrival notification with the accompanying documentation and forwards to the National Clearance Hub (NCH) for inputting into CHIEF. Please note that these entries will take longer to process than other routes into CHIEF.

6. Completion of the Pre-Lodged Export entry – box filling

Anyone wanting to complete Export declarations **must** have a good working knowledge of the Customs Tariff. Information on completing the required fields of NES can be found in Volume 3 Part 1 and details on CHIEF error codes can be found on the HMRC website. However, the following outlines the particular responsibilities of the exporter and/or a representative.

7. Role of the Exporter/ Declarant/Freight Agent

It is the legal responsibility of the declarant to ensure that goods are accurately declared and presented to HMRC prior to the goods leaving the UK. If the exporter employs a freight agent to declare goods on his behalf he must ensure he supplies them with the appropriate information to submit a legal declaration.

Below is a check list to help exporters/freight agents in avoiding Customs Civil Penalties (CCPs) (Public Notice 301) which apply to non compliance with export requirements. We have set out basic information that we feel should be provided by exporters and information to be asked for by agents.

We recommend that exporters supply the following information for each export consignment in writing to their freight agents.

Freight agents, acting as Third Parties, should routinely request the following information from exporters if not already supplied:

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- a. The exporter's UK EORI number (previously TURN) is normally the exporter's VAT number plus three extra digits. However if the exporter is not VAT registered they can apply for a non VAT EORI number for use in box 2 of the declaration.
- b. Details of to whom the goods are consigned. (name and address in full).
- c. A commercial reference that can be incorporated into the Declaration Unique Consignment Reference (DUCR) to assist with the export audit trail.
- d. Details of where the goods are to be exported that is, country of final destination.
- e. Do the goods require any type of Export Licence – have checks been made with the relevant issuing bodies e.g B.I.S, Department of Culture and Sport, CITES, RPA etc. HMRC recommends that exporters supply their representative with a formal statement to the effect that the goods are not subject to further licensing requirements, to enable the representative to enter code LIC99 in good faith. This might be achieved by way of a statement on the copy invoice or similar commercial document.

It is the responsibility of the person making the declaration to check back with the exporter and not to enter codes on their behalf without good cause.

- f. Shipping/Flight details (if known). Safety & Security data items (if required)
- g. Correct value of goods and correct currency code.
- h. Net Mass
- i. The Commodity Code if known, also a clear and unambiguous description of the goods, their quantity, marks and numbers.
- j. If the goods have been previously imported, or are later to be re-imported to a Customs Procedure, you as an agent need to know so that the correct export Customs Procedure Code (CPC) can be applied. **If an incorrect CPC is used, it can lead to any Customs relief on Duty and VAT granted at import, being lost by the exporter or yourselves.** If the appropriate CPC is known then this should be quoted on the export papers supplied by yourselves yet, as specialists, you may still wish to verify that the code quoted is correct.
- k. Any reference numbers previously issued by Customs such as Inward Processing Relief, Outward Processing Relief authorisations or previous declarations should also be provided.

Having checked the details supplied from the trader/exporter we recommend agents also consider the following:

- Where a UK EORI number is not provided, confirm that the Exporter is not registered and give consideration to the correct procedure to be used for the goods such as is the export a private export or, if commercial, the exporter should contact the EORI team at eori@hmrc.gsi.gov.uk **Incorrect use of PR or UNREG terms may restrict your clients ability to zero rate their goods for VAT purposes – please refer to the Tariff Vol 3 Part 1 for guidance on correct usage.**

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- Check that the destination is a Third Country and not an EU Member State. Many exporters are unaware of which countries are members of the European Union and look to their agents to confirm whether the goods qualify as exports.
- Ensure that an item is entered for each Commodity and not bulked for convenience.
- Ensure that a declaration is made for each exporter and not bulked for convenience (unless approved to do so within MOU approved procedures). Where identity of the exporter cannot be confirmed VAT zero rating may be affected.
- When receiving details from your customers please use any DUCR provided. If a DUCR is not provided then the guidance in the Tariff should be followed. In the Air environment AWB numbers are often used in the latter part of the DUCR yet in other freight areas it is helpful, for audit purposes, to use exporters commercial reference(s).

Owing to the increased use of official electronic records by HM Revenue & Customs (HMRC), we strongly recommend that, to assist exporters, the actual DUCR/MUCR used or the CHIEF Export Entry Reference (EPU, Entry Number and Date) is notified to your clients. We need to be able to trace the shipment through the traders' records to enable us to help verify claims for VAT zero rating on exports.

If you are an exporter it is suggested that you obtain and hold sufficient evidence to confirm that goods were declared correctly to HMRC and that it supports VAT zero rating.

Many shipments are notified via inventory booking references so these are also worth confirming with Port loaders – these are known to CHIEF as Movement References. Where goods have been consolidated, the higher level MUCR should always be used.

The information above is a guide to assist you, the Freight Agent, in submitting accurate exports declarations to Customs. This, in turn, should give your customers better, quality evidence of export, which will further assist them when zero rating their exports for VAT.

Ex-works

When a company sells goods but does not arrange the exportation of those goods, these are termed “ex-works” sales. The seller views the sales as being at the “factory gates” and the purchaser usually arranges removal and shipping of the goods.

If a company established outside the Community has ownership or similar rights of disposal over the goods the contracting party in the Community is regarded as the exporter for Customs purposes.

For example: Company A (established in the EU) sells goods to Company B (3rd Country Company) ex-works. Company B arranges for Company C (UK freight agent) to remove and ship goods to Company B outside the EU.

The export declaration would be completed as follows:

Box 2- Exporter/Consignor: Company A

Box 14 -Declarant: Company C

Box 20 Delivery terms EXW

Box 44 Additional Information Company B NB. Tariff note will be changed to reflect this.

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We would expect the agent to be an indirect representative for the 3rd Country purchaser, as the 3rd Country purchaser cannot legally be the declarant as it is not established in the EU. Exporters would need to make provisions in their ex-works contracts to ensure that a copy of the export declaration is made available to them as they will have a continuing responsibility to ensure the export of the goods for VAT zero rating.

8. Associations/Consolidations

Although goods transported by any means of transport can be associated with MUCRs, all goods being exported by Air **must** be associated to a MUCR.

Master UCRs in the maritime environment are normally used to associate or link several Declaration UCRs – for example when a number of consignments from different exporters, each of whom has a DUCR are consolidated into a single container. Rather than quoting many individual UCRs for each container – CSPs, Consolidators etc can advise CHIEF through the arrival message that each of the UCRs within the container are associated to a single MUCR.

