## 1. Introduction

The existing CHIEF fallback procedures require a lot of manual intervention during the fallback period. The recovery after the fallback period requires reconciliation to ensure that all declarations have been completed. This has historically proved to be impractical, with the associated risks, thus resulting in reluctance by HMRC to invoke fallback and long delays for import clearances. CCS-UK has developed an Automated Import Fallback system which will allow CHIEF fallback to be more easily invoked, easily operated and to make recovery after fallback a simple and auditable procedure.

The main benefit of Automated Import Fallback processing is that initial declarations (i.e. not amendments) from "Type 2" (AEO) agents for innocent goods, which contain the Header Level Additional Information (AI) statement of "FBK03" will invariably receive FALLBACK RELEASED status.

**HMRC advise that misuse of the AI Statement FBK03 for non-innocent goods, or by those not permitted to use it, may result in further action to be considered, including preventing the agent from being permitted to use the Automated Import and/or Export Fallback system in the future.**

Unlike the CCS-UK Export Fallback solution, there are no software changes required to TSO/Airline and Agent systems to use Automated Import Fallback.

**Note**: Type 2 (AEO) agents who plan to use the Header Level AI statement FBK03 should check that this code has been added to reference tables in their systems (if this is a requirement of their system).
*Note*: The FBK03 AI statement does <u>not</u> require AI text.

## 2. Automated Import Fallback Operation

When CHIEF has an unplanned outage , CCS-UK helpdesk is alerted and will advise all CCS-UK users by email. At this time, TSO/Airline arrival messages will be stored on CCS-UK and no responses will be returned.

It is recommend that on receipt of such notification, Type 2 (AEO) agents add the FBK03 AI statement to all **<u>new</u>** declarations for innocent goods where a route 3 or 6 is normally received. This will ensure that declarations submitted before fallback is invoked will be FALLBACK RELEASED when fallback is invoked. Declarations amended to include the FBK03 AI statement will **<u>not</u>** achieve FALLBACK RELEASED status.

Note: If the unexpected CHIEF outage is over 90 minutes, CCS-UK is permitted by HMRC to automatically invoked Fallback <u>unless</u> HMRC confirm otherwise. Equally if HMRC perceive the CHIEF outage will be more than 90 minutes before the deadline is reached, HMRC will notify CCS-UK accordingly to permit Fallback.

It is therefore imperative that CCS-UK has the correct email address for your company key contacts, as the use of this email address will make the required users aware that there are problems with the CHIEF Service and Fallback updates. Please notify CCS-UK by email: ccs.helpdesk@bt.com

When Automated Import Fallback is invoked, along with the email notification, CCS-UK will also send a GENRAL message will be sent to all TSO/Airline and Agents systems to advise users that fallback is now in operation.

### Agents

Two types of Agents exist for the purposes of Automated Import Fallback:

- **Type 1 Agents** are non AEOs, and whose declarations will be held under Import Fallback unless released by NCH. No Header AI statement is used.

- **Type 2 Agents** are AEOs and should use Header AI statement **FBK03** in the import declarations for **innocent goods ONLY** (i.e. where route 3 or 6 is normally received.) As mentioned above, FBK03 AI Statement does not require AI text. The FBK03 statement **must not** be used  for non-innocent goods e.g. IPR, licence etc. To avoid further action, contact the NCH immediately if inserted in error.

| Agent Type | Header AI Statement | AI Statement Text |
|---|---|---|
| 1 | No Statement Used | No AI Statement Text |
| 2 | Insert "FBK03" (Note: "FBK03" only to be used for innocent goods. Otherwise leave blank.) | No AI Statement Text |

### Import Processing Rules

When fallback is invoked, the following should be noted:
- All declarations which achieved Route 3 and Route 6 within 10 minutes prior to the CHIEF Service not being available and which would therefore

have automatically cleared, will be processed under CCS-UK Automated Import Fallback and will receive  FALLBACK RELEASED.

