

# ChamberCustoms

HELPING TRADERS TO KEEP ON TRADING



CHAMBERCUSTOMS®



Customs Declarations are enormously important and a necessity for all businesses that import and export goods. This is particularly relevant now that the UK has left the EU, as goods are subject to increased border checks. Businesses that import or export goods will need to comply with the rules and make declarations.

This guide introduces ChamberCustoms, describes what has changed for businesses and explains how to find more information.

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## Introduction to ChamberCustoms

ChamberCustoms is the customs brokerage service from the Chambers of Commerce.

It's different from other brokerage services by harnessing the reach, expertise and knowledge of the Chamber network to offer an unbeatably fast, reliable and compliant service.

We're the only customs broker in the country to offer a 'One Stop Shop' with direct links to all sea, air and road ports and terminals in the UK. We'll help you to keep in control while we do the hard stuff, acting in your best interests every time.

Now that the UK has left the EU, the number of annual customs declarations is forecast to increase from 55 million to around 300 million, with businesses who import goods facing a lot more administration. We launched ChamberCustoms to respond to this demand by offering a simple and reliable brokerage service which will help members and non-members alike.

ChamberCustoms offers an HMRC-compliant service that you can trust.

# The Chambers of Commerce: a Trusted Partner

For almost 100 years, Chambers of Commerce have been trusted by government and businesses to certify certificates of origin and preferential trade documents. Every year our experts issue thousands of documents, relating to goods worth millions of pounds, ensuring that goods can enter foreign countries with minimal delay and cost.

Uniquely, ChamberCustoms has been created to clear goods for import and export at every port in the UK. We can access faster duty and VAT payments through our deferment account and make duty and VAT payments to HMRC on your behalf, or help you through a flexible accounting system to pay HMRC directly. A potentially complicated process is made smooth, quick and entirely transparent.

It sits alongside all the other services offered by Chambers of Commerce to enable businesses to operate and thrive in today's global economy. Businesses now have the opportunity to access more of their customs information in one place.



# Brexit and Beyond

In the aftermath of the Brexit referendum, businesses and governments across Europe have been trying to get to grips with the implications for cross-border trade. Since 1 January 2021, bringing goods into the UK from the EU involves a lot more paperwork.

To give some idea of the scale, around 180,000 UK businesses only trade within the EU, 68,000 only trade outside the EU and 73,000 trade in both.

The EU27 accounts for just over half of all imports into the UK so the volume of 'checked' goods passing through our ports will increase significantly. Being outside the customs union means that imports into the UK from the EU are treated the same as those from the rest of the world. They have shifted from being goods in free circulation within the EU, to imports subject to duty and VAT.

Before 1 January 2021 traders competed around 55 million declarations each year, with around 80 per cent being for imports. Now that the UK has left the EU, the ONS estimates that this will rise to around 300 million. The proximity of the EU and established supply chains mean that we bring smaller and more frequent loads from EU countries and larger less frequent loads from the rest of the world.

ChamberCustoms can help.

# Making Customs Declarations

Paperwork related to imports and exports is complex and can be confusing. To add to the difficulty, goods are subject to increased border checks, now that the UK has left the EU with any one of 26 government agencies taking an interest.

For example, livestock and animal products will get the attention of the Plant Health Agency, the Port Health Authorities and the Rural Payments Agency. Other agencies include Trading Standards, Environmental Health and the National Measurement Office.

They all operate at ports to protect consumers, and businesses, from products that are a risk to safety, are counterfeit, could harm our environment or simply aren't what they say they are.

As an importer or exporter, making a declaration requires you to understand everything about the goods you are clearing from a customs perspective. You need to know:

- **The tariff code for each item in your consignment?**
- **Do your goods require any special licenses or certificates?**
- **Does the UK have a trade agreement in place with the country of export from the UK?**
- **Are your goods subject to any quotas?**
- **Are you importing under a customs procedure?**
- **What is the origin of the goods?**
- **What duty and VAT will you expect to pay at import?**
- **What is the correct valuation of your imported goods, including freight and insurance costs?**

It's a businesses' responsibility to get the paperwork right. Suppliers can advise you on compliance, and even make the declaration for you, but it is YOUR company making the declaration and you will be liable if it's wrong, so you need a customs broker you can trust.

Incorrect declarations could lead to delays and in certain cases, HMRC could impose penalties or prosecute you. In the more serious cases people have been sent to jail.



# ChamberCustoms Frequently Asked Questions

## Q: What are customs declarations and why is it so important that businesses get them right?

A: Customs declarations are forms which are used to accompany goods that are entering or leaving a market. They're used internationally to communicate the origin of the product and its relevant tariff, to allow customs and regulatory authorities to calculate what duty is payable and understand applicable restrictions.

They are crucial because they enable authorities to know where goods are coming from or going to, in order to control the flow of goods, ensure the safety and security of the country and collect the correct duty.