Associations can be done:

- At the time of the declaration – by advising the Declaration UCR and Master UCR in Box 44
- By using the appropriate association screen within CHIEF – AEAC.

It is also important to note that Master UCRs must be ‘closed’ before they can be processed properly, to confirm that no more DUCRs are to be added - this is also carried out using CHIEF transaction AEAC or ACST.

9. Amendment Procedure

An export entry can be amended electronically using the CHIEF transaction AEXD providing that the entry hasn't been finalised i.e. departed. In some instances you may not be able to amend details on your entry e.g. CPCs that are in different series. In these circumstances you would need to cancel your entry and re-submit correctly.

Once goods have been cleared for export and have departed the UK the only way of amending details of an export will be by completing the form C81 and submitting to the SATU (Statistics and Analysis of Trade Unit) – copies of this form can be found on our website www.hmrc.gov.uk Please note that this form is required for purely statistical purposes only and will NOT amend the details you have submitted electronically on your entry.

10. What if I export goods via Other Member States and they are travelling under a Single Transport Contract (STC)?

The completion of box 29 and the printing of the EAD are **not** required when the UK export goods are exiting the EU via another Member State but travelling under a single transport contract (STC).

A single transport contract can best be described as a through bill of lading (sea) or a through airway bill (air) where the commercial contract with the carrier is end to end. It covers the various legs of the journey between the exporting country (UK) and the final destination outside the EU. STC must be claimed by the exporter by entering a specific code in the additional information box (box 44) of the export declaration - the AI code to use is STC99.

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When STC is claimed, it allows the UK to operate as both Office of Export and Office of Exit so the formalities of the Office of Exit are completed here in the UK.

Declarants should check with their freight forwarder or ocean carrier as to whether STC should be claimed. It is not possible to claim STC where final exit from the EU is to be by road

11. How do I exit goods being exported from Other Member States where the UK is the Office of Exit?

Where indirect export consignments from Other Member States are leaving the EU via the UK, and they are not travelling under Single Transport Contract terms, the UK will be required to carry out Office of Exit processing. This will be notified to HMRC by an electronic message from the export Member State and an Export Accompanying Document (EAD) should travel with the consignment to the UK.

A C21 should be input to CHIEF using CPC 1000043 and which must include the MRN of the EAD. The UCR for the C21 must then be passed to the Loader for export presentation so that normal arrival and departure processing can take place - this will give HMRC the opportunity to consider whether risk-based physical substitution checks may be necessary. Once the UCR has been departed by the loader, the EAD and supporting documentation (e.g. CHIEF S8 output) must be sent to the ECS Helpdesk in Harwich so that they can respond to the initial message from the export Member State so finalising the export movement. For CAP goods use CPC 1000044 and a T5 – see Tariff Vol 3 Appendix E.

From a UK perspective, Office of Exit processing as described above will most often have to be used for goods being exported from Eire via the UK. However, most export consignments leaving in this way are actually travelling under Single Transport Contract terms and should simply be cleared through their UK exit location using CSP local processing procedures. If CSP local processing is not available at an exit location, the release of STC consignments can be facilitated using a C21 and CPC 1000047 which must be arrived and departed by the loader in the normal way.

Documents originating in Eire that look like EADs but which do not have a bar code on or show the Office of Exit code as being IEDUB100, should not be sent to the ECS Helpdesk but be treated as being under STC.

12. Requirements for Exit Summary Declarations - EXS

The requirement to complete a Safety and Security (EXS) declaration came into effect 1st Jan 2011. An EXS is necessary for consignments exiting the EU when no other type of CHIEF export declaration is required and uses a specific CHIEF input format (IEXS). The input of an EXS still includes the need for a DUCR which has to be arrived and departed in the usual way.

Responsibility for lodging the EXS declaration will usually be with the carrier as there may either be no UK exporter, or the exporter will not be aware that there is an EXS requirement. Three principle instances of when an EXS is required are described below:

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- Goods in temporary storage or a free zone are to be exported and have been in the EU for more than 14 calendar days or the exporting carrier is not aware of the original ICS Safety & Security declaration.
- UK goods going to another Member State but being physically transhipped in a third country on the way. (e.g. from the UK port of Felixstowe, unloaded at the Egyptian port of Alexandria for loading to a new vessel bound for Limassol in Cyprus) .
- Where the carrier is being paid to move shipper owned empty containers rather than repositioning their own. The EXS requirement may be met by the container owner who will then provide DUCRs to the carrier.

13. Housekeeping

HMRC are proactively tackling areas of Export non-compliance including monitoring the number of X9 deletions that are currently at an unacceptable level. Companies with the highest percentage of deletions are being contacted as part of a rolling programme and have three months to address the areas of non-compliance and put forward their proposed action plans and revised working practices. One of the key areas where X9 deletions are occurring is where there is a lack of housekeeping on export data submitted to CHIEF.

Sometimes pre-lodged declarations are made where exports are not completed e.g. change of contract. **Once data is put onto CHIEF it will expect further action to be taken. This pre lodgement will only stay on CHIEF for 60 days after which it will be deleted if no further action is taken on it. See appendix C.**

It is therefore **imperative** that regular housekeeping is carried out to avoid any unnecessary deletions from occurring and thus putting additional administrative burden on companies who are deemed to be non-compliant with the Export procedure and may be selected for an Assurance visit by Officers of HMRC. It should also be noted that failure to be compliant with the Export procedure may affect any approvals you currently hold or are applying for e.g. Approved Economic Operator (AEO).

PRESENTATION/ARRIVAL

14. What does Legal Acceptance mean and what are the key stages up to it?

At the **arrival** stage the entry is **legally accepted** and the date & time of the entry is established and validation performed on the declaration details.

15. How are goods presented to Customs?

Notification of the arrival of goods at the required Customs location for control (presentation of goods) is done by means of an electronic arrival message to CHIEF

The arrival message may be sent to CHIEF by:

- Automatic CSP processing at inventory linked locations where real-time information is provided by other integrated supply chain systems - this will be the situation at almost all major Airports and Container Ports.

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- An approved operator. This is a Port Operator or person who is responsible for putting the goods on the vessel and who has been granted the status of a 'loader' by HMRC. This will often be the situation at smaller frontier locations, particularly handling bulk goods or at some Roll On/Roll Off (ferry port) locations. Application to have loader status, at specific locations, is made by the submission of a written request to the National Clearance Hub (NCH) for approval.
- HMRC, where no commercial electronic links are available, by submitting form C1601 to the NCH. In this case, HMRC performs the role of the loader and inputs the arrival message to CHIEF on the exporters' or the representatives' behalf.