- Declarations which had achieved Route 1 or 2  before the CHIEF Service was no longer available will also be processed under CCS-UK Automated Import Fallback and will receive FALLBACK HOLD status.
- For Route 1 or 2 declarations, Agents will have the opportunity to request NCH to release the shipment during fallback if the document or physical check is completed during the fallback period. If successful, a FALLBACK RELEASED Customs Status message will be sent to the Transit Shed, and a GENRAL message sent to the agent system advising the FALLBACK RELEASED status.

- Declarations which were submitted before fallback was invoked but were not received by CHIEF will be processed under CCS-UK Automated Import Fallback.  Declarations from Type 2 (AEO) Agents for innocent goods with the FBK03 AI statement will normally become FALLBACK RELEASED.

**During Import Fallback**

Type 2 (AEO) Agents should (continue to) identify innocent goods – i.e. those goods which will normally receive route 3 or 6. For these goods they should add a Header level AI statement – FBK03 in the *initial* declaration. CCS-UK will process such declarations and will normally issue a FALLBACK RELEASED status  to both the Agent and the TSO/Airline.

Type 2 (AEO) Agents can also submit a declaration under fallback for goods that require HMRC/BF document checks, e.g. licence or carnet, but they **MUST** omit the FBK03 AI Statement. These declarations will still be processed under fallback but will receive a FALLBACK HOLD TYPE 2 status and can be released by NCH after document checks have been completed. Misuse or persistent failure to remove FBK03 AI Statement for non-innocent goods, may result in further action to be considered by HMRC.

Type 1 Agents (non AEOs) will receive FALLBACK HOLD status for their declarations, giving them the possibility to contact NCH with the necessary documentation to effect the release of the shipment. If successful this will generate a FALLBACK RELEASED status message, which will be sent to both the Agent and TSO/Airline. Type 1 Agents are reminded not to use or insert FBK03 AI Statement, as further action may be taken by HMRC.

**TSO/Airlines**

During fallback, TSO/Airlines will continue to create inventory consignment records as usual. Removal requests (inter-airport, inter-shed and transhipment) and through Airwaybill processing will continue to function as normal as these are not dependent on CHIEF.

The shed can physically release goods with **FALLBACK RELEASED** status. This is **equivalent to CUSTOMS CLEARED**. No manual out of charge note or wet stamp is required. A release note can be generated for consignments with FALLBACK RELEASED status.

## 3. Recovery (Post Fallback)

When fallback is revoked, along with the email notification, CCS-UK will also send a GENRAL message to TSO/Airline and Agent systems to advise users that fallback is no longer in operation.

Declarations that have been stored on CCS-UK during fallback will be forwarded and processed by CHIEF in the normal way.

Note:
- **Import declarations may be rejected by CHIEF. In this case, they should be corrected and resubmitted immediately.**

- Where a declaration has been accepted and released under fallback, but following fallback is processed by CHIEF and subsequently selected for examination (i.e. Route 1 or 2), the Agent must contact NCH immediately, and help resolve the anomaly until the consignment is customs cleared.

- If the TSO/Airline system has a status of FALLBACK RELEASED, this is a final status and will <u>not</u> be updated with the CHIEF status. Otherwise the fallback status will be replaced by the CHIEF status.

## 4. Summary of Fallback Statuses

| Status | Description | Action |
|---|---|---|
| **FALLBACK HOLD** | Goods held by HMRC or Type 1 Agent declaration. | Agent to contact NCH and submit supporting documentation as required |
| **FALLBACK HOLD TYPE 2** | Type 2 Agent declaration without AI statement FBK03, or Route 1 or 2 declaration before fallback. (Non-innocent goods must be submitted without FBK03, and | Agent to contact NCH and submit supporting documentation as required |

| | | |
|---|---|---|
| | will receive this setting.) | |
| **FALLBACK ROUTE 6** | Interim clearance status pending timeout (up to 2 hours) | No Action – Await Timeout |
| **FALLBACK RELEASED** | Shipment may be released. Equivalent to CUSTOMS CLEARED | TSO/Airline may release the shipment. |

## 5. Further Help & Assistance

For assistance regarding Fallback software functionality, you should first contact your software provided for further information.

If you are not receiving notifications of when Fallback has been invoked or revoked, please make sure you have notified CCS-UK with your latest email details: ccs.helpdesk@bt.com