

A Guide to the changes being introduced on 1st July 2009



---

## Agency Sector Management (UK) Limited

Ashford House | 41-45 Church Road | Ashford | Middx | TW15 2TQ

Phone: +44 (0)1784 242200

Fax: +44 (0)1784 242012

Email: [admin@asm.org.uk](mailto:admin@asm.org.uk)

Web: [www.asm.org.uk](http://www.asm.org.uk)

©2009 Agency Sector Management (UK) Ltd.

Author: Simon Adams

Status: Final

Date: 01/05/2009

Version: 1



---

## Table of Contents

---

<b>Introduction</b> .....	<b>1</b>
<b>ECS – The Export Control System</b> .....	<b>2</b>
Additional Data Requirements .....	2
Office of Exit [Box 29] .....	2
Transport Charges Method of Payment Code [Box S29] .....	3
Country of Routing Code(s) [Box S13] .....	3
UN Dangerous Goods Code [Box 44] .....	4
Claiming a Reduced Data Set .....	4
Claiming Treatment Under a Single Transport Contract .....	4
Allocation of a Movement References Number [MRN] by CHIEF .....	5
How Indirect Exports are Handled Under ECS .....	5
Use of the Export Accompanying Document [EAD] .....	6
Single Transport Contract – Important Information .....	6
<b>EORI – Economic Operator Registration and Identification</b> .....	<b>8</b>
Implications for Simplified Procedures .....	8
Imports under CFSP .....	9
Exports under LCP or SDP .....	9
Implications for TURN Suffixes from 1 <sup>st</sup> July 2009 .....	9
How to declare Branch Identifiers on import and export declarations .....	10
<b>NCTS – New Computerised Transit System</b> .....	<b>11</b>
Additional data elements for TIR movements .....	11
Additional data elements for safety & security .....	11
Changes to existing data elements .....	11
<b>Appendix A – Specimen Forms</b> .....	<b>12</b>
Export Accompanying Document [EAD] .....	12
Export List of Items [ELoI] .....	13
Export/Security SAD [ESS] .....	14
Export/Security SAD List of Items [ESSLoI] .....	15
CHIEF Exit Follow-Up Advice Report [S0] .....	16
<b>Appendix B – Glossary of Terms and Abbreviations</b> .....	<b>17</b>

## Introduction

On 1<sup>st</sup> July this year a number of significant changes are being introduced across the European Union. These changes affect the way both import and export customs declarations are made.

The changes are as a result of regulations introduced relating to safety and security.

The major changes can be summarised as follows:

ECS – the Export Control System. This includes the following:

- A number of additional safety & security data elements are required in export declarations
- The Export Accompanying Document [EAD] for indirect exports
- A new format for the printed SAD – the ESS – to include the safety & security data

EORI – Economic Operator Registration and Identification introduces:

- Replacement of the current TURN identifiers for importers, exporters and agents
- A different way of identifying company branches/divisions on import and export declarations

NCTS – New Computerised Transit System:

- Additional data requirements for TIR movements
- Additional safety & security data elements

The impact of these changes on your business is discussed in the following sections of this document.

System	Who it affects
ECS - Export Control System	Exports
EORI - Economic Operator Registration and Identification	Imports and exports
NCTS – New Computerised Transit System	Transit

GeMS is being updated to take account of the changes and details are included where necessary. GeMS Release 12 will be issued to all current users prior to 1<sup>st</sup> July 2009.

## ECS – The Export Control System

ECS introduces new requirements to provide 'safety and security' data to customs, prior to the departure of goods from the EU. There is also a replacement, for indirect exports, of the paper SAD Copy 3 with an electronic system – and ironically a paper Export Accompanying Document [EAD].

### Additional Data Requirements

In the UK, as in most EU member states, the safety and security data is being combined with the fiscal [NES] data to form a single export declaration. Whilst most of the additional safety and security data was anticipated and introduced as part of the SAD Harmonisation changes, there are four additional data elements that may need to be provided in export declarations as a result of ECS.

