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Cross-border Trade Strategies

Inward Processing





What is Inward Processing?

Inward Processing (IP) is a Customs Special Procedure that allows for suspension of customs duties and/or VAT on goods imported from outside of the UK when they are destined to be used for *processing* or *repair*. Once the processed goods are removed from the IP procedure, duty and/or VAT liabilities may become payable.

Discharge of goods can be in the form of, but not limited to:

- ▶ Re-Export.
- ▶ Removal from IP to Release for *Free Circulation*.
- ▶ Removal from IP to an alternative *Special Procedure*.

⇒ How is Inward Processing used?

IP can be used by any UK establishments intending to process and/or repair goods. These can be private individuals or business entities. This customs procedure is useful when goods need to be imported for processing or repair before they can be utilised for their destined purpose. The goods are imported with duty and/or VAT suspended until the processed (or repaired) product is removed from the procedure. The removal from the IP procedure can be re-export for sale of goods to the EU market or release to Free Circulation within the UK market.

Once the processing has been completed, the goods should be removed from the procedure. This can be done in a variety of ways. However, when a party is fully authorised, they are likely to have conditions on how they discharge the goods and during what time periods they do this. While-ever goods remain under the IP procedure, the authorised party should ensure that they do not exceed time limits set within their approval.

If the intention is to transfer goods from one procedure to another, this should be detailed in the authorisation application, including:

- ▶ the procedures that will be used;
- ▶ the persons responsible for the procedures, including the premises they will be using;
- ▶ reasons for transfer.

⇒ Apply to use Inward Processing

Within the IP application, the trader must give as much information as possible, such as:

- ▶ The type of goods that are being put into the procedure, including commodity codes:
 - ◆ A minimum of 4 digits for regular approval.
 - ◆ 8 digits when applying to use *equivalence*.
- ▶ The *economic code* being used in the application

- ▶ How goods will be valued if they are to be released into Free Circulation.
 - ◆ Value of goods to be based on the value of the goods at import or the final product – this should be determined in initial application.
- ▶ The time it will take for the goods to complete their processing.
- ▶ The number of products made and the *Rate of Yield* (RoY).
 - ◆ This will include the '*Main Processed Product*' and any '*Secondary Processed Products*' (by-products as a result of regular processing).
 - ◆ The Rate of Yield will be displayed in ratio format detailing the number of processed products made from the products put into IP.
- ▶ How *accurate records* will be kept for goods being put into the IP procedure and goods being discharged.
- ▶ Names and addresses of people responsible for the processing, including any subcontractors.

⇒ Authorisations for using Inward Processing

The authorised party is likely to be the importer of the goods and likely to be the party who process the goods or arrange the processing of the goods. However, if the importer is not the party undertaking the actual processing activity, the processor of the goods must be named on the importer's authorisation.

A company can hold full authorisation for using IP but depending on the frequency they need to use it over a rolling 12-month period, they could use authorisation by declaration (ABD). This would mean that the company is able to import into IP without having to apply to HMRC.

There are four types of authorisation that can be applied for in relation to IP, see information below:

Full Authorisation

This is applied for through completion of HMRC forms and should be completed at least 1 month before the procedure is required, having full authorisation allows:

- ▶ Use of IP regularly
- ▶ Use of simplified customs procedures to import goods into IP.

Retrospective

- ▶ Authorisation given after goods have been imported so long as retrospective authorisation has not been granted in the last 3 years to the same party.
- ▶ The applicant will need to prove the business need for retrospective authorisation and prove that IP regulations have been followed properly.
- ▶ Give a list of imports where retrospective authorisation is required.
- ▶ This must be requested within 12 months of the goods being imported (sensitive goods should be within 3 months).