16. What are the types of Loaders approved in the UK?

A) Inventory system loaders

At the major maritime inventory linked locations, the Carrier creates a booking record on the CSP inventory system which will (at some point) include the UCR provided by his customer (an Exporter or Freight Agent).

Independently, the Port Operator who has physical control of goods at his location, updates his own system (which in turn updates the CSP booking record with dates and the relevant CHIEF Freight Location) when the consignment to which it relates physically arrives. Subject to a CHIEF P2P being passed back via the CSP system, the Port Operator's own systems then updates the Carrier's booking record on the inventory system to indicate that the consignment has been loaded to an identified vessel and is subsequently departed.

So it is the actions of the Port Operator that automatically cause the messages to be sent but the initial actions of the Carrier which defines to which UCR these subsequent actions apply.

Similar inventory linked processing is in place at most major airports.

Maritime CSPs also provide simplified packages for the Operators of smaller ports which can be used to create a simplified vessel inventory record based on UCRs provided by their Declarant customers. The Operators then update this simplified inventory showing arrival and departure events as these physically occur.

Wherever loader processing is carried out via a CSP inventory system in this manner, an additional cross- reference will be stored by CHIEF. As this relates to the physical movement of all or parts of a consignment, it is known as the Movement Reference and links back to the originating CSP system. A consignment loaded in many containers will have many Movement References – one for each container. A list of Movement References assigned to a particular DUCR or MUCR can be seen on CHIEF screen LMOV.

B) Direct Loaders

Where the volumes of export traffic do not seem to justify use of an inventory system, the Operators of smaller airports, ports and harbours can acquire a CHIEF Loader role which accesses CHIEF either via a CSP or the WEX channels (Web/E-mail/XML).

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This enables them to key directly into the CHIEF AEAL (arrival) and AEDL (departure) screens.

C) Customs as a Loader

AEAL inputs are made to CHIEF by the HMRC National Clearance Hub upon receipt of a faxed C1601 form (Export Presentation) showing one or more UCRs.

"Once a consignment has been presented to Customs by the input of an arrival message against a CHIEF export declaration, it becomes the subject of Customs supervision. As such, any person submitting a C1601 which will cause the NCH to input an arrival message and so place the consignment under Customs supervision, must be a position to know that the consignment is in a controlled area from which it cannot leave until positive clearance has been granted".

17. When must the arrival message be sent?

Only when the goods arrive at the Port or Airport or Designated Export Place (DEP) can an arrival message be input to CHIEF, as this message informs CHIEF that the goods are available for inspection.

18. What information must the arrival message contain?

1. Unique consignment reference number (UCR) or
CHIEF entry reference (EPU, entry number & date), or
Movement Reference Number (MRN)
2. Date and time of arrival, and
3. Location of goods. The location information is in the form of a code. These codes can be found in Volume 3 Appendix C2 of the Tariff.

At inventory linked locations, items 2. and 3. are automatically derived from the CSP system.

19. What happens after arrival?

On acceptance of the arrival message, CHIEF re-examines and re-validates the data in the declaration.

CHIEF will allocate one of the following routes

Route 0 – Route not yet known

Route 1 – Supporting documents to be examined

Route 2 – Documents and Goods to be examined

Route 3 – Permission to Progress – Subject to post clearance checks

Route 6 – Permission to Progress – no post clearance checks

Route F – Applies to entries with unresolved FEC (Front End Credibility) failures

FEC is a mechanism on CHIEF whereby apparently incredible data is identified in response to the submission of a declaration. Traders submitting declarations online that fail the CHIEF credibility checks will see the credibility failure reason on their screen. They then have the option to advise that the data is correct (by entering C on the screen) or can amend the data and re-submit the declaration. Traders connected to CHIEF through a CSP or commercial software package should refer to them for guidance.

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Permission to Progress (P2P) will be automatic in the event of a route 3 or 6. If the entry is routed 1 or 2 it will be granted only after satisfactory examination of the documentation and/or goods.

Permission to Progress means that the export entry has been cleared and the goods may now be loaded for transport. A P2P message is sent electronically to the person making the export declaration.

This is known as **positive clearance**. It means that CHIEF/HMRC has given specific notification that the goods are cleared for exportation.

20. What does the P2P message mean for Direct/Indirect Exports?

A direct export is where the goods leave the EU directly from the UK. The Office of Export where the goods are declared for export, and the Office of Exit, where the goods actually leave the EU, are one and the same office in the UK. Once P2P is granted the goods may be physically loaded onto the vessel, plane or other mode of transport for export out of the UK. Within CHIEF the status of the entry (SOE) after P2P, is shown as SOE 7. This confirms that goods have been cleared for export

Goods travelling as an indirect export (where they leave the EU via another Member State) **must show** the intended Office of Exit code in box 29 of the declaration. Goods moving from the UK under STC (Single Transport Contract) should follow the procedures in paragraph 10. The Office of Exit codes can be found in EU's Customs Office List (COL) and can be found on the Europa website.

http://ec.europa.eu/taxation_customs/common/databases/index_en.htm

The completion of box 29 on the declaration will generate an electronic message to the Office of Exit (Other Member State) when P2P is granted in the UK. Failure to obtain P2P will mean that the Office of Exit will not be notified and may well result in your goods being returned to the UK.

A travelling paper copy of the declaration, known as the 'Export Accompanying Document' (EAD) is produced and travels with the goods. This copy will contain a MRN and bar code.

21. What is an MRN?

The Movement Reference Number (MRN) will be automatically generated by CHIEF at the same time as the entry number. The MRN is used to identify the consignment within the EU and, specifically, at the Office of Exit. MRNs are issued for **all exports** - both direct and indirect this is in case they convert to an indirect export later. It is important to note that any amendment to the export declaration will result in the production of a new MRN. It may cause difficulties if the goods are in transit and have the original MRN when they arrive at the office of exit as they will need to produce the latest MRN.

22. What is an EAD?

An EAD is the Export Accompanying Document that includes a bar code of consignment information, including the MRN and declared Office of Exit (box 29). This travels with the goods to the Office of Exit for control purposes for indirect exports.