These additional data elements are:

- ▶ Office of Exit [Box 29]
- ▶ Transport Charges Method of Payment Code [Box S29] – at header or item level
- ▶ Country of Routing Code(s) [Box S13]
- ▶ UN Dangerous Goods Code [Box 44]

Details of the information required to be declared in these additional data elements is shown below.

#### *Office of Exit [Box 29]*

This is the code for the customs office by which it is intended that the goods will leave the customs territory of the Community.

Box 29 will be available on the EFD, ESP and ELP declaration forms in GeMS – for pre-shipment advice and full declarations. It is not required for C21 or supplementary declarations.

The Office of Exit is required for indirect exports (i.e. those exiting the EU via another member state) where this is known at the time of declaration, but should not be completed for:

- Exports which are moving under a transit (NCTS) procedure – see Customs Information Paper [JCCC CIP \(09\) 14](#) for further details of what to do in these circumstances.
- Exports that are travelling under a single transport contract (STC) and are exiting the EU by air, sea or rail. We **strongly recommend** that 'STC' is claimed wherever possible – this could greatly reduce the amount of post-shipment queries from customs regarding proof of exit from the EU. See [Single Transport Contract – Important Information](#) below for further information.

Where the goods will be exiting the EU by road – but are not moving under a transit procedure - then this will clearly be an indirect export and box 29 must be declared and an Export Accompanying Document [EAD] must accompany the goods to the office of exit. For more information on the EAD see [Use of the Export Accompanying Document \[EAD\]](#) later in this document.

Where the goods are exiting the EU directly from the UK then you should not complete box 29 on the export declaration.

It is also important to note that if box 29 is completed then the commodity code for each item should also be completed. Whilst this is mandatory for most export declarations, under simplified procedures it can be left blank. For indirect exports under ECS this may cause problems as the declaration data can not be sent to the office of exit and therefore the movement cannot be finalised and exit confirmation will not be received. See [How Indirect Exports are Handled Under ECS](#) later in this document for more information.

The customs office codes used to complete box 29 consist of a 2 characters country code (of the EU country) followed by a 6 character reference identifying the specific office – e.g. '1EDUB400' for Dublin airport.

GeMS includes a full list of customs office codes in standing data. These can be viewed by selecting [Standing Data] from the menu bar and selecting [Data Maintenance] from the sub menu. Details of the customs offices are displayed by clicking [NCTS Offices] – the codes are the same as those used for transit declarations.

You can also access this list by typing a question mark in box 29 within an export declaration. The list of customs offices is also available for search or download on the EU [Europa website](#).

### *Transport Charges Method of Payment Code [Box S29]*

The EU regulation covering safety and security and indeed the CHIEF specification allow for the transport charges method of payment code to be declared at both header and item level.

As export declarations in virtually all cases relate to a single consignment of goods, it is unlikely that this will be required at item level but GeMS will support this data element at both header and item level.

This element is optional – to be provided only where available. The codes available are:

Code	Meaning
A	Payment in cash
B	Payment by credit card
C	Payment by cheque
D	Other (e.g. direct debit to cash account)
H	Electronic credit transfer
Y	Account holder with carrier
Z	Not pre-paid

### *Country of Routing Code(s) [Box S13]*

This is the identification, in a chronological order, of the countries through which goods are routed between the country of original departure and final destination. Contrary to the tariff guidance this list of countries should not include the countries of original departure or of final destination of the goods.

This information is optional - to be provided to the extent known. Up to 99 countries of routing can be declared, although it is unlikely in most circumstances that as a forwarder you will know these details. The requirement is applicable to all export declarations.

GeMS includes a full list of country codes in standing data. You can access this list by typing a question mark in this box within an export declaration.

### *UN Dangerous Goods Code [Box 44]*

The United Nations Dangerous Goods identifier (UNDG) is the unique 4 digit serial number assigned within the United Nations to substances and articles contained in a list of the dangerous goods most commonly carried. This information (at item level for all export declaration types) is to be provided where it is relevant.