Authorisation By Declaration

This is granted through the use of a GB customs declaration using IP procedure codes. Details of how this can be used are below:

- ▶ This can be used up to 3 times in a rolling year, providing that each consignment has a value of less than £500,000.
- ▶ This cannot be used:
 - ◆ With simplified declarations
 - ◆ When requesting retrospective authorisation.
 - ◆ If goods are subject to Anti-Dumping Duty
 - ◆ When using economic codes 5, 6, 7, 8 or 12.
 - ◇ ECO5 = Place goods under inward processing within the limits of the quantity determined on the basis of a balance in accordance with Article 18 of Council Regulation 510/2014

- ◇ ECO6 = Process sensitive goods because UK goods of the same 8-digit Combined Nomenclature code, the same commercial quality and technical characteristics are not available
- ◇ ECO7 = Process sensitive goods provided there are differences in price between goods produced in the UK and those intended to be imported, where comparable goods cannot be used because their price would not make the proposed commercial operation economically viable
- ◇ ECO8 = Process sensitive goods provided there are contractual obligations, where UK goods do not conform to the contractual requirements or where, in accordance with the contract, the processed products must be from non-UK goods to comply with the protection of industrial or commercial property rights
- ◇ ECO12 = Process goods obtained by you from a previous inward processing authorisation, where the economic conditions of that authorisation were examined
- ◆ If the goods are intending to process are any of the following:
 - ◇ Controlled goods (arms, ammunition, chemicals used in drug manufacture)
 - ◇ Works of art
 - ◇ Excise goods
 - ◇ Meat for airline meals
 - ◇ Catalysts or agents that help manufacture goods for export.

Authorisation covering Northern Ireland and EU

- ▶ If work is done over multiple sites in the EU and Northern Ireland, a single authorisation can be applied for, covering all locations.

Using Inward Processing

HMRC will send a letter that details the conditions of the IP authorisation. This will include:

- ▶ How records should be kept and forwarded to the relevant supervising office within the correct time frame – the discharge period.
- ▶ How and when the authorised party should pay customs duties and liabilities.
- ▶ The goods that the authorisation relates to.
- ▶ Where the processing will take place and any other sub-contractors that are involved in the processing of the goods.

The letter of approval will detail all conditions of the approval and should be abided by at all times when putting goods into IP. If any of the conditions are breached, it is likely that duty and/or VAT liabilities will become payable, and the authorisation may be revoked. HMRC may also deem it suitable to issue fines or penalties if full conditions of authorisation are not abided by.

If any business information is to change after the approval has been granted, such as a change of address, change of company name or an amendment to the goods that are allowed to be processed as per the approval, the authorised party should write to the Supervising Office to request an amendment to the approval.

When using IP, there are many elements that should be accounted for, and this is likely to come in the form of a customs declaration. The declaration should include the following information:

- ▶ Economic Codes
- ▶ Rate of Yield
- ▶ IP CDS Authorisation Number



⇒ Economic Codes

These are recognised codes which enable HMRC to determine what type of processing is intended for the goods being inputted. There are various economic codes that should be used on the customs declaration and if the IP authorised party is fully authorised, the economic codes they intend to use will have been detailed during the application process.

ECO4 indicates that durum wheat is being processed into pasta – a very specific economic process that is taking place.

ECO1 is a regular code for processing goods that are not sensitive, this is likely to be used in most cases.

ECO2 is when the goods are being imported for repair.

More information on economic codes can be found at:

<https://www.gov.uk/guidance/get-an-economic-code-to-apply-for-inward-processing>

The differences between processing and repair will be discussed further on in this paper.

Processing vs Repair

Processing:

Processing of goods can take a variety of formats, from simple activities (often referred to as '*Usual Forms of Handling*' (UFH)) to more complex forms of manufacture. A company may wish to import goods into IP to simply re-pack or label or sort the products. Another, and equally as acceptable, form of processing would be transformation from raw materials into a more recognisable market product, sheets of material or fabric made into items of clothing. IP can take many forms but the forms of processing that a company is able to undertake is written in their HMRC approval and IP authorisation. Any processing outside of their remit would mean them applying for an amendment to their authorisation.

