

Border Operating Model – Delayed Declarations

Robert Windsor
Executive Director

Delayed Declaration – the basics

- This is a two stage process primarily designed for importers
 - Not another facilitation for Customs agents
 - But can be utilised by them
- Stage 1 :-
 - Use of **Entry in Declarants Records (EIDR)**
- Stage 2:-
 - Supplementary declaration required
 - 6 months from date of initial import into UK to file the supplementary declaration.



Delayed Declaration (DD)

- Importers can use procedure for 6 months until 30/06/2021
- Importer Can use Entry in Declarants Records (EIDR) without authorisation **prior to import**
- Importer will need to be authorised to submit supplementary declaration (within 6 months of first import)
 - Or can use an Intermediaries CFSP approval (if the latter is willing)
 - Custom agent can be a Direct Customs Agent if using their own authorisation but need to apply to do so
 - Deferment Approval needed



EIDR – is a customs declaration

- Declaration needs to be :-
 - Made prior to goods movement
 - Held electronically
 - Updated after arrival to show the tax point
- Traders must have GB EORI number to import under DD
- Delayed Declarations cannot be done if:-
 - The goods are controlled Annex C
 - Goods that do not have Union Status or not been in free circulation before arriving in GB
 - Goods are not being cleared and released to GB free circulation i.e have to be released to UK free circulation.



EIDR – the data fields

<ul style="list-style-type: none">• The Customs Procedure Code	<ul style="list-style-type: none">• Quantity of Goods – for example, number of packages and items and net mass
<ul style="list-style-type: none">• Traders Unique Consignment Ref Number	
<ul style="list-style-type: none">• Purchase, and if available sales invoice numbers	<ul style="list-style-type: none">• Details of supporting documents
<ul style="list-style-type: none">• The dates and time of entry in records – creating the tax point, which will be used for working our VAT payments later	<ul style="list-style-type: none">• Serial numbers/identifying marks
<ul style="list-style-type: none">• Any Temporary admission, warehousing or temporary storage stock account references	<ul style="list-style-type: none">• If you are the customs intermediary making a declaration on behalf of someone else, you must record details of the person you are representing.
<ul style="list-style-type: none">• The warehouse approval number	
<ul style="list-style-type: none">• Written description of the goods	
<ul style="list-style-type: none">• Customs value	



Delayed Declaration -continued

- Regime can be used in conjunction with:-
 - A movement using Transit Procedures
 - Removal from Customs Warehousing and Temporary Storage
- GB EORI must be linked to cargo (suggest show on drivers manifest)
- To complete the supplementary declaration the trader or customs intermediary will need to be authorised for Simplified Customs Declaration:-
 - Entry in Declarants Records (EIDR) or
 - Simplified Customs Declaration process (SDP)
 - Need own Deferment account and use postponed VAT accounting



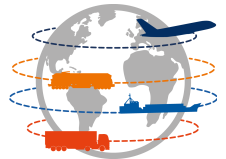
Definition of poor recent compliance

- Traders with poor history of Customs non-compliance are not permitted to use Delayed Declarations:-
 - Evidence of recent serious non-compliance with regard to tax and customs obligations, especially with regard to import Duty/VAT
 - Evidence of deliberate and multiple incidents of non-compliance
 - Individuals with a record of serious/repeated non compliance can also expect other businesses that they are connected to and being unsuitable to use Delayed Declarations



Postponed VAT Accounting etc

- Mandatory for those companies using Delayed Declarations to use postponed VAT Accounting:-
 - Can defer supplementary customs declarations for 6 months
 - VAT return will be quarterly
- Whilst the Customs declaration may be delayed for up to 6 months VAT has to be accounted for on a 3 month (quarterly basis):-
 - To be accurate it will need duty to be calculated
 - Law will allow an estimate but a amendment is required the following quarter.



BIFA Members – what to consider

- Commercial decision for Members if they decide this service
 - Not Mandatory for them to do so
- There are some disadvantages associated with the regime:-
 - Competency of the trader to keep records etc –many will be new to Customs procedures
 - Where Direct Customs Agent when payment is against the Members Deferment Account they are the party responsible to pay the tax to HMRC
 - Also responsible for all aspects of administration and compliance of the authorisation
 - If delayed 6 months can parties pay?
 - Consideration should be given to a phased approach to submitting Supplementary declaration and receiving payment
- What evidence of good compliance history to use ?