The codes to be used are those currently in use on transport documents, security certificates etc.

### *Claiming a Reduced Data Set*

ECS allows for a [slightly] reduced data set to be declared in certain circumstances – e.g. if you are an Authorised Economic Operator [AEO]. In order to claim this reduced data set you must include a header level AI statement on each export declaration – using code ‘SPCIx’ – where ‘x’ is the code for the specific circumstance. So for postal or express consignments you would declare ‘SPCIA’ as the AI statement code. No further text is required.

However customs advise that you won’t be able to claim a reduced data set by virtue of being an AEO from 1<sup>st</sup> July 2009!

Specific circumstances that can be claimed are:

Code	Meaning
A	Postal and express consignments
B	Ship and aircraft supplies
E	Authorised Economic Operator – <u>cannot</u> be used from 1 <sup>st</sup> July 2009

It should be noted that the reduced data sets referred to in the regulation actually apply to the exit summary declaration (for safety & security purposes). As UK customs are introducing a combined fiscal export / safety & security declaration for the vast majority of exports some of the data, whilst not required for safety & security purposes, is still required for the fiscal declaration!

### *Claiming Treatment Under a Single Transport Contract*

To claim treatment under a [single transport contract](#) [STC] you must include a header level AI statement on each export declaration – using code ‘STC99’. No further text is required.

GeMS will automatically complete this AI statement for you on all new export declarations as long as the system is configured to do so. Instructions on how to complete this configuration will be included in the documentation you receive with the new software.

## Allocation of a Movement References Number [MRN] by CHIEF

Each 'accepted' export declaration will be allocated a unique Movement Reference Number [MRN] by CHIEF. This MRN will be transmitted in the EDI declaration response message, along with the current entry number etc.

The MRN consists of eighteen characters formatted as follows:

YYZZMMXEEEEEEERRC

Where:

Format	Description	Example
YY	is the last two digits of the year of entry	'09'
ZZ	is the country code of export	'GB'
MM	is the 2 digit month of entry	'07'
X	Literal – 'X' for export!	'X'
EEEEEEE	is the 8 digit entry key	'20325684'
RR	is the entry version number	'01'
C	is a check digit	'6'

GeMS will store this MRN and automatically print it on the [EAD](#) if necessary. You will also be able to search for a declaration by its MRN in the Declaration Find form.

## How Indirect Exports are Handled Under ECS

Currently when export goods depart from the UK the airline or shipping line notify their departure – from the UK port or airport - to CHIEF. Subsequently CHIEF sends an 'Export Movement Departure Advice' [S8 report] to the declarant, certifying that the goods have departed from the UK. This advice adds to the evidence required in order to 'zero rate' the goods for VAT purposes.

Under ECS, where an export declaration includes an [Office of Exit](#) code in box 29 that indicates that the goods are to exit the Community via another member state, details of the declaration are transmitted electronically to that customs office [of exit].

In these circumstances the S8 Departure Advice as above will be inhibited, even if the carrier notifies the departure of the goods (from the UK) to CHIEF. Instead it will be the responsibility of customs at the declared office of exit to certify that the goods have left the EU and to send an electronic message confirming the exit to UK customs. On receipt of this message CHIEF will be updated and only then will you receive a departure advice/exit confirmation.

This process not only involves more than one customs authority and the exchange of electronic data; it could require more export consignments to carry additional paper documents ([EAD/EIol](#)) and carriers to report goods, by reference to the [MRN](#), to the EU member state that is the last port of call before the goods exit the EU.

## Use of the Export Accompanying Document [EAD]

Currently for indirect exports (where export goods are exiting the EU via another member state) a SAD Copy 3 is required to accompany the goods to the office of exit in certain circumstances. This document is then stamped to certify exit of the goods and eventually returned to the exporter.

ECS is intended (in part) to replace this paper-based system with an electronic exchange of data between the customs office of export (where the goods are brought under export control) and the customs office of exit (where the goods actually leave the EU).

