

Temporary changes in Customs Policy due to Covid-19

Covid-19 has greatly impacted the international supply chain. The UK government has introduced certain measures 'easements' to reduce this impact. These temporary changes in customs policy and authorisations are rapidly evolving; here is a selection of guidance as of 20-Apr-2020:

Customs Special Procedures and other Customs Authorisations

These changes affect those traders who are authorised for a Customs Special Procedure (CSP), or who are in the application process. CSP's are Inward Processing (IP), Outward Processing (OP), Customs Warehouse (CW), End Use (EU), and Temporary Admission (TA). These temporary changes may also be applied to Temporary Storage (TS), Simplified Declarations (e.g. EIDR), and Authorised Economic Operator (AEO). Temporary changes include:

- You may be able temporarily vary certain conditions of your customs approval (e.g. time limits for throughput periods and submission of Bills of Discharge, reducing dwell times, site opening hours, specified areas within an approved location). Contact your Supervising Office by email using the subject "Covid-19 customs easement request", requests will be considered on a case-by-case basis and may be declined if there are concerns about the impact on customs controls.
- If you are unable to renew your customs authorisation that is due to expire, HMRC may automatically extend your authorisation to ensure you have continuity. HMRC will let you know if you have been granted an automatic extension.
- You can temporarily send your postal customs authorisation application by email to leeds.citexarteam@hmrc.gov.uk, following up with original signature via post once the Covid-19 controls are lifted.
- If you are applying for a customs authorisation to allow you to bring supplies of food, medical and pharmaceuticals, you will be given priority during this period and fast-tracked wherever possible.
- If you have been authorised to provide a Customs Comprehensive Guarantee (CCG), customs will temporarily accept certain forms by email to customs-comprehensive-guarantee-team.ccto@hmrc.gov.uk (these being the financial guarantee form (CCG2), transit guarantee form (C1146), Joint Contractual Liability form)
- If HMRC are due to visit you (e.g. for a compliance visit relating to an AEO application), they will contact you to discuss temporarily suspending the process, whilst attempting to ensure any delay does not have a significant impact on your business.

Source: gov.uk / Guidance: @ 20-Apr-20

UK Customs Border

Traders, freight agents/customs intermediaries and UK Border Force may exchange documents electronically by email, fax or digital photograph, but the information must be legible. However, this does not apply to documents required at EU Customs Borders; these must travel with the goods as hard copy with wet stamps (e.g. Transit Accompanying Documents, Proof of union status, Carnet documents, licences), unless you have agreed specific alternative procedures.

Source: gov.uk / Guidance: @ 20-Apr-20

Exports less than EUR3,000 in value

If you have a consignment that is less than €3,000 in value and is not subject to prohibitions or restrictions this can be declared for export in the UK even if the exporter is established in another EU member state. You must complete a customs declaration for these goods. If the export is to be conducted under simplified procedures, you must contact your supervising office.

Source: gov.uk / Guidance: @ 20-Apr-20

Export Licence Controls

Department of International Trade (DiT) have issued guidance (Notice to Exporters) to advise temporary changes to export licensing arrangements. These include audits being performed remotely, and an increase in targets for processing Standard Individual Export Licence (SIEL) applications from 20 to 40 working days.

For employees working from home, it is important they are aware of export compliance requirements in respect of exports/transfers of controlled technology (technology may be tangible (physical) or intangible (such as via email or spoken), it may take the form of blueprints, plans, diagrams, models, formulae, tables, engineering designs and specifications, or manuals and instructions, either written or recorded on other media or devices such as disks, tapes or read-only memories).

In addition, employees should be made aware of the US extra-territorial export controls, as home-working may present potential risks for inadvertent unauthorised transfers of technology and technical data by employees who are not closely supervised.

Source: gov.uk / Guidance: @ 20-Apr-20

Export of Personal Protection Equipment (PPE)

As part of the response to Covid-19, the UK has implemented Commission Implementing Regulation (EU) 2020/402 to ensure an adequacy of supply of vital PPE equipment within the UK, the European Union, the EFTA member states (Iceland, Liechtenstein, Norway, Switzerland), and certain dependent and other territories. The regulation came into force on 15 March 2020. It will initially last for 6 weeks until 26 April 2020. Gov.uk has published guidance, aimed at economic operators, including manufacturers and distributors, wishing to export PPE goods to a destination outside of the EU, EFTA, or certain dependent and other territories. Anyone who wishes to export any of the relevant goods to a destination outside of the above areas will now need a PPE export licence. Goods include the following kinds of products which provide the wearer with protection against potentially infectious material (e.g. protective spectacles and visors, face shields, mouth-nose protection equipment, protective garments, protective gloves)

To apply for a licence, you should complete the application form and a notification form (available on gov.uk). Both forms to be sent to ppeexports@trade.gov.uk. This email can also be used for queries regarding this new export control regime, and guidance will be updated regularly on gov.uk.

