



Veracis Newsletter January 2016

THE UNION CUSTOMS CODE (UCC)

IMPORTANT CHANGES UPON IMPLEMENTATION ON 01 MAY 2016

1. The Law

On 29 December 2015, the EU Commission published a new Regulation 2015/2446 supplementing EU Regulation 952/2013, setting out the Union Customs Code provisions which come into effect on 01 May 2016. For a full text follow [this link](#).

2. HMRC Customs Information Papers

During the last few weeks HMRC have sent out several Customs Information Papers (CIPS) setting out how the UCC regime will change the way Economic Operators conduct Customs transactions, obtain authorisations and qualify for guarantee waivers. Those relevant to AEO accredited companies and those applying for AEO are listed below.

CIP 39 - General Information on the changes which will ensue after the implementation of the UCC on 1 May 2016.

This paper also includes a link to a UK Government Guide on the changes UCC will bring to Importers, exporters and temporary storage providers. Follow these links to view [CIP 39](#) and [UCC introduction](#).

CIP 42 and CIP 60 – New guidance for AEO applicants and AEO accredited holders to meet the changes when the Union Customs Code (UCC) is implemented on 1 May 2016.

Follow these links to view the full text: [CIP 42](#) and [CIP 60](#).

(HMRC undertook to issue its own guidance in December 2015, this has not yet been released, when it is we will update our web site).

The UCC will introduce a new criterion of Competence for AEO applicants, to be met by either:

(a) Practical Competence (over 3 years) or (b) A Professional Qualification.

The EU has published its own comprehensive [Competency Framework](#); from an initial view, it is clear that some organisations will find that these competency standards are too and unnecessarily comprehensive for their particular business activities.

Furthermore, demonstration of compliance in tax legislation is extended to cover all taxation rules, not just those concerning customs legislation.



These changes will affect any applications lodged after 2 January 2016. However, any additional requirements will not disadvantage new applicants as existing holders will have to upgrade to the new requirements to maintain their AEO status during a transitional period to 1 May 2019.

CIP 51 Comprehensive Guarantees (CCG) introduced under the Union Custom Code (UCC)

Duty deferrals guarantees will be waived up to 70 percent for all holders of AEOC. For Warehouse keepers, those involved in IPR and Temporary Storage, AEOC holders will be able to apply for guarantee waivers from 1 May 2016. Operators without AEO will have to provide comprehensive guarantees, unless they can satisfy HMRC that they have AEOC level criteria in place. (This is the first financial benefit for AEOs which is tangible and achievable). See [CIP 51](#)

Digital Applications from 1 May 2016 – there will be no paper lodgements from that date.

AEO applications between now and 1 May 2016 will be processed (and any queries raised) under the terms of the UCC and the accreditation will not be confirmed until after 1 May 2016. (CIP 42 para 5)

(This may seem like something of a delay but AEO audits and accreditations can take over 4 months in the normal course of events. However, it remains to be seen whether this will cause a log jam. Those companies who are in the process of applying need not panic as they will be in the forefront of the new system which all AEOs will have to comply with, and applications will continue to be handled in the order they are received. We advise that aspirant AEO applicants press ahead with their applications as soon as possible).

CIP 44 – Customs Authorisations Transitional Arrangements for the UCC

A full text of this Paper is at this link [CIP 44](#):

You will be able to use your Customs Authorisations until they expire or are reassessed by HMC until 1 May 2019. However, goods entered into: IPR, Customs Warehouse A, C or E, End Use and Processing under CPC before 30 April 2016, which have not been released into Free Circulation or discharged by 1 May 2016 must be entered or discharged under new UCC rules.

Applications for authorisations under the UCC can be made at any time, but will not be confirmed until after 1 May 2016. In respect of Customs Warehousing, for a new authorisation to be valid from 1 May 2016 you need to apply by 1 March 2016 and by 1 April 2016 for all other authorisations.

CIP 46 – Simplified Import VAT Accounting Scheme

From 1 May 2016 you must attain the criteria of an AEOC or hold AEOC accreditation to operate this scheme. The full text of the Paper is at this link [CIP 46](#).



CIP 05 (2016) Changes to Temporary Storage Arrangements under UCC, and CIP51 – Customs Comprehensive Guarantees under the UCC

Legislation will allow companies with existing authorisations to continue into a transitional period after 1 May 2016. However, by 1 May 2019 all UCC guarantee requirements will have to be met.

There is more information here on Guarantee waivers for Actual and Potential debt for AEOC accredited companies. Texts of these Papers are at the following links [CIP 05](#) and [CIP 51](#).

CIP 57 Introduces HMRC Notice 3001

The text of this notice (see this link to [Notice 3001](#)) is a general guide on the nature of the UCC changes affecting customs procedures including Temporary Admission, IPR, Customs Warehousing and OPR.

3. Further Help

If you would like to discuss the implications of the new UCC on your business and how Veracis might be able to help please call:

Steve Plowman 07932 673761

Mike Vincent 07974 445142

Geoff Whittingham 07761 357894

Or email your question to: mail@veracis.co.uk