In circumstances where currently a SAD Copy 3 is used, this is to be replaced with an Export Accompanying Document [EAD] and, for multi-item declarations, a List of Items [EloI] – see [Appendix A](#) later in this document for specimens of the EAD and EloI.

GeMS will print the EAD/EloI automatically on acceptance of the declaration from CHIEF. It will print in the following circumstances:

- Office of Exit [box 29] has been completed and the first two characters of that code are not 'GB' and;
- Treatment under a 'single transport contract' has not been claimed – see [Single Transport Contract – Important Information](#) below

You can also manually print an EAD/Lol in the same way as any other declaration report by loading the declaration form and clicking [Reports].

## Single Transport Contract – Important Information

Although a significant volume of UK exports do exit the EU indirectly via another member state, those that do so by air sea or rail and are covered by a single transport contract [STC] do not currently require that a SAD Copy 3 accompanies the goods. A single transport contract is e.g. an air waybill or bill of lading *“for the transport of the goods out of the customs territory of the Community”*. The introduction of ECS does not change these rules.

However the regulation that introduces ECS – the 'security amendment' to the Community Customs Code – makes it the responsibility of the person declaring the goods for export to claim this treatment.

The result of claiming such treatment is that the office of export (in the UK) can act also as the office of exit and can therefore certify the exit of the goods from the EU. This removes the need to carry a paper EAD document with the goods and avoids the possible problems of relying on customs in another EU country to confirm the exit of the goods and transmit the details to HMRC.

Where treatment under STC is not claimed and the goods exit the EU via another member state, an export movement is only finalised when the customs authority in that EU country certify the exit of the goods and transmit an exit notification message to the office of export in the UK.

If such a notification is not received within a specified time limit then follow-up procedures are initiated and you will receive a new SO [\[Exit Follow-Up Advice\]](#) report from CHIEF. This requires you to provide information regarding the whereabouts of the goods and, if proof of their exit from the Community cannot be established, may result in

the export declaration being cancelled. This action could affect the ability of the exporter to zero rate the goods for VAT purposes.

For details of how to claim treatment under STC, see [Claiming Treatment Under a Single Transport Contract](#).

The responsibility of the declarant to claim treatment under a single transport contract is covered under article 793(2)(b) (ii) of Regulation (EC) No. 2454/1993.

## EORI – Economic Operator Registration and Identification

The purpose of EORI, in the words of customs, is “to have one unique identification number for each Economic Operator that is recognised by all EU customs authorities. Such an identification number will serve as a common reference for the identification of economic operators, or persons, in their relations with the customs authorities of the Community, and for the exchange of information between these authorities and where appropriate, between customs authorities and other government departments and agencies”.

This will make the introduction of the safety and security regulations more effective as persons concerned can be identified, throughout the EU, by reference to a common number unique to each person. The regulations state that a legal entity can have only one EORI number.

Anyone who has a TURN number and has used it in the last 2 years should already have been contacted by customs and, in most cases, already have been notified of their new EORI number. New traders, or those who have not used their existing TURN in the last 2 years, will have to apply to customs for an EORI number. The issuing of TURN numbers ceased on 31<sup>st</sup> March 2009 and the EORI registration process is now in operation.

In order to reduce the impact of EORI numbers on the trade and specifically on software systems, customs in the UK are formatting EORI numbers in exactly the same way as TURN numbers – i.e. they start with ‘GB’ followed by the VAT number followed by 3 digits – which in most cases for EORI will be ‘000’. So for the majority of people no changes will be required to either the systems they use or the information they declare in boxes 2, 8 or 14.

EORI numbers (as well as existing TURN numbers) can be used from 1<sup>st</sup> April 2009 in import and export declarations – but see [Implications for Simplified Procedures](#) below.

Use of existing TURN numbers in export and import declarations on CHIEF will cease on 1<sup>st</sup> July 2009 although for the majority of traders the EORI number will be identical to the TURN number they use now.