Repair:

Restoration and maintenance of goods may be required for a multitude of reasons. Because of this, a company may apply to become authorised to use IP to complete repairs on defected goods. Repair does not include processes that create a commercially different good or improve the technical performance of goods. If the authorised party intends to put the goods into IP for these purposes, they should not use the economic code for repair and instead ensure they are using the most accurate economic code for the processing they are undertaking.

⇒ Rate of Yield

This details the amount of product that will be produced from the amount of product that has been imported. This is displayed as a ratio in the additional information statement of the CDS declaration.

Example Rates of Yield

The authorised party imports 400 wheels to be used for quad bikes. From the 400 wheels that have been imported, they are able to process this into 100 quad bikes. As a result, the rate of Yield is 4:1.

Where goods are being imported to IP for repair, it is expected that the RoY will be 1:1.

There may be genuine losses as a result of natural processing, this may be due to evaporation or venting as a gas for example. Any by-products that occur as a result of processing do not need to be counted as production losses, they should be taken from the amount of import goods before establishing the Rate of Yield.

If the approval covers more than one processing operation, the authorised party should detail how the Rate of Yield is calculated for each form of processing.

Main Processed Product vs Secondary Processed Product

For the most part, processing and manufacture is likely to result in by-products. By-products are often unavoidable but when applying to be

authorised to use IP, the processing party should detail what their main processed product is and how much of the original imported products become secondary processed products (by-products) as part of standard manufacture or processing.

Example of Main vs Secondary Processed Products

The authorised party is able to import raw potatoes. Their IP approval allows them to process these into chips. A natural secondary processed product as a result of this manufacture is the skin from the potatoes. The authorised party should be able to decipher between their main processed product and their secondary processed product, both when applying for authorisation and during the actual processing of the goods.

Secondary Processed products should not be treated as waste or scrap, they are naturally occurring as a result of the processing that is taking place.

⇒ Usual Forms of Handling

If the applicant wants to use IP to complete *Usual Forms of Handling (UFH)*, it may be better to consider using the customs warehousing procedure. An application for IP is likely to be rejected if the only processing requirement is re-packing, for example. Because of this, it is likely more beneficial to store goods in a customs warehouse. Other usual forms of handling are:

- ▶ Repairs of packaging.
- ▶ Affixing labels onto packaging.
- ▶ Sampling and weighing of goods.
- ▶ Testing of machineries.
- ▶ Treatment to preserve the quality of the goods.

⇒ Equivalence

Equivalence allows for use of similar free circulation goods instead of the ones that get imported to the special procedure. If the applying party intends to use equivalence when they make use of IP, this should be detailed on their initial application and why they see it fit that they use equivalence. To make use of equivalence, the goods being compared should have the following characteristics:

- ▶ The same 8-digit commodity code
- ▶ The same commercial quality
- ▶ The same technical characteristics

There are specific rules for importing equivalent goods to IP, these are listed here but include some of the following commodities:

- ▶ Rice
- ▶ Wheat
- ▶ Sugar
- ▶ Live animals and meat products
- ▶ Milk and Milk Products



When using equivalent goods, the authorised party can use '*common stocking*' by storing the equivalent goods with those already declared into Free Circulation. The IP party does not have to be able to tell the two sets of goods apart and would be able to use any of the stored goods to fulfil a customer order. However, records should clearly state quantities of goods in Free Circulation compared to equivalent goods, the details needed on record keeping for equivalent goods will be in the IP party authorisation letter.

Prior Export Equivalence

Export of products made from equivalent goods in Free Circulation before the goods have been imported to IP. This allows urgent order fulfilment and meet supply and demand. Goods can then be imported to IP and be used as the IP party sees fit without having to pay duties, providing they meet the following time constraints:

- ▶ Within 3 months for agricultural goods
- ▶ Within 6 months for all other goods

Discharging Equivalent Goods

Upon discharge of equivalent goods, the IP party is able to export goods that have already been repaired if they meet equivalence criteria.

The equivalent goods and the processed products will become non-UK goods. The goods they are replacing will become UK goods when they are discharged or have left the UK.