## Q: What is ChamberCustoms?

A: It's a customs brokerage service, run by your local Chamber of Commerce. Now that the UK has left the EU, the amount of paperwork required to import and export goods from overseas has increase in both volume and complexity. The dedicated team of experts at your local Chambers of Commerce can be trusted to have the expertise and knowledge to help traders to keep on trading.

## Q: Why is ChamberCustoms unique?

A: Put simply, we're unique because we have direct relationships with every port in the UK. This means we don't need to rely on any third parties to clear goods for import and export. Most other customs brokers have to rely on third parties to offer a fully national service, exposing you to a loss of control and potentially effecting the accuracy, speed and cost of their service. It can also expose traders to penalties from the tax authorities.

## Q: How much does it cost?

A: Unlike other customs brokers our pricing structure is completely transparent. We charge a small fee to process your declaration directly through HMRC, plus a fixed 10% handling charge for the port fees which we will pay on your behalf.

## Q: Do I have to be a member of my local Chamber of Commerce to use the service?

A: No. The service is open to all businesses who import or export goods.

## Q: I'm interested in learning more – what do I do next?

A: Go to [www.chambercustoms.co.uk](http://www.chambercustoms.co.uk) and complete the short Contact Us form.

# Customs Declarations: InfoZone

## CUSTOMS DECLARATIONS FREQUENTLY ASKED QUESTIONS

### Q: What role do Customs Declarations play in international trade?

A: A customs declaration is a form used to accompany goods that are entering or leaving a given market. They are used internationally to communicate to the relevant authorities the origin of the product and the relevant tariff, in order to calculate duty payable and understand applicable restrictions.

### Q: How do the customs declarations affect importers and exporters?

A: Completing a customs declaration correctly is key to ensure that authorities clear the goods avoiding unnecessary delays and detention at the border. Declaring the goods incorrectly can attract fines or be considered an attempt to commit fraud.

### Q: What has changed now that the UK has left the EU?

A: Now that the UK has left the EU, it ceases to be party to the EU Single Market. UK companies need to complete customs declarations for goods entering or leaving the UK for all other countries.

### Q: What are the numbers at stake?

A: An estimated 180,000 UK businesses only trade within the EU; 68,000 only trade outside the EU; and 73,000 trade in both. The EU27 accounts for just over half of the all imports into the UK.

Once 'Staged Customs Controls' on standard EU imports end from 1 July 2021, the volume of 'checked' goods passing through our ports will increase by a huge volume.

Being outside the customs union means that imports into the UK from the EU are treated the same as those from the rest of the world. They have shifted from being goods in free circulation within the EU, to imports subject to duty and VAT.

Before 1 January 2021 traders competed around 55 million declarations each year, with around 80 per cent being for imports. Now that the UK has left the EU, the ONS estimates that this will rise to around 300 million. The proximity of the EU and established supply chains mean that we bring smaller and more frequent loads from EU countries and larger less frequent loads from the rest of the world.



OVERVIEW OF CUSTOMS DECLARATIONS

**£12,000,000,000,000**  
worth of goods

Every year, more than £12 trillion worth of goods are traded amongst the world's nations in nearly every language on the globe.

How do customs and regulatory authorities know where the goods are coming from or going to, in order to control the flow of goods, ensure the safety and security of the country and collect the correct duty?

Within the EU Single Market, goods can move freely between member states. However, a customs declaration is required to accompany goods entering or leaving the EU Single Market.

As of 1 January 2021, the UK is no longer part of the EU Single Market. Importers and Exporters of goods to and from the EU will have to make customs declarations.

When goods enter or leave the EU through the UK, traders have to declare to HMRC what the goods are, where they come from, where they're going and why they're being moved. The form currently in use in the UK and across Europe is the Single Administrative Document, also known as SAD or C88.

CUSTOMS DEFINITIONS

**Customs:** the agency responsible for the collection of duty and taxes and which also has the responsibility for the application of other laws and regulations relating to the importation, exportation, movement or storage of goods. (wcoomd.org)

**Customs declaration:** an official document that lists and gives details of goods that are being imported or exported. (ec.europa.eu)

**Commodity code:** a code to identify a type of product/goods. Customs set rates of duty and specific restrictions against each commodity code.

**Goods classification:** identifying the correct commodity code to describe your goods.

Presently when most goods enter or leave a country, the relevant Customs authorities of the countries involved need to be informed of the transaction. In short, a customs declaration serves this purpose by detailing what the goods are, where they come from, who's moving them, where they're going and why they're being moved.

Each country will be interested in knowing the detail of goods leaving or entering their market for a variety of reasons. These can be summarised in three main categories: safety and security, collection of duty and statistical information.

A group of countries may decide to create an agreement to reduce or eliminate the need to control the movements of goods amongst them, in order to facilitate trade between a selected group. This is the case for the EU Single Market, although there are other examples around the world. In the case of goods moving within a Single Market, therefore, the need to fill in a customs declaration is reduced or completely eliminated.