The Printing of an EAD does not signify UK Customs Clearance to travel to EU place of Exit

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23. React to routes appropriately

Businesses involved in the exportation of goods must have systems and processes in place that enable them to properly respond to instructions issued by HMRC and UKBA. In particular, businesses must be able to react to the 'route' allocated by CHIEF, by taking appropriate action to set aside goods which have been selected for Customs checks. Failure to do so is a transgression which is likely to incur a civil penalty.

24. What if Route 1 or 2 is assigned against part of a consolidated consignment?

Once the goods are identified the Loader or person responsible for taking the goods into Customs Control should ensure that they are physically removed from the consignment and stored securely. The Exporter cannot have access to these goods without permission from HMRC as they are deemed to be under Customs Supervision. If the goods are incorrectly loaded for export at this stage then this is deemed to be an 'Unauthorised Removal' and likely to incur a penalty.

If the consolidation needs to be exported before P2P can be granted on one routed entry associated within it, the DUCR without P2P must be dis-associated from the MUCR. It is the responsibility of whoever submitted the arrival message to complete the dis-association. See appendix 'A'

25. Respond to queries electronically.

Any query that is raised electronically against your entry for example by the NCH/UKBA using the transaction code AQIE **must** be responded to using the same transaction or an amendment using AEXD otherwise this will affect the finalisation of your export entry. Failure to reply to the query will mean that the entry will be deleted from CHIEF after 6 months and therefore no legal declaration will exist for the goods. This will be shown as an ICS Code 06.

26. Need for arrival message to cover the right goods – What can go wrong?

Associating DUCRs to MUCRs incorrectly (or not at all)

Where declarations are grouped together under a Master UCR, some declarations can inadvertently be missed. If a declaration has not been associated to a Master UCR (or to the right MUCR) then subsequent arrival messages will not process that declaration and the data will remain un-arrived and non compliant with export procedure. Consolidators must also ensure that where MUCRs are used, the top level MUCR is provided to the Loader and not a lower level MUCR or individual DUCR.

Traders can check on their associations by using the DCON (Display consignments) screen within CHIEF – if used prior to presenting goods for export then any errors or omissions can be rectified at that time.

Mis-typed UCRs

A UCR can be up to 35 characters long (see Tariff volume 3 part 1.6 for format). Where a UCR is transmitted manually to a Carrier, Transit Shed Operator (TSO), DEP etc the risk exists of it being read out or keyed incorrectly and extreme care should be exercised to get the number right.

27. What if no arrival message is received?

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When data is entered to CHIEF for export and no arrival message is sent, Customs will alert the Submitting Trader i.e. the person placing the data onto CHIEF, using an automated print (P9) that outlines the fact that action needs to be taken.

The generation of this print takes place 22 days after the data is first entered onto CHIEF.

Please refer to Appendix C on the appropriate action to be followed.

28. What happens if Export declarations are not arrived but goods are already exported?

In the event of the goods being shipped without P2P an application should be made on form C1601 to the NCH for consideration of 'Retrospective Arrival'. This enables HMRC to process a retrospective declaration for export.

You will need to provide –

- Details of the Export UCR
- Export Entry reference number i.e. EPU-Number-date
- Letter of explanation – quoting the reason for non-arrival
- C1601 detailing the export goods in question and references
- Certified Copy of Bill of Lading or Airway bill

Additionally the NCH may call for additional paperwork at their discretion.

29. What happens if Export declarations are not arrived and goods have already been removed from the UK to the Office of Exit in Other Member States?

Failure to arrive goods destined for OMS (indirect export) means that no notification is sent of their impending arrival.

Customs authorities in OMS are increasingly concerned at instances of UK goods turning up at Offices of Exit elsewhere in the EU without evidence of export formalities having been completed correctly.

Customs at Offices of Exit in OMS are taking a stronger line with UK exports which appear non compliant and are not allowing these goods to move forward. They are requesting that they are returned to the UK, incurring significant costs to the Carrier. HMRC cannot stop OMS Customs from doing this, especially as the goods in question have clearly not been presented to Customs prior to export by means of an 'arrival' message in CHIEF. It is, therefore, of paramount importance that those involved in the export process ensure that export goods **are properly arrived** on CHIEF and given permission to progress prior to shipment from the UK.

Note – Retrospective Arrival for indirect exports cannot be permitted if the goods are under control at the EU Customs Office of Exit.

Indirect Exports – Goods being Exported via OMS

30. How do Customs in the other Member States know that my goods are being exported through their country?

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By completing Box 29 of the export declaration and showing the intended Office of Exit code **AND** ensuring that goods have been properly presented to Customs in the UK by means of an arrival message an Anticipated Export Record (AER) message will be sent to the ECS system of the Member State shown in Box 29 to say that 'the goods are on their way'. This message will include the MRN and other details that allow the Office of Exit to identify the goods when they arrive at the EU frontier.

Failure to comply with these formalities may result in goods being returned from the OMS to UK. If your goods are returned to the UK you will need to cancel your original entry and submit a new declaration.

PROCESSING & CLEARANCE

31. What happens once my goods are given P2P and leave the UK via another Member State for export – is this the final stage of my export entry?

Clearance from the UK Office of Export is **NOT** the final stage. The EAD will travel with the goods to the Place of Exit from the Community. At the Office of Exit the EAD should be presented for validation by Customs, who will then send an electronic message via their systems to CHIEF in the UK verifying the export. Substitution checks may be done to ensure the goods declared in UK are the same goods exiting the EU.

32. Diversion – If I change my Office of Exit do I have to do anything?

If the Office of Exit declared changes because of a change of route then the exporter doesn't need to make any changes. The Actual Office of Exit has the function within the Export Control System (ECS) to register a "diversion" to that different exit office

33. What if goods arrived require a licence – How do I get Customs release to withdraw goods from Frontier until a licence is obtained?

Once goods are arrived at the UK Office of Exit they are deemed to be in 'Customs control'. If you need the goods to be returned you will need to contact the National Clearance Hub to obtain release authority. Once permission has been granted the NCH will frustrate your entry to show that goods have been 'Returned Inland' – Status of Entry D. When a licence has been received for the goods you can amend your entry to show the licence details and present the goods for export. **See appendix 'B'**

DEPARTURE

34. What is a departure message?

Required for direct exports, it is a message sent to CHIEF once the vessel, ship or other mode of transport with the export goods has departed the UK that confirms the goods were actually exported from the EU.

35. How is a departure message sent?

The departure message may be sent to CHIEF by:

- Automatic CSP processing at inventory linked locations where real-time information is provided by other integrated supply chain systems - this will be the situation at almost all major Airports and Container Ports.