Find out more about using equivalent goods at:

<https://www.gov.uk/guidance/using-similar-goods-to-replace-customs-special-procedure-goods>

Practicalities of Inward Processing

⇒ Customs Declarations for Inward Processing

To enter goods into IP, the goods must be accompanied by a customs declaration. IP imports have their own data set, H4, use of the H4 data set in CDS allows specific procedure codes to be used, all relating to IP, in this case, procedure codes beginning with 51 are the only ones that can be used. Information on the 51 data set can be found at:

<https://www.gov.uk/government/publications/appendix-1-de-110-requested-and-previous-procedure-codes-of-the-customs-declaration-service-cds/requested-procedure-51-entry-to-inward-processing>

The declaration will give information to HMRC that will allow them to tell:

- ▶ Who is the importer of record for the consignment.
- ▶ Who is the authorised IP party (and what kind of authorisation is being used)
- ▶ What goods are being imported (commodity code, description of goods, weights and values)
- ▶ The economic reason for the import (Economic code declared as an additional information statement).

- ▶ The Additional Procedure of the import.
 - ◆ Procedure codes and Additional Procedure codes will have implications on the Document Codes (Data Element 2/3 in CDS) that should be used and the Additional Information statements (Data Element 2/2) that should be used when submitting a customs declaration.

If the authorised party is using an agent to act on their behalf to declare the goods into IP, they should ensure full and accurate instruction is given to the agent acting. This will include whether the agent is to act as a direct representative or an indirect representative.

⇒ Discharging from IP

As discussed previously, there are a few options when goods need to be discharged from IP. All goods put into IP should be discharged within the correct discharge period, this will be detailed in the approved party authorisation letter. The method of discharge will be indicated by the data set used in CDS and the Procedure Code that is inputted into the declaration.

The discharge of goods should be accompanied by a Bill of Discharge, this is a document that is used to account for goods being discharged from the procedure. The Bill of Discharge is sent by the authorised party to their Supervising Office. Submission of the Bill of Discharge should be done within the 30 days following the end of the period of discharge. The period of discharge time will be detailed in the approved parties authorisation letter.

Discharging goods when using Authorisation By Declaration is slightly different to if the party is fully authorised. A lot of the discharge rulings will be detailed on specific authorisation letters.

Re-Export

This would be used by a party processing the goods in the UK and not releasing them to Free Circulation in the UK market. For sufficient discharge from the IP procedure, there should be a proof of exit from the UK customs territory. Duty and/or VAT will not be payable in the UK when using this procedure. Duty and/or VAT become payable at the point the goods are released to Free Circulation.

Transfer to alternative Special Procedure

IP is a Special Procedure and it is possible to transfer goods from IP to another procedure, such as Customs Warehousing allowing the goods to be stored under customs supervision but outside of the IP procedure. The IP authorisation has very strict discharge periods, it may be beneficial to import the goods into IP, complete the processing of the goods and then store them in an approved Customs Warehouse facility until the goods are ready to be released to Free Circulation for example.

When applying for IP authorisation, the party wishing to get authorisation should detail how they intend to discharge their goods from the procedure and what period they intend to do this in.

It may be that the authorised party is authorised in more than one procedure, in which case, the goods can be moved around as long as all premises are detailed on authorisation letters, customs declarations account for movements between customs procedures and records indicate when and why goods had been moved.

The authorised party may wish to move their goods from their own IP authorisation to another IP authorisation. This is possible, but again, it should be detailed on the initial application should this be the intention for the goods. It is only possible to transfer from one fully authorised party to another fully authorised party. If Authorisation By Declaration has been used, transfer from IP to IP is not available.

Find further information on combinations of procedure codes further through this paper.

Free Circulation

Goods have been processed and the party currently responsible for the goods is releasing them to free circulation on the UK market. At this point, any customs liabilities (Duties and/or VAT payments) become payable. Duty payments will be based on either the goods imported into IP, or the goods being declared to Free Circulation following processing. Whichever option has been chosen will have been indicated on the initial approval request.