BIFA Members – what to consider pt. 2

- Application to use simplified customs procedures requires considerable information:-
 - Details of importers
 - Tariff headings
 - Customs Procedure codes
- Delayed Declaration system cannot be used for:-
 - All origins
 - Many types of goods
- After initial scope of operation widens into CFSP – question is how to handle this?



Overseas entities – additional considerations.

- These entities can use the Delayed Declaration procedure
- Have to use a customs agents or similiar authorisation
- When representing an overseas entity the customs agent:-
 - Can only be an Indirect Customs Agent
 - As Indirect Customs Agent the BIFA Member will be jointly and severally responsible for the customs debt
 - Wider aspects such as liability for product safety etc
- Exercise **extreme** caution



The benefits

- Decision to offer a Delayed Declaration product is a commercial decision
 - Potential to :-
 - **Broaden services provided to customers**
 - **Providing an opportunity to increase their own business**
 - **Assists those businesses dealing with import trade from EU**
 - **Particularly relevant for inbound ro-ro traffic from the EU**
 - However, can be applied to all modes and both inventory and non-inventory linked ports
- Only the Member can make the decision on what is best for their business
 - In all probability will ease import flow of traffic from EU up to 30/06/2021



After 6 months

- Trader will have to have been authorised to use Simplified Frontier Customs Procedures :-
 - Application could have been included in the initial application to submit Supplementary Declarations as part of the Delayed Declaration process.
- Goods will need to be declared at the frontier:-
 - Simplified Frontier Declaration to secure a shipments release from the frontier
- Subsequently a Supplementary Declaration will be required:-
 - Traders will need to submit the Supplementary Declaration usually by the 4th working day of the month after import

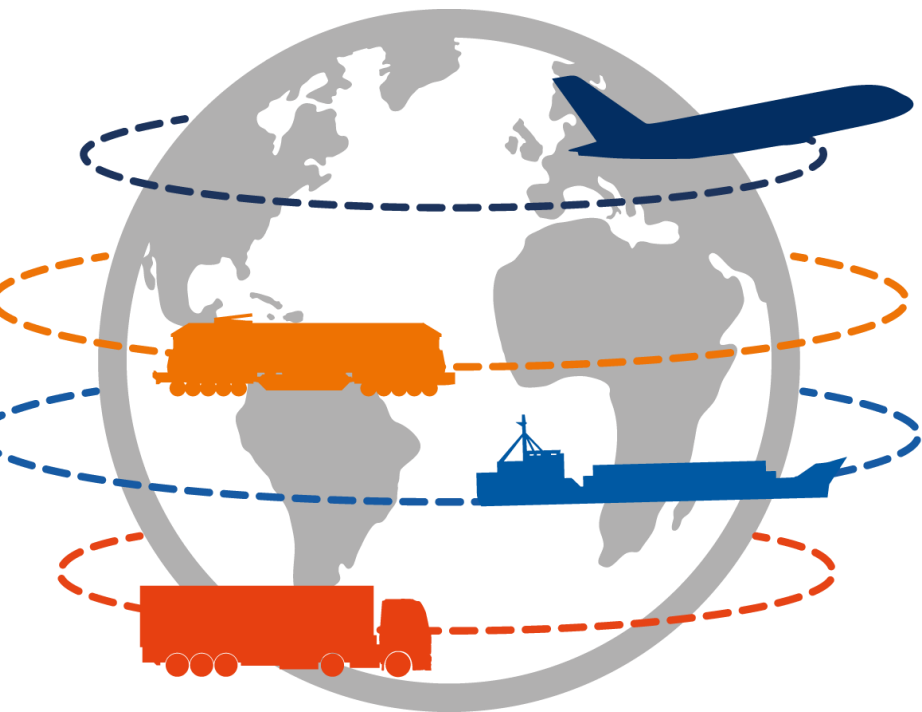


Useful links

- <https://www.gov.uk/guidance/declaring-goods-brought-into-great-britain-from-the-eu-from-1-january-2021>
- <https://www.gov.uk/guidance/making-a-delayed-supplementary-import-declaration-from-1-january-2021>
- <https://www.gov.uk/guidance/apply-to-use-simplified-procedures-for-import-or-export-ce48>

N.B:- Each website has links within them and these should be read in turn.





Thank you for your time

Robert Windsor
Executive Director
Email :- r.windsor@bifa.org