The [EORI page](#) of the HM Revenue & Customs website has further information on:

- The background to EORI
- The registration process
- Customs Information Papers
- Frequently Asked Questions [FAQ]
- Registration for MSS reports

### Implications for Simplified Procedures

If you are operating simplified procedures (import CFSP, export SDP or LCP) and the authorised trader (either you as a declarant or your customer as an importer/exporter) currently uses TURN suffixes there are certain considerations as to when to start using the EORI number instead of the current TURN, as the initial simplified declaration/pre-shipment advice has to link to the subsequent supplementary declaration.

### *Imports under CFSP*

For CFSP some guidance is available in the [EORI FAQ](#) on the customs website and you should contact customs before starting to use your EORI number. All affected CFSP traders should already have received a letter from customs detailing the procedure to be followed.

### *Exports under LCP or SDP*

No such guidance has yet been published by customs for exports, although it is currently being drafted and will appear on the FAQ soon. Essentially you will have to use both your current TURN and new EORI number for an interim period so that:

- Where a PSA was submitted using the current TURN number, the subsequent supplementary declaration is also submitted using that TURN.
- Where a PSA was submitted using the new EORI number, the subsequent supplementary declaration is also submitted using that EORI number.

## **Implications for TURN Suffixes from 1<sup>st</sup> July 2009**

As a legal entity can have only one EORI number and that number has to be used on import and export declarations from 1<sup>st</sup> July 2009 it will no longer be possible to identify individual branches/divisions of either the importer/exporter or declarant by reference to their TURN number.

Perhaps the most significant impact of this is to C79 VAT Certificates and Periodic Deferment Statements, where it will no longer be possible to identify to which branch or division a particular revenue amount relates.

Customs have introduced a process that goes some way to addressing this issue, although it is far from perfect. They will allow you to declare current TURN suffixes (the last 3 digits of the TURN) for the consignor/consignee and/or declarant as header level AI statements on import and export declarations from 1<sup>st</sup> July.

Whilst these 'branch identifiers' will not print on VAT certificates or Deferment Statements, traders can register for monthly free of charge reports from customs which will help to identify which declarations were for which branch.

For further information on the contents of these reports and the process for registering for them see the [Guidance on Registration for EORI reports](#) on the customs website.

The other alternative, being suggested to traders by customs, is to use box 7 on the declaration to include the reference necessary to identify a particular branch. This is also not ideal however given that both the declarant and the importer/exporter may need to make use of this. This reference does however appear on both VAT certificates and Deferment Statements.

*How to declare Branch Identifiers on import and export declarations*

In order to declare branch identifiers on import and export declarations you need to complete a header level AI statement in box 44 using the following codes:

- For the consignor at export [box 2]/consignee at import [box 8] - 'BRnnn' – where *nnn* is the 3 digit branch identifier
- For the declarant [box 14] - 'AGnnn' – where *nnn* is the 3 digit branch identifier

No additional text is required for these AI statements. These new AI statements can be declared, along with the associated EORI number(s), from 1<sup>st</sup> April 2009. However the MSS reports mentioned above will not be available until August – for July declarations.

GeMS allows you to store these branch identifiers against client records and against each agency record and, if such a code is stored, automatically create header level AI statements each time you create a new declaration.

A utility will also be provided with Release 12 of GeMS which will automatically run through the client records stored in the GeMS database and:

- Adjust any current 'GB' TURN numbers where the last 3 digits are not '000'
- Store the last 3 digits to the new branch identifier field

Instructions on how to run this utility will be included in the documentation you receive with the new software.

## NCTS – New Computerised Transit System

### Additional data elements for TIR movements

Since January 2009 TIR movements across Europe have required an NCTS movement. In those circumstances an additional data element – TIR holder ID – is required to be declared in the transit declaration. From 1<sup>st</sup> July this will be an [EORI number](#). This new ID will be available in the GeMS NCTS declaration from Release 12 of the software.