Other means of Discharge

There are special cases for discharge, this is not extensive, but some cases are as follows:

- ▶ Export shops – goods for sale to passengers travelling outside of the UK
- ▶ Tray meals being used on cross-channel ferries (flights and trains require different approvals).

- ▶ Disposal of goods where destruction is not allowed for environmental reasons

⇒ Bill of Discharge

The bill of discharge is a document that sent to the supervising office within 30 days of the end of the period of discharge.

Record Keeping for IP

It is vital that comprehensive records are kept in line with IP approvals. Details about the goods, the location of the goods and the party responsible for the goods at all points of their journey, right through to discharge. All records should be kept for 4 years after they have been discharged from the procedure. Records must give details about:

- ▶ Nature of the goods, including quantity, classification and status (UK or Non-UK).
- ▶ When and where the goods entered the procedure, as well as when and where they were discharged. This should also include if there have been any Transfer of Rights and Obligations.
- ▶ The processing that was done, where it took place and if this resulted in a change of classification, the rate of yield as a result of the processing and if equivalent goods had been used.

- ▶ Identification of imported goods and the final processed products.
- ▶ How the goods imported to IP can be identified in the processed products.
- ▶ Reference numbers for declaring goods into IP and subsequently discharging them from IP.
- ▶ Authorisation Number of the IP party.
- ▶ Any additional information requested by HMRC, or the Supervising Office written into the authorisation letter.

Further information on keeping comprehensive records can be found at:

<https://www.gov.uk/guidance/moving-processed-or-repaired-goods-into-free-circulation-or-re-exporting-them#keeping-records>



IP vs other Special Procedures

All special procedures require the operator to be authorised to use them and all individual authorisations will have their own obligations as to what they are authorised to complete while the goods remain under their supervision. For example, customs warehouse operators may only be able to hold specific commodities. Businesses may be authorised to hold alcohol products in a customs warehouse, while other businesses may only be authorised to hold aircraft parts. There will also be set conditions within their authorisation that set out what they can and can't do with the goods whilst they are under their supervision.

There is a variety of special procedures available to UK businesses, such as:

Temporary Admission

Import of goods on a fixed term basis with partial relief from duty and/or VAT. This is often used by parties who want to import goods to an event or exhibition.

Outward Processing

Export of goods that are leaving the territory to undergo processing and returning as a changed or repaired product.

Customs Warehousing

Import into a supervised customs area where goods are suspended from paying VAT and/or duty until they are released from the warehouse.





Using Inward Processing in Conjunction with other Customs Procedures

As previously mentioned, inward processing allows goods to be imported to be processed or repaired. To import goods, the declarant must specify to what customs procedure the goods are entering. This is deciphered by customs by several parts of the customs declaration in CDS (Customs Declaration Service), these include, CDS data sets, Procedure codes and additional procedure codes.

⇒ Data Set

CDS has seven standard data sets for GB imports, all of these have different rulings as to what data elements should and shouldn't be populated. Gov.uk has guidance on all data sets. For imports into Inward Processing, a declaration should use the H4 data set. Information on GB Import Data Sets for CDS can be found at:

<https://www.gov.uk/government/publications/appendix-21-import-declaration-category-data-sets/appendix-21-introduction-to-declaration-category-data-sets>

Some data sets will only allow use of certain procedure codes which are mentioned below. As an example, if a declarant was to try and use a H4 data set with a procedure code beginning '40' CDS would cause a validation error because 40 is not a recognised procedure code for an import into IP. 40 is for importing goods into Free Circulation, in this case, data set H1 should be used.

⇒ Procedure Codes

Procedure Codes are numerical codes that indicate what will happen to the goods upon import as well as the previous procedure they were subjected to. These are two-digit numerical codes, the data element is split into two parts, the first two numbers indicate the procedure the

goods are entering and the second indicate the procedure the goods are leaving, an example would be:

51	51
Entry INTO Inward Processing	Removal FROM Inward Processing

In the above example, this would indicate to customs that the goods are being transferred from one inward processing procedure to another.