Source: gov.uk / Guidance: @ 20-Apr-20

Export Approvals

Traders may apply for permission to extend their Export Approval Authorisation to additional locations (e.g. Designated Export Places, Customs Supervised Exports, Local Clearance Procedures). This will allow you to request 'permission to progress' without first needing the goods to be located at the premises set out in your approval. Apply to nesauthorisations@hmrc.gov.uk, including an explanation how the extension will enable you to reduce levels of physical contact. Large businesses should also provide the name of their Customer Compliance Manager. If HMRC accept your request, you'll be told the correct process to follow.

Source: gov.uk / Guidance: @ 20-Apr-20

Transit movements starting at an Office of Departure

Email or telephone procedures already in place at offices of departure will continue without change. Where traders normally enter goods to the transit procedure by presenting documents over a counter at an office of departure, traders may now request the release of the goods by contacting the relevant office. Union goods must be at the office of departure before release to the transit procedure is requested. Non-union goods can continue to be released from approved places, such as customs warehouses. You must provide Border Force with certain information (e.g. declarant's name and EORI number, local reference number of the transit declaration, office of departure referred to in the transit declaration and confirmation that goods are on site, master reference number of the export declaration, if needed, email address to which the electronic Transit Accompanying Document and master reference number should be sent). See gov.uk for a suggested Covid-19 Proforma. You must not start the outward journey until you've received an email from Border Force with the Transit Accompanying Document and master reference number.

Before permission to progress is granted, you may need to provide further information in order to complete documentary checks, present the goods to a customs office.

Source: gov.uk / Guidance: @ 20-Apr-20

Transit movements starting at an Authorised Consignor

Authorised consignors may apply for permission to extend that authorisation to additional locations. To apply, email national-simplifications.ccto@hmrc.gov.uk, or the appropriate Border Force office. You should explain how the extension will enable you to reduce levels of physical contact. Large businesses should also provide the name of their Customer Compliance Manager. If you need permission to progress for export declarations, you can request this at the same time. If HMRC accept your request, you'll be told the correct process to follow.

Source: gov.uk / Guidance: @ 20-Apr-20

Transit movements ending at an Office of Destination

Email or telephone procedures already in place at offices of departure will continue without change. Traders can now request the release of goods from the transit procedure by contacting the appropriate office after the goods have arrived. You must provide Border Force with certain information (e.g. the declarant's name and EORI number, the master reference number of the transit declaration, inventory reference from temporary storage facility, the entry number or master reference number of subsequent customs procedure, if applicable, confirmation that any seals listed on the transit declaration are intact) See gov.uk for a suggested Covid-19 Proforma. Goods should not be unloaded until Border Force have provided permission. Traders must immediately report any discrepancies between the goods and the transit declaration to the same Border Force email address.

Source: gov.uk / Guidance: @ 20-Apr-20

Transit movements ending at an Authorised Consignee

Authorised consignees must continue to follow their normal processes but may communicate and exchange documents with Border Force by telephone, fax or email. Goods must be at their approved premises before they request permission to unload.

Source: gov.uk / Guidance: @ 20-Apr-20

Transit Delays

If you are transporting goods, the expected journey time entered on a transit declaration can reflect anticipated delays. The New Computerised Transit System (NCTS) will accept journey times of up to 14 days.

Source: gov.uk / Guidance: @ 20-Apr-20

Supplementary Declarations under Customs Freight Simplified Procedures (CFSP)

If you're unable to accurately calculate your supplementary declaration by your due date as a result of the coronavirus (COVID-19), you may submit an estimated figure. However, if your declaration includes an amount of Excise duty, you must submit a supplementary declaration as normal.

To submit an estimated figure you must email Cfsp_cope@hmrc.gov.uk and provide certain information (e.g. company name, EORI number, deferment account number, estimated customs duty amount owed, estimated VAT owed, the number of supplementary declarations not submitted)

You must provide a reasonable estimate of the amounts due and keep records that explain your calculation. You should use previous supplementary declaration figures but you can factor in known seasonal variations and any impacts of the coronavirus (COVID-19) such as downturn in orders and reduction in consignment volumes. HMRC will take a reasonable approach to compliance action but may issue civil penalties if estimated figures are significantly lower than actual amounts and your records do not justify the estimated value. You must submit an accurate supplementary declaration as soon as you can. You must notify the customs simplified procedures team when you have submitted your declaration, they will then credit the estimated amount back to your deferment account.

