

Export Customs Procedures

Overview

Goods exported out of the European Union must be entered under an export procedure and declared to customs. The document used to do this is the Single Administrative Document. It is a multi-functioning form which also functions as the export declaration. It may also serve as the transit declaration and import declaration.

The Single Administrative Document (SAD) consists of 8 carbon sheets. Declarations can be made to the customs authorities directly or through agents or representatives. Paper customs declarations must be signed. The signature declares the accuracy of the return. UK Revenue operates a computer system, CHIEF+, which processes export declarations electronically, removing the need for a paper SAD.

When goods leave the EU, it is generally required that they are declared at the customs office of export. Where they travel through another Member State, they are declared at the final customs office of exit. Once a declaration is lodged at the customs office of export, it will advise the customs office of exit that the goods are being exported.

Single Administrative Document

The Single Administrative Document is recognised internationally by customs authorities. Many of the boxes in the SAD require information from other paperwork such as valuations, invoices and shipping documents. A completed SAD must detail what the goods are, the movement of the goods, the goods commodity code and the customs procedure code.

In order to complete the SAD, it is necessary to use the Common Customs Tariff. The Tariff lists the codes which must be put in each box. The most important boxes are for classification of the goods and the customs procedure code. The code determines what duty is owed. The custom procedure refers to a number of possible procedures which may be opted for in particular circumstances, some of which involve deferral of Customs Duty.

The SAD comes in eight parts for use at different points in the trading process. Parts 1,2,3, and 4 are for exports. Parts 6,7 & 8 are for imports. Parts 1, 4, 5, & 7 are for transit. Traders should use the part 3 of the tariff to complete the boxes. There are 54 boxes in the SAD that are grouped as follows:

- Status of goods
- contact details
- Duties and tax
- Description of goods
- Additional information
- Reference details for agents
- Valuation details
- Preference
- Delivery, Transport and Description of Goods.

Three copies of the SAD and supporting documents must accompany the goods through customs in the country of export. Two copies are retained by customs and the third copy is returned to the exporter. If the goods are going through other Member States before leaving the EU, this copy needs to be presented at the customs office of exit to verify the export and certify its departure. Once the consignment has been exported, the customs stamped third copy should be retained by the exporter in its records, as evidence of export for VAT and customs duty purpose.

The National Export System

National Export System is a computer based method for declaring goods for export to HMRC (customs). Exports refer to the movement of goods to outside the European Union. Movements within the European Union are not imports and exports for the purpose of customs law.

NES is operated by the Custom Handling Import and Export Freight System (CHIEF), which is HMRC's nationwide computer system that electronically controls and records international cargo movement. Authorisation to connect to CHIEF is required from HMRC. It is necessary to provide a unique traders reference number, a combination of a VAT number and a three digit suffix.

Where consignments are declared at customs using the electronic CHIEF system, the SAD may be replaced by a plain paper declaration or an electronic message. Where goods are transited through another Member State they will need to move under the Community Transit System. The consignment will need to be declared under the New Community Transit System (NCTS).

Simplified Procedures

The normal procedure for exporting goods outside the European Union is that a full Declaration is required detailing the goods before shipment either in paper format or electronically. Simplified procedures allow for swifter clearance or reduced information at the time of shipment. These procedures are not available for dutiable or restricted goods. The exporter or its agent must be authorised.

The simplified declaration procedure requires a minimum of information to be transmitted electronically to customs prior to export by using an electronic pre-shipment advice (PSA) and then submitting an electronic supplementary declaration providing full details

of the actual export. Goods are then presented to customs and the CHIEF system will provide a notification of whether they are to be examined. The supplementary declaration must be made electronically within 14 days of acceptance by customs of the initial simplified declaration. The second declaration is more detailed and requires 24 items of data.

Local Clearance Procedure

This simplified procedure is only open to authorised traders and allows declarations to be made from authorised inland premises. Customs must be notified about the shipment via electronic communication through the CHIEF system. After permission has been given, goods can be removed from the LCP Premises. Details of goods must be correctly entered into the CHIEF system and be presented at ports and customs control before they can be cleared for export. There will be electronic confirmation for both arrival and departure of consignment.

The exporter is assigned a unique consignment reference for the consignment. This is quoted in the initial pre-shipment declaration transmitted to the CHIEF system. The goods can be transported to the port or airport and the customs systems at these locations automatically inform customs when they have arrived. The supplementary declaration providing details of the export must be transmitted to customs within 14 days. This is transmitted electronically.

If a local clearance procedure is used, HMRC must be informed through CHIEF before goods arrive in the port or terminal. A UCR number is allocated to the consignment included in the entry. The system will inform CHIEF of the arrival of the goods and will be informed of the clearance status, which is then passed to the carrier or agent. CHIEF will send a permission to board (PTB) which allow goods to be loaded. When the goods are given permission to progress, CHIEF sends a message to the community system which passes information to the port terminal carrier and agent.

This Guide is intended as an overview and broad outline of the matters covered in it. Its purpose is to inform and raise awareness. We are happy to offer specific legal advice on particular circumstances. This Guide should not be relied on as a substitute for comprehensive legal advice with reference to the particular circumstances.

While we have taken care in the preparation of this publication, we do not accept legal liability as a result of any reliance placed on anything in this Guide. The reader should rely only on specific legal or taxation advice.

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