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- An approved operator. This is a Port Operator or person who is responsible for putting the goods on the vessel and who has been granted the status of a 'loader' by HMRC. This will often be the situation at smaller frontier locations, particularly handling bulk goods or at some Roll On/Roll Off (ferry port) locations. Application to have loader status, at specific locations, is made by the submission of a written request to the National Clearance Hub (NCH) for approval.
- HMRC, where no commercial electronic links are available, by submitting form C1601 to the NCH. In this case, HMRC performs the role of the loader and inputs the departure message to CHIEF on the exporters' or the representatives' behalf.

36. What information must a departure message contain?

1. UCR or CHIEF reference,
2. Place of loading (code found in Vol. 3 Appendix C2 of Tariff),
3. Date of departure,
4. Flag code (country code for the nationality of the vessel, flight or train found in Vol. 3 Appendix C1 of Tariff),
5. Vessels name/ flight or train number,
6. Mode of transport code (Found in Vol. 3. Part 1.9.16b) SAD boxes of Tariff

At inventory linked locations, all these data items are automatically derived from the CSP system.

37. Why is the Departure message important?

The goods departure message forms an integral part of NES. It provides HMRC with a level of assurance that the goods have actually left the EU. This is particularly important where exporters are claiming export refunds, duty reliefs and VAT zero rating.

38. How can I see if goods have been departed on CHIEF?

Once the Departure message has been accepted by CHIEF, CHIEF will send copies of the Movement Departure Advice (S8) to the persons who input the declaration -Submitting Trader. In addition the status of the entry in CHIEF will change to SOE 8.

39. If I have sent a departure message in error how can I put it right?

You should contact the NCH as soon as the error has been detected with a letter of explanation. They will assess each case on its merit and action accordingly

40. Can we depart without arrival message?

No, you must not send a departure message for goods that haven't been formally presented to Customs by means of an Arrival message. This is a serious breach of compliance which will result in your pre-lodged data being deleted and it may be deemed to be an unauthorised removal.

41. If ECS doesn't confirm exit but I know that goods have left the EU how do I put this right – get proof of exit/export.

Every effort should be made to have the export declaration discharged electronically by presentation of the Export Accompanying Document (EAD) to the authorities at the Office of

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Exit. Where an ECS movement has been initiated, it must in due course be closed. If an indirect export remains unclosed for a period of time the following process is initiated:

Once 45 days have elapsed from Permission to Progress and no completion message from another Member State has been received, CHIEF will generate a new report S0 (zero) to the declarant. The CHIEF status (ICS) of the declaration will now change to 56.

The S0 report is to remind the declarant that the ECS movement has not been completed and advises of the necessity to take further action. The message generated by the S0 report is as follows:

'No Official evidence of exit of this indirect export from the EU has been received. This ECS movement is now under the control of the UK ECS Helpdesk at Harwich. Please email evidence of the status of this export to Harwich at the address listed on the ECS web page. **NB:** This ECS record will be cancelled if no response is received'.

This may require the declarant or his representative to provide information to the UK ECS Helpdesk at Harwich if, for example, the goods left the UK for direct export to a third country or exited via an Office of Exit different to that declared on the export declaration. Evidence of **exit from the EU** in the manner of Airway Bills / Certs of Shipment / Export entries from the EU may be sent to the ECS Helpdesk at Harwich by email. The email address for the ECS Helpdesk at Harwich is ECS.Helpdesk@hmrc.gsi.gov.uk.

If there has been no satisfactory resolution of the ECS movement within 150 days of Permission to Progress being received, it will be cancelled on ECS.

42. What is acceptable Evidence of Export?

42a Evidence to claim VAT zero rating.

To claim Zero rating for exports outside the EU you must provide evidence. You can either provide official evidence or commercial evidence supported by supplementary evidence. Examples of official evidence, commercial evidence and supplementary documentation are shown in the table below:

Official Evidence	A goods departed message (S8 report) generated by the National Export System this will show either ICS code 60 (departure from UK) or ICS 62 (exit of an indirect export from the EU). NES users can request access to run progress reports by e mailing chief.operations@hmrc.gsi.gov .
	A CHIEF DEVD (HCI) screen print select option 2 or DEV (EDI) screen print displaying the customs entry number and SOE 8 plus a matching copy of the export declaration.
	A Single Administrative Document (form C88) endorsed by Customs at the point of exit from the EU.
Commercial Evidence:	authenticated sea-waybills
	authenticated air-waybills
	PIM/PIEX international consignment notes
	master air-waybills or bills of lading
	certificates of shipment containing full details of the consignment

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	and how it left the EU
	International Consignment Note fully completed by the consignor, the haulier and the receiving consignee
	Freight Transport Association own account transport documents fully completed and signed by the receiving customer
	In addition to the proof of export, you need to provide enough supplementary evidence to prove that the transaction has taken place, for example some or all of the following:
Supplementary Documents	customer's order
	sales contract
	correspondence
	copy of export sales invoice
	advice note
	consignment note
	packing list
	insurance and freight charges documentation
	evidence of payment
	evidence of receipt of the goods abroad

Whether official or commercial, the proof of export must in all cases show;

- the supplier;
- the consignor if different
- the customer;
- an accurate description of the goods (including the means of identification such as serial numbers);
- An accurate value
- The export destination
- The mode of transport and route.

Photocopies of transport documents are not normally acceptable as evidence of removal.

Time Limits

For your goods to be zero rated, the goods must be physically exported from the EU within three months of the time of supply. In most cases the time of supply is the date you sent the goods to your customer or your customer took them away, or the date you receive full payment for the goods, whichever is the earlier.

You must also obtain the necessary evidence within three months of the time of supply. An extension to six months is allowed for goods sent for processing or incorporation and also for the export of thoroughbred racehorses.

For further information see public notice 703.