Source: gov.uk / Guidance: @ 20-Apr-20

Imports claiming Preference Duty Rate

Due to the impact of Covid-19 you do not need to provide original GSP form A's or original forms EUR1/EUR-MED when claiming preferential tariff rates at import. HMRC will allow preferential tariff rates to be claimed based on a copy, including electronic copies, of the original preference certificate held by the declarant without the need to lodge a security. The copy can be either signed and stamped by the certifying authority, or digitally signed from the certifying authority. This applies to certificates issued since 01-Mar-2020 and until restrictions are lifted. For imports meeting the conditions, entries should be coded as if the declarant held the original certificate and a security need not be lodged. When Covid-19 restrictions are lifted, you will need to get original certificates to support all imports at preferential rates, where you currently only have a copy of the certificate. HMRC has updated Notice 826.

The above temporary change in customs policy also applies to ATR's or EUR1/EUR-MED for imports from Turkey. HMRC has updated Notice 812.

Source: gov.uk / Guidance: @ 20-Apr-20

Import of Medical Supplies, equipment and PPE

This relief can be claimed by any person importing goods into the UK if the conditions set out below are met. The relief will apply to imports of protective equipment, other relevant medical devices or equipment for the Covid-19 outbreak set out in the Covid-19 Commodity Code list (HMRC may periodically update this Commodity Code list). The goods must be imported by or on behalf of an organisation based in the UK who are state organisations (including state bodies, public bodies and other bodies governed by public law), other charitable or philanthropic organisations approved by the competent authorities (this includes charitable and philanthropic organisations who are registered by the Charities Commission or the Office of the Scottish Charities Regulator, and state organisations which are devoted to welfare). Also includes certain organisations, as long as they are non-profit making and their objective is the welfare of those in need (e.g. hospitals, youth organisations, clubs, homes and hostels for the aged, orphanages and children's homes, organisations set up for the relief of distress caused by particular disasters in the Customs Union, organisations concerned with the relief of distress generally, such as the British Red Cross Society or the Salvation Army) If you are not sure whether or not you fall within the categories above, you can request confirmation by contacting the National Import Relief Unit (NIRU) by email niru@hmrc.gov.uk

Goods can be imported on behalf of one of the organisations if they are to be donated or sold (directly or indirectly) to them. If you are importing goods on behalf of one of the organisations listed, you need to obtain authorisation to claim this relief from NIRU. You can email niru@hmrc.gov.uk for an application form. If you're a disaster relief agency, and are importing the goods for free circulation to meet your needs during the Covid-19 outbreak, you can also claim relief.

If your goods are loaned, hired out or transferred to an organisation eligible for the relief, the relief will remain in place as long as the conditions continue to be met. If your goods stop being used by those affected by Covid-19, you cannot loan, hire out or transfer your goods, for consideration or free of charge, unless HMRC (NIRU) are notified in advance. You will need to pay import duties and VAT if you loan, hire out or transfer your goods to organisations or individuals not affected by Covid-19 outbreak

You can claim this relief on goods that are imported for free circulation and intended for distribution free of charge to those affected by, at risk from or involved in combating the Covid-19 outbreak, to be made available free of charge to those affected by, at risk from or involved in combating the coronavirus outbreak, while remaining the property of the organisations using them. The relief will apply to imports of protective equipment, other relevant medical devices or equipment for the Covid-19 outbreak. Use the commodity code list (published with the guidance on gov.uk) to find all goods you can claim relief on. Some codes are duplicated as multiple items are covered by the same code.

This relief applies to imports into the UK until 31-Jul-2020. To claim this relief you may have to first have been authorised by NIRU who will then issue you with a unique certificate; check your eligibility as stated above. You must claim relief by completing an import declaration in CHIEF. You can claim relief on your declaration in CHIEF by entering in: box 37 the customs procedure code 40 00 C26 and box 44, declaration/notes, enter document codes 9AID and/or 9AIV and status codes JP or UP as appropriate, also enter the NIRU certificate number as a GEN 13 Additional Information statement

Source: gov.uk / Guidance: @ 20-Apr-20

MHRA guidance

The Medicines and Healthcare Products Regulatory Agency (MHRA) is producing a portfolio of guidance for industry covering the covid-19 outbreak. This includes guidance on the specification of ventilators and other equipment. Visit gov.uk for updated guidance.