### Additional data elements for safety & security

The safety and security requirements introduced for exports on 1<sup>st</sup> July 2009 also apply to transit declarations under NCTS. However, almost all transit movements, originating in the UK, are also subject to export declarations prior to the goods being placed into transit. As those export declarations include the safety and security data required by the new regulations, there is no need to duplicate that data in the subsequent transit declaration.

UK customs have stated that they cannot give a single example of where this data would be required in a UK transit declaration and for that reason we have not modified GeMS to support the additional safety and security data.

### Changes to existing data elements

There have also been some minor modifications to existing data elements in transit declarations to properly align them with other systems such as ECS. These modifications are as follows:

- Previous document reference [box 40] – changed from 20 to a maximum of 35 characters
- Additional information/special mentions code – changed from 3 to a maximum of 5 characters

These elements have been re-sized in GeMS in order to make them consistent with other systems ([ECS](#) etc.) These changes are included in Release 12 of the GeMS software.





Export/Security SAD [ESS]

EUROPEAN COMMUNITY - EXP-SAD/SEC					A OFFICE OF DISPATCH/EXPORT	
Copy for the country of dispatch/export	1 <input type="checkbox"/> 2 Consignor/Exporter No			1 DECLARATION		
	3 Forms		4 Loading lists			
	5 Items		6 Total packages		7 Reference numbers	
	8 Consignee No			Seal Number (S28)		
	14 Declarant/Representative No			Transport charges method of payment code (S29)		15 C. disp./exp. Code
				a)   b)		17 Country destin. Code
				Country(ies) of routing codes (S13)		
	18 Identity and nationality of means of transport at departure			19 Ctr.	20 Delivery terms	
	21 Identity and nationality of active means of transport crossing the border			22 Currency and total amount invoiced		23 Exchange rate
	25 Mode of transport at the border			26 Inland mode of transport		24 Nature of transaction
Copy for the country of dispatch/export	1 <input type="checkbox"/> 29 Office of exit			30 Location of goods		
	31 Packages and description of goods			32 Item No		33 Commodity Code
				a)   b)		34 Country origin Code
				37 P R O C E D U R E		35 Gross mass (kg)
						38 Net mass (kg)
				40 Summary declaration/Previous document		
				41 Supplementary units		Seal Number (S28)
				A.1. Code		
				46 Statistical value		
	47 Calculation of taxes			48 Deferred payment		49 Identification of warehouse
Type   Tax base   Rate   Amount   MP			B ACCOUNTING DETAILS			
Total:						
50 Principal No			Signature:			
represented by						
Place and date:						
CONTROL BY OFFICE OF EXIT (K)			Stamp:			
Date of arrival:						
Examination of seals:						
Remarks:						
CONTROL BY OFFICE OF DISPATCH/EXPORT (E)			Stamp:			
Result:			54 Place and date:			
Seals affixed: Number:			Signature and name of declarant/representative:			
identity:						
Time limit (date):						
Signature:						

Note: This form has 3 copies – [1] Copy for the country of dispatch/export – [2] Statistical copy For the country of dispatch/export – [3] Copy for the consignor/exporter





## Appendix B – Glossary of Terms and Abbreviations

AEO	Authorised Economic Operator
CCC	Community Customs Code
CCCIP	Community Customs Code – Implementing Provisions
CHIEF	Customs Handling of Import and Export Freight
EAD	Export Accompanying Document – to accompany indirect exports
ECS	Export Control System
EFD	Export Full Declaration
ELOI	List of Items used with the EAD
ELP	Export LCP Pre-shipment advice
EORI	Economic Operators Registration and Identification [system]
ESP	Export SDP Pre-shipment advice
ESS	Export/Security SAD
ESSLoI	List of Items for use with the ESS
EXP-SAD/SEC	See ESS
LCP	Local Clearance Procedure
MRN	Movement Reference Number
NCTS	New Community Transit System
SAD	Single Administrative Document
SDP	Simplified Declaration Procedure
STC	Single Transport Contract
TIR	Transport Internationeaux Routiers
TURN	Trader Unique Reference Number
UNDG	United Nations Dangerous Goods