



HM Revenue  
& Customs

# Union Customs Code

Key Messages

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# Changes taking effect on 1 May 2016

- €10 waiver ends
- Onward Supply Relief (OSR) only allowed with full declarations and Simplified Declaration Procedure (SDP)

## No new imports allowed to:

- Inward Processing (Drawback)
- Processing under Customs Control (PCC)
- Type D customs warehousing
- Low Value Bulking Imports (LVBI)
- Binding decisions becomes binding on the Decision Holder



# Use of Community Customs Code authorisations after 1 May 2016

- IP (D) authorisations end
- LVBI authorisations end
- PCC authorisations can be used as IP suspension
- Type D authorisations become Type C or Type E
- Open ended authorisations will be reassessed by May 19
- Authorisations with an end date can be used till they expire (or May 19 whichever is earliest)
- Amendments made to 2913/92 authorisations after 1 May 2016 which have a substantive effect may trigger the need to change to a UCC authorisation.
- From 1 May 2016 all TS operations and premises must be run under the UCC rules regardless of whether a Community Customs Code authorisation is still being used



# Authorised Economic Operator - General

## Status of AEO

- Compliant and trustworthy economic operators
- Authorisation for customs simplifications (AEOC) or
- Authorisation for security and safety (AEOS)
- or both.

## Easier access to other customs simplifications

Benefit from facilitations relating to security and safety matters.

Given more favourable treatment for customs controls, e.g., fewer physical and documentary controls.



# Key Messages - AEOC

Self assessment questionnaire being amended to include new criteria

AEO C status 'deems' criteria for other customs regimes:

- Compliance,
- Management of operations
- Practical competency
- Solvency

Applications for 'other' regimes will only consider new regime specific matters.



# Changes introduced by UCC - AEOC

The requirement to assess compliance in other taxation areas when considering an applicant's compliance

The requirement to demonstrate practical standards of competence or professional qualifications relating to the specific customs operations undertaken by the authorised party.



# Benefits from AEOS authorisation

A lower risk score for customs physical and documentary checks

Consignments may be fast-tracked through customs control

Reduced data requirements for the security and safety declarations

Mutual recognition agreements (MRA) with countries outside of the European Union, for example USA



# Special Procedures - Generic

Retrospection – limited to no more than 12 months, subject to a number of conditions.

Simplified Authorisations for IP, OP, End Use, TA - now called 'Authorisation by Declaration'. Various conditions.

New application forms.

Concept of transferring rights and obligations must be approved by supervising office.



# Movement of Goods-between different places in the territory of the Union

- IP,TA and End Use – no formalities other than good record keeping (different places. Same or different authorisations / MS)
- OPR – no formalities customs office of placement to customs office of exit
- CW - no formalities other than good record keeping for movements between facilities in the same authorisation, office of placement to storage facilities. (Different authorisation declaration in/out)



# Transition Arrangements - UCC – General Exports

Exports which are not customs cleared before 1 May 2016 will be released under the UCC provisions





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# Strategic Export Control in the United Kingdom

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# Role of Customs

- Prevent the illegal export and transit of controlled goods
- Seize unlicensed goods detected at the frontier
- Take offence action (e.g. criminal investigation) for unlicensed arms exports and brokering
- Provide a deterrent



# Offence Action

- Seize goods
- Issue warning letter
- Issue appropriate penalty or fine
- In less serious cases, goods may be returned if an export licence is granted
- In more serious cases, refer to criminal investigation team
- Deliberate offences up to 10 years imprisonment and/or unlimited fine.
- Any offence can result in a fine of 3 times the value of the goods.
- For less serious breaches, restoration fee or written warning.



# Results

- ✓ 2014/15 - **196** consignments seized (Military, paramilitary, dual-use goods & goods subject to sanctions)
- ✓ 2014/15 - **219** exports prevented/disrupted on end-use grounds (i.e. because it was suspected that the goods might be used in a military or WMD programme)
- ✓ **17** individuals and **4** companies prosecuted since 2005 (exports, sanctions & trade controls)
- ✓ **35** Compound Penalties in lieu of prosecution since 2009 ranging from £1,000 - £500,000+)
- ✓ Hundreds of written warnings to exporters
- ✓ Hundreds of UK companies contacted or visited





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