

## **Global updates**

### **WTO Trade Facilitation Agreement (WTO TFA) Update**

Following ratification of the Trade Facilitation agreement by Rwanda, Oman, Chad and Jordan the TFA officially entered into force.

The Trade Facilitation Agreement (TFA) contains provisions for expediting the movement, release and clearance of goods at the border, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. Of specific relevance are the articles that directly relate to IT including Formalities and Customs procedures including the use of Single Windows to deliver information to multiple government agencies and other interested parties just once and thus reduce the burden on business.

## **EU updates**

### **MASP latest update**

You can check the latest MASP (Multi-Annual Strategic Plan) at following location:

[https://ec.europa.eu/taxation\\_customs/general-information-customs/electronic-customs\\_en](https://ec.europa.eu/taxation_customs/general-information-customs/electronic-customs_en). This will reflect the IT projects of the UCC (Union Customs Code). Currently further discussions are taking place with the Member States on the roll out of the UCC, where Member States are starting to align their national plans to the UCC changes. More details are expected to be revealed in the coming months/year.

## **REX**

The first new project that has been introduced in 2017 is the REX project. The REX system foresees in a registration of suppliers from various countries in a single European database, which will make it easier to prove the origin of goods instead of the current origin documents such as FORMA, to make us of preferential tariffs. So this project should simplify the use of preferential tariffs, reduce the administrative burdens and combat fraud. REX will also be applicable for shipments to and from Switzerland and Norway, and for the re-consignor scenario's when certificates are replaced in EU by a new certificate of origin. As the agreement between EU and Switzerland and Norway has not been concluded yet, REX cannot be used for these countries.

Following codes are to be used for the REX certificates. The date of the document that proves the origin also needs to be sent next to the code.

- U164: Statement of origin made out by a Registered Exporter in the framework of GSP for a total value of originating products consigned not exceeding €6000.
- U165: Statement of origin made out by a Registered Exporter in the framework of GSP for a total value of originating products consigned exceeding €6000.
- U166: Statement of origin made out by a non-registered Exporter in the framework of GSP for a total value of originating products consigned not exceeding €6000.
- U167: Statement of origin made out by a non-registered EU re-consignor in the framework of GSP for a total value of originating products consigned exceeding €6000.

Most countries also ask to send the REX identification with (produced document) code C100.

REX is introduced gradually in 2017, 2018, 2019 and 2020. Countries can start in the beginning of each year and have 1 year to comply, which means that traders have 1 year to get registered and both new and old systems can work in parallel.

REX is currently live with India, Laos, Kenya, Nepal, Zambia, Comoros Islands & Bhutan.

Traders can verify REX numbers on following website:

[http://ec.europa.eu/taxation\\_customs/dds2/eos/rex\\_validation.jsp](http://ec.europa.eu/taxation_customs/dds2/eos/rex_validation.jsp)

## EU Country updates

### Belgium

Some of the key changes in early 2017:

- Since January 1<sup>st</sup>, the EORI number is required for the declaring party (box 14) and the consignee (box 8) of the PLDA import declaration.
- The Belgian Customs Authorities will foresee the DV1 data as part of the PLDA import declaration. The exact go live date is to be announced and the use is voluntary in the first phase.
- Also from February 2017 the name of the exporter needs to be sent in the Customs office field of the produced document type Y040, which is already used for the VAT number.

Customs is also working on a new solution for the periodic (e.g. monthly) declaration in the form of electronic messages. The specifications still need to be published, timing is to start testing mid 2018.

### France

French Customs is planning a big change for NCTS, or called "NSTI" in France. This is planned to go live in January 2018. A new certification will be required for the software providers. A decision needs to be made about the roll out approach (big bang or progressive). Some of the key changes are:

- The message format will be XML
- Extra messages for NCTS arrival, such as IE43/IE44
- Extra control notification message IE60
- Some small changes in the message content

### Germany

ATLAS 8.7 only requires re-certification for the EXS (Exit Summary Declaration), before March 26, 2017. AES 2.4 needs to be certified between April 2017 and March 2018. This is the last release that supports both EDIFACT and XML.

### Netherlands

Dutch Customs has completed the migration from Sagitta export to the new AGS3 system. The last companies have stopped using Sagitta in February 2017.

Apart from AGS3 the maritime single window is further rolled out in 2017, mainly impacting the carriers. Some changes to the NCTS were planned for March 2017, but this has been postponed until further notice: the main

change is the introduction of the IE80 message for the presentation of the goods in case of a declaration before the goods are available.

As the Dutch tariff system called DTV is not changed yet for REX, both the REX codes and the existing codes such as N865 for the FORMA need to be used.

For REX also some changes in the GPA ("Geautomatiseerde Periodieke Aangifte") have been announced:

- The date of the origin document, followed by RX needs to be in field E6.
- In fields H13-H16 the indicator C100 needs to be used (FYI: C100 is also the code in the declaration to send the REX ID)  
Note: you need to store the REX identification number itself also in the stock administration
- The U164-U167 codes are optional in H13-H16, but they can be mentioned. This is not allowed in the extra K-block for extra fields. So other certificates will have to move to K-block in case all positions are filled
- N865 is also required in H13-H16 even when REX codes are used in H13-H16, as the Dutch system is not fully adapted to REX.

There are no plans yet to replace the current GPA system by AGS4. The approach will be evaluated by Dutch Customs again.

## Norway

From January 1st 2017 import VAT cannot be reported any more via the Customs declaration, but this must be reported directly to the VAT Authorities.

## Poland

There is no date yet when the new import system is introduced.

## Sweden

New XML messages are being introduced for bonded warehouse related transactions. The exact roll out is not defined in detail yet by Swedish Customs. The last part of the specifications has just been published in February 2017.