Source: gov.uk / Guidance: @ 20-Apr-20

Duty Deferment Accounts

Duty deferment account holders who are experiencing severe financial difficulty as a result of Covid-19 and who are unable to make payment of deferred customs duties and import VAT due on 15 April 2020 could have contacted HMRC for approval to enter into an extended period to make full or partial payment, without having their guarantee called upon or their deferment account suspended. Whilst this date has now expired, it is likely HMRC may allow a similar arrangement for payments due on 15 May 2020. The account holder should contact the Duty Deferment Office 03000 594243, or by email cdoenquiries@hmrc.gov.uk, or the Covid-19 helpline on 0800 024 1222. Account holders will be asked to provide an explanation of how Covid-19 has impacted their business finances and cash flow.

Similarly, Registered Importers who pay cash or an equivalent and are facing severe financial difficulties as a direct result of Covid-19 can contact HMRC to request an extension to the payment deadline at the time the payment is due. They will be asked to provide an explanation of how Covid-19 has impacted on their business finances. HMRC will consider this request and decide whether or not to agree an additional time to pay. The decision will be taken on a case-by-case basis and could be refused. If the request is approved the conditions, including the length of time offered, will depend upon the importer's individual circumstances and may require the holding of a guarantee for the period of the time extension. This facility is not available to non-registered importers. Contact the Customs Debt Policy by email custdebtrr.customspolicy@hmrc.gov.uk for further information.

Source: gov.uk / Guidance: @ 20-Apr-20

VAT Error Correction Notices (VAT652)

To ensure that VAT customers can continue to submit Error Correction Notices (VAT652), HMRC will temporarily accept these by email to inbox.btcnevatererrorcorrection@hmrc.gov.uk. This email address should only be used to submit VAT Error Correction Notices (VAT652) and is not for general use (do not use it for any other use as your correspondence will not be actioned). HMRC accept that, by emailing your VAT 652, you understand and accept the risks of using email (interception, integrity, alteration and non-repudiation). HMRC will not respond via email from this mailbox; responses will be by post.

Source: gov.uk / Guidance: @ 20-Apr-20

Intrastat

If current exceptional circumstances may be affecting your businesses and your ability to complete the Intrastat declaration, you must email intrastatenquiries@hmrc.gov.uk as soon as possible.

Source: gov.uk / Guidance: @ 20-Apr-20

Customs Declaration Service (CDS)

HMRC has announced a further extension to the dual running of existing customs declaration system (CHIEF) alongside the long-planned new system (CDS). The two systems were being run in parallel to ease the migration process. It was planned for HMRC to 'turn off' CHIEF by Nov-2020, but this will now be kept open beyond Dec-2020. Therefore traders will not now need to move from CHIEF to CDS by the end of Sep-2020. If you use a freight agent/customs intermediary to submit your customs declarations (as do the vast majority of UK exporters and UK importers), they will inform you of your migration date. If you submit your own customs declarations, your software provider should be working closely with HMRC to prepare for CDS. By way of background; the decision to replace CHIEF with CDS was made before the UK voted to leave the EU in Jun-2016. A plan was then implemented to scale up CDS to handle the predicted increase in customs declarations Brexit post-transition period. CDS has been in test phase for selected importers for some time, but difficulties have caused CDS to be long-delayed; the government originally planned for all customs declarations to take place on CDS from Jan-2019.

Source: gov.uk / Guidance: @ 20-Apr-20

Commercial Contracts

The Covid-19 pandemic is likely to lead to a wave of disputes as to which party bears the risks of non-performance. Parties would be wise to avoid making costly assumptions, but instead to thoroughly reconsider their contractual terms.

Similarly, for any documents requiring attestation or legalisation, check if the Embassy or Consulate in London is still open for business, as many of these are closed until further notice. If pre-shipment inspection is required, check with the Inspection Agency if the inspection can take place by another method other than physical inspection on-site, or seek alternative arrangements with your customer.

Freeports Consultation

The Freeports Consultation published on 10-Feb-2020 was due to close on 20-Apr-2020. The government recognises that many sectors with an interest in this policy may be affected by Covid-19. To ensure all stakeholders are given time to submit their views, the consultation deadline has been extended to 13-Jul-2020.

Source: gov.uk / Guidance: @ 20-Apr-20

This information was valid at publication date 20-Apr-20, please refer to [gov.uk](https://www.gov.uk) for any updates since publication date.