Information on procedure codes can be found at:

<https://www.gov.uk/government/publications/appendix-1-de-110-requested-and-previous-procedure-codes-of-the-customs-declaration-service-cds/appendix-1-de-110-requested-and-previous-procedure-codes-introduction-and-index-list>

Combinations of procedure codes can be used but the declarant should check which codes can legitimately be combined to make up requested procedure code and previous procedure code.

In addition to a procedure code, the declarant must indicate if there are any additional procedures that the goods are going to. Some additional procedure codes cannot be used in conjunction with some procedure codes. As an example, the D series of additional procedure codes can only be used in conjunction with the 53 procedure codes. This is the Temporary Admission Procedure Code and the D series of additional procedure codes indicate why the goods are being temporarily admitted. A correlation table of acceptable combinations can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1100405/DE-1-10-to-1-11-correlation-matrix.ods

With a combination of the data set used and the procedure code used, customs can determine a lot about what is set to happen to the goods being imported. For movements into Inward Processing, a declarant would use the H4 data set, with a procedure code beginning 51. This could be any of the following:

5100 – Entry to Inward Processing where goods have not been subjected to any previous procedures.

5111 – Import of non-union goods to replace previously exported equivalent goods which are now being entered to IP.

5121 – Release to IP where goods are being re-exported after temporary export under outward processing.

5151 – Goods previously entered into IP, being transferred to another Inward Processing Authorisation holder.

5153 – Entry of goods into Inward Processing that have previously been entered into Temporary Admission.

5154 – Goods previously entered into IP in another member state that are now being transferred to another IP authorisation holder.

5171 – Entry of goods to IP where they are being released from a Customs Warehouse.

5178 – Entry of goods to IP where the goods are being released from a Free Zone.



Can IP be used with Simplified Customs Declaration Procedures?

Yes, providing authorisations and approvals allow the use of this. An authorised IP party can use SCDP, providing either, they, themselves are authorised to do so and their SCDP approval allows them to declare goods for IP using simplified procedures or they can employ a third-party customs broker who has SCDP approval and is approved to declare goods to IP using their approval. See below some scenarios where combinations of IP and SCDP can or cannot be used.

Company holds IP authorisation AND SCDP approval

Yes, providing the SCDP approval states that the company are able to enter goods into IP using their SCDP approval. If not, they should request amendment to their SCDP approval to add entry to IP in their remit.

Company holds IP authorisation only

There are two possibilities here. If the company holds their own IP authorisation and does not have their own SCDP approval, they could employ a customs agent who holds SCDP approval and providing the agent's SCDP approval states that they can complete entries into IP, then the declaration into IP can be completed using SCDP. However, if

the party has IP authorisation only and they want to complete their own declarations, they will need to complete full declarations for this.

Company does not hold IP authorisation or SCDP approval

In this instance, if the company is wanting to import goods into IP, it is likely that they are going to use Authorisation By Declaration. If this is the case, SCDP cannot be used for ABD declarations, a full declaration must be submitted.

⇒ Using IP with other Special Procedures

It is also possible to combine special procedures with other special procedures. However, if the intention of the authorised party is to mix special procedures, they should ensure that this is detailed in the application they submit. As mentioned previously, the declarant should ensure that the correct data set and procedure code is used. It is possible to combine most special procedures. However, there are a lot of strict rulings about how procedures can and cannot be combined. If the party is fully authorised, they should consult their original authorisation in the first instance and then contact the Supervising Office if they are unsure whether or not the goods can move from or to IP from another special procedure.

IP and OP

If an importer wishes to combine IP and OP procedures, full authorisations for both procedures should be held. It is possible that goods already in IP may be exported to OP for further processing outside of the customs territory and then re-imported to IP. However, IP parties should be aware that any time spent outside of the UK counts towards the time the goods are held in IP so the parties should not exceed discharge periods set out in authorisations.

