

# SUPPLY CHAIN DATA VS. CUSTOMS DECLARATIONS

TRADE  
FACILITATION  
COMMISSION

Policy and Practicality in Partnership



## EXECUTIVE SUMMARY

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The UK's customs system remains heavily reliant on traditional declarations, which are often cumbersome and costly. This report advocates for a more efficient, data-driven approach by leveraging real-time supply chain information. Doing so would enable border agencies to conduct more precise risk assessments, identifying low-risk goods and traders with greater accuracy. The result? Simplified border processes, reduced administrative burdens, and faster clearances—especially for frequent, low-risk trade flows.

Expanding the use of simplified customs declaration procedures (SCDP), such as Entry into Declarant's Records (EIDR), would allow for more aggregated customs filings, cutting costs and delays for both imports and exports. The current system's reliance on individual declarations, particularly for repetitive trade flows, adds unnecessary complexity—especially for exports.

To address this, the report proposes a risk-based approach to transit declarations, aligning export procedures with existing import processes. This shift would create a more streamlined, cost-effective customs framework that enhances trade efficiency and strengthens the UK's global competitiveness.



## Data not declarations : Customs simplifications

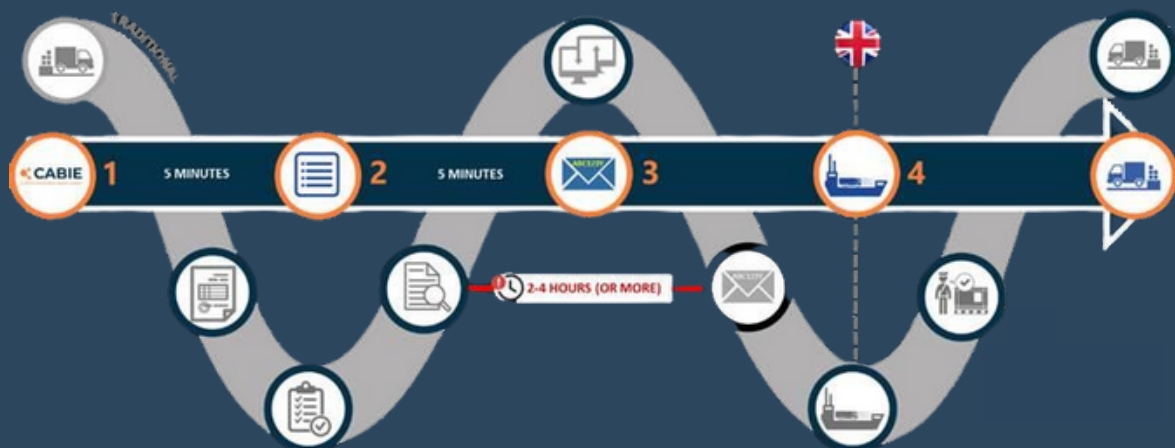
### The UK post-Brexit Case Study

In the build-up to BREXIT, as traders grappled with the new requirements and the sudden need for customs paperwork for traders that previously had no exposure to these processes, saw many traders, turn to Trusted Trader status as a way to reduce the immediate risk of BREXIT to their business. We argued then that the current UK AEO process had no practical advantage on the ground. The more beneficial approval was (and to many, still is) SCDP (Simplified Customs Declaration Procedure, formally known as CFSP, Customs Freight Simplified Procedure). The trusted trader programme needs to expand on this concept, particularly for fast moving, repetitive, European trucking flows.

SCDP comes in two shapes/sizes :-

- SDP – Simplified Declaration Procedure which required a simplified frontier declaration (SFD) to initiate the process and a supplementary declaration to close it off.
- EIDR – Entry in declarants records requires no formal customs entry at the frontier, just a record in the trader's (or approved persons) system followed by a supplementary declaration after the event.

In both cases, if so approved, the supplementary declaration can be aggregated for repetitive flows in the same period, thus avoiding the need for a declaration for each transaction, instead having an aggregated return at the end of the period. The period is either a prescribed 10 day block or a full calendar month, depending on the level of trust and type of approval granted. Controlled goods (weapons, nuclear material etc) and goods with controls (SPS goods for example) are not eligible for full EIDR treatment. At least an SFD is required at the frontier.



So, taking non-controlled goods (ie widgets from Belgium), flowing at the inbound rate of say two trucks per day, using EIDR this would only require one declaration for 10 days, containing the load details of all twenty trucks. Instead, what tends to happen is that the customs broker completes one declaration per truck and charges roughly £40 for the work done. 20 trucks creates a customs clearance cost of £800 when it could be less than £100. Clearly wider use of SCDP is required.

The broker community have not made as much use of SCDP as they might, as they tend to see it as a threat to the status quo of doing full frontier declarations. On the contrary, the flows from GB to NI, supported by Trader Support Service (TSS) are predominantly using SCDP and whilst it may create post movement administrative functions it allows goods to flow smoothly and actually makes the supply chain more predictable whilst, at the same time, creating more time for compliance without delaying the truck or goods. Critically this removes pressure from the frontier.

Better use of simplifications removes the dependence on declarations and also shifts the commercial model. Currently the customs clearance charge for one pallet of widgets is the same as 33 pallets of widgets (assuming on one truck). This stifles growth. Using simplifications and particularly aggregation means customs handling charges can be more closely aligned to the quantity shipped. Customs brokerage fees based on a per pallet or per 100kilo rate should be the norm.