Goods can enter or leave the EU Single Market through any of the member states. Now that the UK has left the EU, a customs declaration will need to accompany goods entering or leaving the EU Single Market.

A customs declaration needs to be presented to the authorities of the country through which the goods enter or leave the EU. In the case of goods entering/leaving EU via the UK, traders will have to present a customs declaration to HMRC.

Declaring incorrect information on a customs declaration may lead to non-compliance or even be considered fraud. For example, if the product imported from China is subject to anti-dumping duty, but the duty is not paid because the importer declares it as originating in India, this could be viewed as an attempt to avoid paying duty. Similarly, using an incorrect commodity code may be viewed as an attempt by the importer to defraud customs.



## HOW DO CUSTOMS DECLARATIONS AFFECT UK IMPORTERS AND EXPORTERS?

The information on a customs declaration is used to evaluate safety and security aspects, and any applicable restrictions. The information is also used for duty and VAT purposes:

- For imports, HMRC requires the information to calculate how much duty and VAT a trader will have to pay.
- For exports, HMRC needs to be notified that the goods are leaving the country and therefore no duty or VAT will be payable.

Be aware that declaring information to Customs authorities carries a degree of liability. It is important to understand who's responsible for deciding what should be declared. This involves choosing the correct commodity code to classify the goods; identifying the correct procedure to explain why the goods are moving; claiming specific preferential tariff treatment; or stating that a particular licence is or is not required.

### HOW IT WORKS

When traders choose to get support with preparing their customs declarations from somebody else, for example by nominating ChamberCustoms as their customs broker, the relationship between the trader and the declarant should be explained to HMRC. The way in which a trader can be represented by the declarant can be either direct or indirect:

- Direct representation indicates that the declarant doesn't make decisions about what to declare to HMRC, but simply passes on the information provided by the trader. In this situation, the declarant would only be liable for mis-representing the information provided by the trader. It is the typical relationship type when using a customs broker.
- Indirect representation indicates that the declarant is an integral part of the decision-making process. As such, the declarant would have joint and several responsibility for the information submitted to Customs.

### SOME OF THE SYSTEMS AND PROCESSES INVOLVED

- **CHIEF:** Customs Handling of Import and Export Freight. The HMRC centralised computer system that handles customs declarations. Introduced in the mid 90s. You can only access it via authorised software.
- **NES:** National Export System – This is a front-end computer system, integrated with CHIEF, dedicated exclusively to handling customs declarations for export. NES has a basic web interface that traders can use directly.
- **CDS:** Customs Declaration Service. The new computer system being gradually introduced to replace CHIEF. This not due to be fully operational until after January 2021.
- **UCC:** Union Customs Code. This is a European Customs legislation that defines rules to move goods between countries. Each member state adopt the UCC into their own legislation.
- **Tariff:** A set of rules and regulations covering duty applicable and importation/exportation of goods. The UK Trade Tariff is split into three volumes and covers everything traders need to know about goods classification when dealing with import and export.



Now that the UK has left the EU and the Single Market the Union Customs Code has been replaced by the United Kingdom (UK) Border Operating Model and UK Global Tariff. Whilst a high level of alignment continues to exist in the UK approach to goods cross our border, there is significant changes in the implementation of Sanitary (human and animal health) and phytosanitary (plant health) measures that apply to domestically produced food and for the control of local animal and plant diseases.

The implementation of the Northern Ireland Protocol also means that different rules apply to the movement of goods between Great Britain and Northern Ireland. The effects of the protocol means that whilst Northern Ireland is now outside of the single market, it remains an entry point into it with a customs border in the Irish Sea.

This means that the UCC continues to be applied to goods arriving in Northern Ireland that are considered to be 'at risk' of moving into the EU single market.

Traders are required to provide information when presenting goods to Customs. They can do that themselves, choose a customs broker or intermediary, or ask the freight forwarder to support with that task. Whatever the choice, traders will have to be clear on what information is required when presenting goods to Customs.

ChamberCustoms can help.



## CUSTOMS DECLARATIONS TRAINING

The Chamber of Commerce network has partnered with some of the leading industry experts to launch brand new Customs Declarations Training, designed to prepare businesses and trade professionals for the future of trade.

The way we trade with the EU has changed introducing the need for forms and processes not previously required. Up-skilled people are the key to continued training success now that the UK has left the EU.

The Customs Declarations Training programme delivers flexible, bite-sized e-learning modules, classroom courses, and virtual classroom sessions.

Course content is based on the following topics:

- **Introduction to Trade**
- **Business Responsibilities**
- **Export process**
- **Import process**
- **Valuation – explanation of the main methods and their application**
- **Classification – determining the use of commodity codes**
- **Using Customs Procedure Codes – use of appropriate**
- **CPCs Export and import controls**
- **Reliefs Preferences Customs simplified procedures – explanation of procedures and benefits**