IP and CW

If there is a requirement to combine IP and CW the IP applicant should detail which warehouse will be used and for what reason a CW is being used. However, if the reason for entry to CW is for storage over IP, the goods should be entered to CW instead. It is possible that the goods may need to be stored before or after processing has taken place. If this is the case, the goods should be transferred from CW to IP when the processing is ready to commence. Once processing is complete and the goods have entered a warehouse, the goods have then officially been discharged from the IP procedure, this helps when the importer has to make sure discharge periods are abided by.

IP and TA

Goods may be temporarily imported to the territory and require processing. Importing to temporary admission, like any other special procedure, has very strict guidelines and again, any combination of special procedures should be detailed in authorisations beforehand.



Glossary

CDS – Customs Declaration Service (UK system used to submit declarations to HMRC).

Main Processed Product – The primary product that is created as a result of processing.

Secondary Processed Product – By-products that are created during the processing.

Equivalence – Using similar free circulation goods instead of the ones that get imported to the special procedure

Bill of Discharge – A document created that shows customs and relevant authorities what products have been removed from the processing procedure, when they were removed and where they went to.

Economic Code – Codes used in customs declarations that tell customs how the goods will be processed.

Rate of Yield – Amount of product that will be made as a result of processing, this is displayed in a ratio format.

Authorisation By Declaration – Using a GB customs declaration to apply for infrequent uses of Inward Processing (maximum of 3 per year where each consignment has a value less than £500,000).

Free Circulation – release of goods to the market where they can be used freely without restriction.

Direct Representation – An agent acting in the name of and on behalf of the trader, using clearance instructions provided from the trader. The trader is liable for customs debt.

Indirect Representation – An agent acting in their own name but on behalf of the trader. The agent becomes jointly and severally liable for customs debt.

Common Stocking – Storage of equivalent goods with those already declared into Free Circulation.

Prior Export Equivalence – Export of products made from equivalent goods in Free Circulation before the goods have been imported to IP.

Supervising Office – Designated place where procedure activities will be monitored for compliance levels.

Customs Warehousing – Import into a supervised customs area where goods are suspended from paying VAT and/or duty until they are released from the warehouse.

Outward Processing – Export of goods that are leaving the territory to undergo processing and returning as a changed or repaired product.

Processing – Anything from simple re-packaging or label to complex manufacture.

Repair – Restoration and maintenance of goods

Usual Forms of Handling – Simple operations that preserve the standard of goods.

Records – Documents kept in line with Inward Processing Authorisation including commercial documents, customs declarations, audit trails of stock in and stock out.

Authorisation Number – A code that is unique to the trader, provided when receiving approval

CDS Authorisation Number – The code that should be used in CDS customs declarations for HMRC to determine who will be responsible for the goods while they are in the procedure.

Simplified Customs Procedures – Customs facilitation designed to accelerate the customs declaration process allowing on-time release of goods.

Anti-Dumping Duty – Taxes that are imposed on goods to minimise benefits for consumers buying cheaper non-UK produced products to protect UK industry.

Excise Goods – Alcohol Products, Tobacco Products and Hydrocarbon Oils and Fuels subjected to additional Excise duties before the goods can be released to Home Use (the general UK market).

Discharge Period – Time frame whereby goods should be removed from Inward Processing and documents should have been sent to the relevant supervising office.

Transfer of Rights and Obligations – A fully authorised party transferring some or all of the rights and obligations relating to a procedure. Find out more at:

<https://www.gov.uk/guidance/transferring-your-rights-and-obligations-to-someone-else>

Temporary Admission – Import of goods on a fixed-term, interim, basis with partial relief from duty and/or VAT. This is often used by parties who want to import goods to an event or exhibition.



Working Together

No Hidden Surprises. Just Transparent Success!

We believe in clarity, not complexity. Join us on this transformative journey – where potential meets implementation, and success is the only destination.



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Efficient, Optimised, Regulatory Integration



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