42b What evidence do I need for entitlement to IPR (Inward Processing Relief)

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Type of Export	Evidence Required	See public notice 221
(a) Direct export/re-export using LCP at your own premises or SDP at a DEP/ICD	Suspension – PSA & P2P Drawback – evidence of entry to CT	Paragraph 39.1
(b) Indirect export/re-export using LCP at your own premises or SDP at a DEP/ICD	Suspension – PSA & P2P Drawback – evidence of entry to CT	Paragraph 39.2
(c) Direct export/re-export using SDP/full declaration at the UK frontier	Goods Departed Message, SAD copy 3 and commercial evidence (see below).	Paragraph 39.3
(d) Indirect export/re-export using SDP/full declaration at the UK frontier	SDP PSA & P2P or evidence of entry to CT	Paragraph 39.4
(e) Indirect export/re-export via EC office of exit using the arrangements	Stamped SAD copy 3 (or copy 3 equivalent) from the Member State of export	Paragraph 39.5
(f) Direct/indirect export/re-export using CT	Evidence of entry to CT	Paragraph 39.6 and 39.7

Under methods (c) (d) and (e) above, you will be using the arrangements to move your goods from your premises to the office where the goods are entered to the export procedure - see public notice 221, paragraph 9.2

Type of export	Evidence required	Note
Merchandise in baggage (MiB) or private motor vehicle	Copy 2 and copy 3 of Form C88 (SAD) must be presented to the officer at the place of export from the EU for certification of shipment on the reverse of copy 3. Copy 3 will be handed back to you as evidence of export for retention in your records.	See public notice 6
Re-export or export in diplomatic bags	An official written undertaking, signed and stamped by a competent Foreign and Commonwealth	

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	Office official, stating goods have been re-exported/exported from the EC should be obtained.	
Sales to diplomats	A receipt on the headed notepaper of the Embassy, Consulate etc or bearing an official stamp is sufficient evidence to discharge IPR.	

42c Evidence of disposal of TA (Temporary Admission) goods (see Public Notice 200)

When you dispose of TA goods you must keep the following evidence. This should be supported by commercial records clearly identifying the goods. Re-export C88 (SAD) declarations must be made using CPC 31 53 000.

If you use an agent, freight forwarder or fast parcel operator to complete entries on your behalf, they must provide you with the official evidence of disposal or a reference to the official evidence.

Type of disposal	Evidence required	Note
C88 (SAD) declaration for re-export outside the EU from the UK.	the 'Goods Departed Message' (available via CHIEF), or commercial documents that include the Declaration Unique Reference number (DUCR) (commercial documents without a reference to the DUCR cannot be accepted	The Goods Departed Message or DUCR only provide the start of an audit trail needed to carry out checks to verify that goods were re-exported using the correct CPC.
Re-export outside the EU via another EU Country, see paragraph 7.3 notice 200.	a copy of the NCTS acceptance advice or Transit accompanying document (TAD), or	
	export accompanying document (EAD) endorsed by the EU Country where the goods left the EU, or	
	an INF6 stamped by the office of discharge in the EU Country of exit from the EU.	
Re-export outside the EU as	Copy 3 of Form C88 (SAD)	

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accompanying baggage.	presented to the export officer at the place of export from the EU for certification of shipment.	
Transfer to a TA full, single or integrated authorisation holder using the 'three SAD copies' procedure, see paragraphs 6.4 notice 200	SAD copy 1 and the commercial receipt issued by the consignee	
Re-export of goods entered by oral declaration (see paragraph 7.4 notice 200).	C108/inventory document endorsed by UKBA at re-export.	

42d Customs Warehousing - What is the evidence of 'official release' of the goods? (see Public Notice 232)

Warehousing action	Evidence required	Note
Customs Warehousing – Manual declarations	A copy of the form C88, or a removal note on form C130, certified by HMRC.	See Public Notice 232
Customs Warehousing Electronic Direct Trader Input (DTI) declarations,	A copy of the CHIEF Display Entry Versions Details (DEVD) screen print, E2 and a plain paper copy 6 C88.	
Closure of the warehousing stock accounts	Goods removed for re-export are not to be closed in the stock records until satisfactory evidence of discharge of the warehousing arrangements have been received. Where Community Transit has not been used the primary evidence is the goods departure message or S8 report where goods have exited from another Member State. However, in exceptional circumstances we may accept a commercial equivalent if the export declaration or goods departure message cannot be obtained.	Refer to Public Notice 232, paragraph 1.16 If you use a commercial document as evidence or re-export you should ensure that the document includes a reference to the re-export declaration entry number. Commercial documents without this reference number cannot be accepted, as they do not identify the goods were correctly declared as re-exportation of customs warehousing goods.

42e. Evidence for claiming CAP Export Refund

Usually evidence to claim CAP export refund is provided when the NES CAP export declaration with a departure message is transferred electronically from CHIEF to the RPA computer system.

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However if a departure message has not been entered to CHIEF the RPA will request additional proof of export. For direct exports this is by a customs certified C1222 form available from the National Clearance Hub. Customs will need to see commercial evidence of export such as a bill of lading before issuing a C1222.

For indirect exports via another member state the goods must be accompanied by a completed T5 form which is certified by customs at the office of exit then sent to the RPA. (See RPA website RPA.defra.gov for further details).

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REFERENCE

43. Contact Information

Customs Tariff – Volume 3 Part 1

HMRC website – www.hmrc.gov.uk

Customs Information Papers (CIP's) available from our website

NES Helpdesk – Unit of Expertise 02920 326371 & email export.enquiries@hmrc.gsi.gov.uk

NCH – 0845 001 0085 Tel 0800 496 0699 Fax

ECS Helpdesk – 01255 244709 & e-mail ecs.helpdesk@hmrc.gsi.gov.uk

EUROPA website – www.europa.eu

CHIEF Operations – chief.operations@hmrc.gsi.gov.uk (if you are using commercial software contact your provider first to confirm there are no software issues)

Government Gateway – www.gateway.gov.uk

Your rights and obligations

Your Charter explains what you can expect from us and what we expect from you. For more information go to www.hmrc.gov.uk/charter

44. Glossary

Acceptance: Acceptance of a declaration occurs when a valid declaration is processed by CHIEF and the goods are available for inspection.

Agent: A person appointed to represent another in their dealings with Customs. Legally representation may be either direct or indirect. (also see the definition of 'Representative' below).

Arrival Message: When declarations have been pre-logged and the goods subsequently arrive at the frontier, a message must be sent to CHIEF to update the entry. This 'Arrival message' tells CHIEF that the goods are now at the port/airport and are available for inspection. The 'arrival message' formally places the pre-logged declaration under Customs control and the legal acceptance date and time of the entry is established and validation performed on the declaration details. The manual CHIEF transaction for this is AEAL but will be shown as EEAL where the arrival message has been sent from another system or a software package.

Badge: A systems users unique identifier allocated to Exporters, Agents and Loaders granting them permission to use CHIEF either directly or via a CSP.

CAP: Common Agricultural Policy of the European Union.

CHIEF: Customs Handling of Import and Export Freight. A computer entry processing system.

CIE: Customs Input Entry.

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Clear/clearance: The clearance of a declaration occurs when customs have accepted and formally released the goods for export.

