

CDS (Customs Declaration Service)

CDS is the Customs Declaration Service which is the replacement for CHIEF (Customs Handling of Import and Export Freight).

It is in limited operation already for Supplementary declaration (warehouse removal) functionality only and has been introduced, at significant expense, to ensure the UK adheres to the requirements of the Union Customs Code (UCC). This project started in 2014 before Brexit and will ensure we are aligned with the World Customs Organisation Kyoto Convention.

There are a number of significant changes to be made aware of. At this stage however, there is no implementation for frontier declarations (those to remove goods from the airport/quay) and HMRC are publishing amendments to both the specifications and the tariff on a regular basis.

There will be a requirement for more information to be declared—not limited to, but including:

- More detail required for the valuation of goods.
- It is mandatory to show the Terms of Sale (as per Incoterms, 2010) on the entry.
- The format of CPCs (Customs Procedures Codes) with Additional Procedure Codes and it will be critical that importers understand the implications of these, as well as the correct classification of their products.
- There will be one supplier to one entry line, no amalgamation of HS codes over multiple suppliers on single line will be allowed.
- An additional party type must be declared such as the buyer and seller.
- An entry can be up to 999 line items instead of the current 99.

There appears to be no provision for the print of an entry - there is no E2 acceptance advice or indeed an entry number. The latter is replaced by an MRN - Movement Reference Number. The tariff refers to paper based declarations but gives no details on the layout of the document, so it is unclear if there will be a replacement to the C88.

Deferment statements and VAT certificates will be online only and importers will have to register with the Government Gateway to access details relating to your imports and exports using the MSS (Management Support System) data. This is currently available on a paid subscription basis, but will at some point in the future be freely available to everyone.

Entries can be presented up to 30 days in advance of arrival. How this will work with inventory controlled systems is yet to be advised.

It is commonly believed within the industry that the timeframes published by HMRC are optimistic. However, HMRC have confirmed there will be parallel running with CHIEF for a limited although undefined period, but it is expected this will be until 2020. In our view, the lack of a test system (unlike CHIEF) is a major flaw. There also appears to be no option for direct access, as there is in CHIEF through HCI (Human Computer Interface).

Charles Kendall is at the forefront of the developments of CDS. Please contact us at compliance@charleskendall.com with any questions you may have.