There is evidence that there are some changes to the groupage model as a result of new processes. We understand that groupage movements have shifted to once or twice per week as opposed to the daily pre-Brexit norm for EU to UK-movements. One particular operator reported that pre-BREXIT the average consignment was 700 kilos, now it is 3,500 kilos as traders ship more quantity less often in order to minimise costs. One pallet per day for 5 days would invoice 5 full customs entries using the traditional broker model, whereas with simplifications it could be one entry at the end of the week covering the entire 5 pallets.

SCDP (or CFSP as it was previously known) is not new. It was created in 1994 and is perfect for fast-moving European goods – yet many traders still insist on full single declarations per truck, largely because consultants and brokers tend to favour the status quo.

Many traders confuse SCDP with the deferred entry scheme which was originally used in 2021 to ease the BREXIT transition. When it ended in 2022 traders were confused about whether it still existed as a facilitation.

SCDP is an extremely useful tool for simplifying GB imports, particularly for non-controlled goods and particularly for repetitive flows but the benefits offered by SCDP for imports are not readily available for GB exports.

As it stands today, it is still easier to import into GB than export from GB and that cannot be good for the UK exporters and the UK economy.



## GB export declarations (and transits)

Presenting one (retrospective) import declaration for multiple inbound truck movements is clearly an efficient and cost-effective way to meet one's customs and compliance obligations. Not being able to do so for GB exports creates cost, time pressure, additional process and damages the desire for predictable flows. Since leaving the EU it is already more difficult to import GB goods into the EU, there is absolutely no sense in also making it harder to actually send the goods in the first place, by perhaps unnecessarily complicating the initial export process.

The export declaration is mostly for trade statistics and VAT controls – exports are zero-rated for VAT and the export declaration is the proof that the goods left the UK. This does not have to be at transaction (truck) level and could easily be handled as with EIDR for GB imports, including the need for a more formal declaration in the event that controlled goods are involved (such as dual use, restricted and/or goods subject to export licence control), but only then.

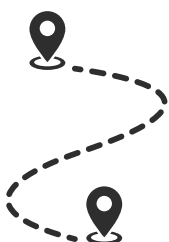
It is worth noting that HMRC SCDP approval at trader or intermediary level is per product type, a trader for example could be approved for simplifications for product A but not product B – thus the framework of a tiered or layered trust trader status has already formed elsewhere and could be incorporated into a modern TT programme.

In identifying processes that could be simplified (or digitised), one must first challenge the need for the process at all. The GB export declaration is clearly one of those cases where the very need for a single, transactional declaration needs to be challenged, tested and alternatives modelled. It simply cannot be easier for a GB trader to receive goods than it is to send them.

Proof of delivery rather than proof of exit. The same challenges existed with EU acquisition VAT reverse charge so are not new.

This also leads to the transit declaration. Another, unpredictable, and unnecessarily complicated process that could so easily be streamlined, as it is in Holland. Currently and in most cases, the transit declaration is framed up by the customs broker but cannot be issued as it must first be presented at an Office of Departure or similarly approved place. This creates a weak system that requires trucks to divert and drivers to rely on Local Reference Numbers (LRN's) issued by up-country agents, matching the record at the Office of Departure so the full transit declaration can be authenticated and issued. If problems occur they are invariably outside of normal office hours.

HMRC declaration process already includes risk profiling. In simple terms, for example, an import entry is routed in three main ways:-



Route 1 – additional paperwork check required prior to full clearance

Route 2 – physical examination of the goods required prior to full clearance

Route 6 – instant clearance, no need for documentation or physical checks

Roughly 85% clear route 6 but there is always the option to apply more controls should HMRC or other agencies so decide.

The same principle should be applied to transit documents. The broker should be able to create the transit and transmit it to the NCTS5 system (the central transit processing system). If low risk it achieves route 6 status and is immediately authenticated ready for release and without the truck or driver having to change their journey.

Transit route 1 would require a document check prior to authentication. This could take place virtually or require the truck to exceptionally report to the nearest IBF (Inland Border Facility) for further processing (as happens today with nearly all transits, regardless of risk profiling).

If the goods are selected for physical examination they should report directly to the nearest IBF and the transit only issued once the examination has taken place and HMRC are happy to proceed.

This, risk based, process will avoid queues at IBF's and surrounding areas yet still have the ability to scrutinise certain loads as and when required.



## About the Trade Facilitation Commission

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The Trade Facilitation Commission is an independent group of leading customs, border and trade policy experts covering the movement of goods and people. Many of the TFC have served in senior positions in government in the UK, Europe and USA.

The group has been convened under the Chairmanship of former Treasury Minister, Lord Agnew to advise the incoming government on the policy options and recommendations available to it to increase UK exports and lessen trade disruptions at the UK border to enable goods to flow more easily.

Our economic modelling suggests that significant GDP per capita gains are possible if trade can be facilitated in the ways that we suggest. Furthermore, that trade openness has the single largest impact on GDP per capita and provides an achievable route to economic growth.

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# TRADE FACILITATION COMMISSION

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Shaping the future of  
customs  
simplifications and  
border processes to  
enhance trade  
efficiency