Computerised Inventory System: A computerised system that provides a range of functions including the arrival and departure of consignments within premises or a designated area. See also CSP.

Community System Provider (CSPs) – a small group of companies that provide direct access to CHIEF and community network services to specific port/airport communities of which HMRC/UKBA form a part, along with Other Government Agencies and commercial logistics entities such as freight forwarders, shipping lines, temporary storage facility operators and haulage companies. (for details see ‘Trade Commercial Contacts’ on HMRC website).

Declarant: The person legally responsible for the accuracy of the information given in the declaration, the authenticity of the documents which relate to it and, compliance with all the obligations relating to the entry of the goods under the procedure concerned.

Declaration: A declaration made in the appropriate form to customs indicating the intention of the declarant to declare goods to the export procedure.

Declaration Unique Consignment Number (DUCR) – the number assigned by the exporter or declarant to uniquely identify an export consignment in their records and which is the subject of an export declaration (see UCR)

Departure Message: Where the vessel/aircraft/vehicle directly leaves the UK (and the EU) a ‘Goods Departed’ message must be sent to CHIEF to confirm that the goods actually departed. The departure message should advise the date/time, freight location and transport details. UCR, mode of transport and flag code, are also necessary. The manual CHIEF transaction for this is AEDL but will be shown as EEDL where the arrival message has been sent from another system or a software package.

Designated Export Place (DEP): Customs approved trader premises inland, where goods may be declared to CHIEF using any export procedure, but not LCP.

Direct Export: Refers to goods exported directly from the UK to a non-EU country.

Direct representation: A third party makes a Customs declaration in a trader’s name, on the trader’s behalf. See also ‘Indirect representation’.

DTI: Direct Trader Input. An arrangement under which traders can input data from their own computer terminals to CHIEF as opposed to it being input by Customs (CIE).

Export Accompanying Document (EAD): Paper document supporting the Export Control System.

Export Control System (ECS): used for generating, receiving and responding consignment details with regard to indirect exports. The system mirrors the electronic transit based message exchange used under NCTS.

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Email: Email (electronic mail) is the electronic transmission of mail between users. For NES it can be used for submitting declarations to CHIEF (via EDCS) and returning responses.

EORI: Economic Operator Registration and Identification

Export: The movement of goods to a destination outside the European Community (customs and/or fiscal) territory.

Exporter: For customs purposes the exporter is defined within the meaning of Article 161(5) of the Customs Code as the person on whose behalf the export declaration is made and who is the owner of the goods or has a similar right of disposal over them at the time when the declaration is accepted. NB: This definition is different to that for VAT.

For VAT the exporter is defined as the person who for VAT purposes supplies the goods directly to an overseas person or where there is no such supply is the owner of the goods.

Indirect export: Refers to goods declared in the UK leaving the European Union via another Member State.

Indirect Representation: A third party makes a Customs declaration in their own name, but on behalf of a trader. See also Direct representation.

Loader: Those parties responsible for receiving, presenting and loading goods for export from the UK. Approved by HMRC to submit arrival and departure messages.

Master Unique Consignment Number (MUCR) – All goods exported by air must be associated to a MUCR. In the maritime environment MUCRs are used as a means of grouping together a number of DUCRs (see UCR).

NCH: National Clearance Hub, Central EPU, currently located in Salford that processes freight declarations for imports and exports.

NES: National Export System which is the UK CHIEF based export system providing the means to make electronic declarations for all the Customs export procedure.

Permission to Progress (P2P): The export entry has been accepted, risk assessed and cleared for export.

Presentation of Goods: The notification to Customs in the manner laid down of the presence of goods at the Customs office or at any other place designated or approved by Customs.

Removal: Goods removed with Customs permission from approved inland or frontier premises under NES.

Representative: A person appointed on behalf of another to carry out the acts and formalities required by Customs rules. Representatives may be either Direct or Indirect. A representative must state who they are acting on behalf of, specify the type of representation, and be empowered via written agreement to act in that capacity.

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Submitting Trader: The person who generates the data to CHIEF (that is, pushes the send button to submit the data to CHIEF). This is usually the declarant, though maybe a third party.

Tariff: HM Revenue & Customs Integrated Tariff of the United Kingdom.

It is in 3 volumes: Volume 1 – General information, Volume 2 – Schedule of duty and trade statistical description, codes and rates, Volume 3 – Customs freight procedures.

Unique Consignment Reference: A reference allocated by the authorised trader to each exporter consignment which can be used by HMRC Revenue & Customs during an audit to trace that consignment in the traders records.

VAT: Value Added Tax.

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Appendix A (extract from AICES website) – Disassociation Process:

The methodology used for disassociation will differ between TSOs dependent upon how they manage this process within their in-house inventory system and the interface with CHIEF.

The details as below are specific to the CHIEF HCI Screens:

TSO will liaise with forwarder/declarant to confirm specific shipment details for disassociation – however the physical removal of goods from consolidation MUCR MUST be done before any disassociation from the Inventory

When details agreed TSO will disassociate R1 or R2 DUCR from MAWB – in CHIEF AEAC Screen.

TSO will input DUCR into the ‘disassociation field’ and COMMIT to CHIEF (leaving the MUCR field blank)

CHIEF will respond and confirm ‘disassociation successful’. If any error this suggests DUCR details as entered are incorrect or incomplete – TSO to re-check/confirm with forwarder/declarant

Forwarder liaises with NCH/UKBA updating the TSO accordingly

For Route 1 queries forwarder will submit relevant paperwork to NCH for document checks and await HMRC decision

For Route 2 queries forwarder will submit relevant paperwork to NCH who will notify frontier UKBA that a physical inspection of the goods is required at TSO premises

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Appendix B (extract from AICES website) Request to return goods back Inland - 'Wet Stamp' Process – note this is an EXCEPTIONAL process

Reasons for request: TSO/Airline advises forwarder / declarant of operational delay i.e. flight goes technical; material offloaded due to insufficient capacity and forwarder / declarant has other carrier options available to mitigate delay to customer

OR

Forwarder makes request of TSO/airline to return goods because export order has been cancelled

Declarant makes request of 'wet stamp' letter of authority to NCH with explanation as to why a goods return Inland Request is required

If goods allocated R6 (or Route 3) HMRC may approve this request (*see footnote re R1 or R2 shipments)

If request approved by HMRC copy of 'wet stamp' approval letter must be provided to TSO for audit purposes (CARGO SHEDS ONLY)

TSO will physically return goods to forwarder / declarant – in CHIEF MUCR/DUCR will update to Status D (Goods departed back Inland) – updated by HMRC for CARGO material when the wet stamp is approved. For goods lodged into COURIER sheds the TSO can automatically set the Status D via the Shed Inventory CSP System

Declarant can then either - associate DUCRs onto a new MAWB and lodge onto new flight through another TSO and process restarts

OR

Goods returned by Declarant to the exporter

***Footnote** –Route 1 or Route 2 - Customs will **NOT** approve a wet stamp request for goods that have been designated R1 or 2 on arrival at the Frontier – inland return would only be permitted once the shipment had been assessed by HMRC and if updated to code 7

A "Status D" should only be set against entries when a genuine Departed Back Inland process occurs as per above.