On February 1<sup>st</sup> a new version of the UTL message has been planned. This is only required for customers with a new bonded warehouse license.

### New excise tax from April 1st 2017

Parliament has decided to introduce a new excise tax - tax on certain chemicals in electronics.

The new tax is to reduce the incidence, spread and exposure to hazardous substances, flame retardants, in people's home. The aim is not to the use of flame retardants is repealed but instead to influence use towards more environmental and health friendly alternatives. The new provisions affecting among other companies that commercially manufactures, imports or import taxable electronics goods. The provisions in the Act on tax on certain chemicals in electronics (LSKE). [http://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/lag-20161067-om-skatt-pa-kemikalier-i-viss\\_sfs-2016-1067](http://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/lag-20161067-om-skatt-pa-kemikalier-i-viss_sfs-2016-1067). Businesses can register for excise duty with the Swedish Tax Agency.

They must declare the document code 9014 to indicate that they are registered and pay taxes directly to the Tax Agency. If they are not registered for excise duty should be paid to Customs. To declare this tax, we will introduce a new "avgiftskod" 359.

The following KN codes are subject to change: 1. 8418 10, 8418 21, 8418 29, 8418 30 and 8418 40, 8422 11 2., 3. 8450 11, 8450 12 and 8450 19, 8451 21 4., 5. 8471 30, 8471 41 and 8471 49, 6 . 8508 11 7 8516 50 and 8516 60 8 8517 11, 8517 12, 8517 18 and 8517 62 9 8519 30, 8519 50, 8519 81 and 8519 89, 8521 10 10 and 8521 90 11. 8527 12, 8527 13, 8527 19, 8527 91, 8527 92 and 8527 99, 8528 12 41, 8528 49, 8528 51, 8528 59, 8528 71, 8528 72 and 8528 73, and 13. 9504 50

For KN codes in paragraphs 1-4, plus 6-7, the charge shall be 8 SEK per kg of each product's net weight. However, no more than 320 SEK per option. For codes in other sections of the fee shall be 120 SEK per kg for each product's net weight. However, no more than 320 SEK per option.

If you must pay the fee to us is the opportunity to get the reduction in excise duty. It is clear from the law what to do. Complies to the requirements of the Act Section 5 should be declared document code 9015 and the fee is

reduced by 50%. If one meets the requirements of both 5 and 6§§ the fee can be reduced by 90%. Then you should declare the document code 9016

## Switzerland

No specific changes are planned, except some updates of code lists. In the coming years the system for electronic declarations will be renewed.

## UK

### Customs Declaration Services (CDS) Update

CDS is the customs declaration system in the UK replacing the current CHIEF system which handles import and export declaration processing, with a current implementation date starting towards the end of 2018 although it may be possible for early adopters to take part in pilot programs.

HMRC have run further meetings with software suppliers and stakeholders and whilst we still await the full specifications these are hoped to materialize by the end of this month. The basis of the declaration will be the WCO data model 3.6 as adapted by the UCC but with any UK specific changes. There are a number of areas that either do not naturally exist or are handled differently in the data model and/or the existing CDS product such as value build up or export consolidation as but just two examples. This means that direct correlation between existing CHIEF and new CDS will prove problematic and therefore change is inevitable.

Once we receive the base line specifications, as well as determine the changes required to our applications, we can also begin to assess the impact on anyone who interfaces with our UK Customs products or communicates directly with UK Customs.

### REX Reminder

We are now seeing some exporters using the Registered Exporter system (REX) but there has been confusion between the U164 and U166 document codes which are used where the value of the goods exported is less than €6000. U164 should only be used where the exporter is a registered exporter, U166 is available for exporters not yet registered but do not want to raise a GSP Form A for goods under the value limit of €6000.

### Deadline looms for C3

Customs Information Paper 57 (2016) confirmed that in future applications for Transfer of Residence (ToR) relief will need to be made via an online application sounding the end of the C3, C5 and C104a forms. Whilst there was originally going to be a dual running period up to 1 January 2017 this was extended to 31<sup>st</sup> March following representations from the trade and delays in making the online form available.

The online application should be made prior to shipping any consignments of household effects and personal property to UK. If HMRC allow the application, they will send the applicant a unique declaration reference to use when making the import declaration using CPC 40 00 C01 as a TOR01 AI Statement.

### **New Wine Tariff Codes causes confusion**

Please be aware of the changes in Harmonised System regarding the classification codes for wine which may affect for example boxes of wine.

Prior to 2017 the codes were split into 2

- 2204 21 In containers holding 2 litres or less
- 2204 29 Other

From 1st January heading 2204 has been split as follows

- 2204 21 In containers holding 2 litres or less
- 2204 22 In containers holding more than 2 litres but not more than 10 litres
- 2204 29 Other

As the old commodity codes still exist it may not be obvious that a change is necessary. This also caused difficulties in EMCS where the new codes were not available across the EU for the first few weeks of 2017.

### **Export Control Order 2008 Updated**

The Export Control Organisation (ECO) has amended the Export Control Order 2008 with additional changes being made to schedules 2, 3 and 5 of the order which cover military goods, software and technology subject to export controls, firearms and Information security Items.

Many of these changes have arisen from amendments made to the EU Common Military List following agreement under the Wassenaar Arrangement export control regime.

The new consolidated list can be found [here](#).

As a result, some Open General Export Licences have also been amended. In particular, the range of items listed in Schedule 1 to the PCBs and components for military goods OGEL has been considerably extended and now includes a wide range of additional minor components for equipment controlled in the following military goods definitions - ML5, ML6, ML9, ML10 and ML11.