If a Status D appears against an entry for goods NOT Departed back inland this suggests an error has been made - either:

I – The TSO has tried to input AEDL (departure message) before input of AEAL (arrival message) – in this example the entries will become "frustrated exports" and appear as Status D in error

Or

2 – AEAL correctly input but the TSO incorrectly submits the AEDL message into CHIEF with incomplete or missing information on the Departure Message Screen – in this example the entries will become "frustrated exports" and appear as Status D in error.

Any Declarant with Status D incorrectly showing would need to contact the TSO. If the TSO has made an error at point 1 or 2 above, the entries (DUCR's/MUCR) would need to be re-arrived and correctly departed. This process must be managed in a timely manner and any specific queries submitted to HMRC at NCH

A WET STAMP IS NOT REQUIRED IN THE FOLLOWING SCENARIOS:

A MUCR is presented to the TSO but is "empty" and there are no DUCRs associated. The goods should not be loaded but as the entries have not been "arrived" into Customs control the TSO can return the cargo to the Driver/agent and request they re-submit the goods ensuring the DUCRs are associated onto a closed MUCR

The MUCR presented to the TSO is "Invalid" and not known in CHIEF. As above, the goods should not be loaded but as the entries have not been "arrived" into Customs control the TSO can return the cargo to the Driver/Agent and request they return ensuring the closed MUCR is valid (and all DUCRs correctly associated)

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Appendix C

Non arrived exports

The UK export procedure is based directly upon the provisions of the Community Customs Code Implementing Regulation (CCCIP or Regulation 2454/93) and involves a number of logical steps, performed by various parties through the HMRC declaration processing system, CHIEF (Customs Handling of Import & Export Freight). These can be summarised as:

- pre-lodgement
- presentation to Customs (by means of an arrival message) at the place of export
- acceptance and clearance (or permission to progress P2P)
- departure from UK (for direct exports)
- departure from EU (for indirect exports)

If you fail to perform the arrival function or fail to arrange for it to be performed by your representative, you have not complied with the export procedure, even if subsequently the goods are departed correctly. This is because, as can be seen from the above, arrival is a necessary precursor to acceptance and clearance. HMRC, via CHIEF, has only accepted your legal declaration, performed a risk assessment and given legal clearance for the goods to be shipped **IF** the goods have been arrived correctly. Failure to do so means your export is, effectively, non compliant with our rules. The fact that the goods may have received a subsequent departure message is irrelevant in this context.

If Excise goods are not arrived, the legal requirements upon Excise warehouse keepers will be compromised. Excise Duty suspension may not be applicable and the duty may be chargeable.

When an export declaration is submitted to CHIEF but, for whatever reason, the export declaration is not 'arrived' at the place of export, this creates a discrepancy which indicates to HMRC that the export procedures have not been complied with.

P9 report actions required

To alert the declarant or the person who submits the export declaration to CHIEF (submitting trader) to this issue, HMRC designed an automated CHIEF print (P9) that warns the declarant that action needs to be taken to rectify the situation.

The generation of this print takes place **22 days after export data is first entered to CHIEF**. The print can be recognised by its reference, 'P9'. The Unique Consignment Reference (UCR) is included in the print and it reminds the declarant that the export data remains 'un-arrived' on CHIEF.

Declarants or submitting traders who fail to take any action will, as a consequence, see their entry data automatically **deleted from CHIEF after a further 38 days**. With effect from 1st July 2011 this period was increased from 8 days to 38 days to allow more time to investigate non arrivals.

It is important therefore that data queried under the P9 procedure is correctly processed. Failure to do so may prevent traders from zero rating their exports for VAT, receiving CAP refunds/export reliefs or from obtaining returned goods relief if the goods are re-imported, and may prevent electronic discharge of an ECS movement (where goods have travelled via another Member State).

Note: The P9 print also states that this is a legal requirement and that civil penalties may apply should action not be taken.

Taking no action is not an option!

The way forward

HMRC expect the declarant (exporter or agent) to fully investigate whether:

EXPORT BEST PRACTICE GUIDE

the export has still to take place

**the export has actually taken place
the goods are not going to be exported**

and ensure that these details are then confirmed/updated on CHIEF.

The following tables describe what action declarants need to take to rectify the situation on CHIEF.

For submitting traders using third party software, please contact your software suppliers.

Scenario	Action to be taken
The export has still to take place.	Declarants or submitting traders should give consideration to extending the life of the data to avoid systems deletion. This may be performed via CHIEF transaction AEXD (see below).
The export has actually taken place.	<p>Declarants or submitting traders should confirm whether or not duplicate sets of data have been transmitted for the same export.</p> <p>1. Where data has been duplicated and arrived and departed correctly then a 'Request for Cancellation' of the original data (the data under P9 query) should be made using CHIEF transaction XTCE.</p> <p>2. Where no duplicate entry has been made then the procedure described in 'CHIEF transaction AEXD' below to extend the life of the data should be carried out. The declarant should then contact the National Clearance Hub. See 'Presentation to Customs'.</p>
Goods are not going to be exported (returned to shipper/export cancelled etc).	Declarants or submitting traders should make a request for cancellation of the entry under P9 query using CHIEF transaction XTCE.
CHIEF transaction AEXD	
<p>Insert 'EPU', 'Entry Number' and 'Date', or 'DUCR' in the relevant fields and 'Reason for amendment' in the plain text field as 'Receipt of P9'.</p> <p>'PARA' must be shown in the field at the bottom right hand corner of the screen. Pressing the return key now will display the entry data as input. The export entry should then be re-committed to CHIEF. This automatically extends the life of the data. Note: If there is an expected date of export entered, which is earlier than the amendment, then this date should be amended/removed. To achieve an extension in time this data should then be committed to CHIEF.</p>	