

## CUSTOMS INFORMATION PAPER (09) 31

### Export Control System (ECS) implementation – 1 July 2009

<b>Who should read:</b>	<b>All traders involved in international export trade including exporters, agents, freight forwarders and carriers</b>
<b>What is it about:</b>	This paper outlines the major changes which will be implemented across the EU on 1 July 2009 when ECS goes live and Safety and Security measures are implemented.
<b>When effective:</b>	1 July 2009
<b>Extant until/ Expires</b>	Until further notice

#### 1. Background

[CIP \(08\) 35](#) set out the timetable for the introduction of the Export Control System (ECS) phases 1 and 2:

- ECS1 is designed to better control indirect exports by passing messages from the member state where the export starts, to another member state where the goods will exit the EU. It introduces the concept of Office of Export and office of Exit.
- ECS 2 (safety and security) introduces a requirement to provide pre-departure information which can be risk assessed by the Office of Export and the results passed to the Office of Exit if required.

Further information on progress to date has been made available on the [ECS web page](#) (click pointer) where you can find full details of how ECS will operate alongside the National Export System (NES) from 1 July 2009.

The implementation date of 1 July 2009 is drawing near and this CIP paper provides a summary of the major changes traders can expect when ECS and the safety and security requirements are implemented.

#### 2. CHIEF support for ECS1 and ECS2

To meet the requirements of ECS1 and ECS2, a number of new data items may need to be provided by traders to Customs for the first time, particularly where goods are leaving the Community via another Member State. HMRC built on its existing National Export System (CHIEF) to support these data items when SAD H was introduced last year. CHIEF will continue to be the system that traders use when ECS comes into effect on 1 July 2009 but it has

been enhanced to incorporate the changes required for both the control of indirect exports and the safety and security requirements.

### 3. ECS - New Requirements from 1 July 2009

The main changes relating to ECS Phase 1 (control of indirect exports) are:

<p><b>Movement Reference Number (MRN)</b></p>	<p>From 1 July 2009, all export declarations will be issued with an MRN. This number becomes a key reference after the 1 July and is generated by CHIEF at the same time as the entry number is now. An MRN will be generated for <b>both direct and indirect</b> exports.</p> <p>The structure of an MRN can be found on the ECS home page in the document "EAD form and explanatory notes".</p>
<p><b>Office of Export</b></p>	<p>From 1 July 2009 the UK will operate as an electronic Office of Export for the first time. Where the export goods entered onto CHIEF are to leave the Community via another Member State (ie it is an indirect export) an electronic message will be sent to the member state of exit informing them of the details of the goods on their way. On exit, the Member State where the Customs Office of Exit is located will send an "exit results" response to the UK to say that the goods have left the EU. This response message is passed back to the trader, through CHIEF, to facilitate VAT zero rating claims. The outgoing message is triggered by the completion of Box 29 (Office of Exit).</p>
<p><b>Economic Operator Registration and Identification (EORI) number</b></p>	<p>From 1 July 2009 all exporters and other parties involved in international trade will need to quote their Trader Identification Number (TIN) in the format of an EORI number. In the UK, most traders will already have a "TURN" number which will become their EORI number. There are some exceptions to this. Further information is available from the <a href="http://www.hmrc.gov.uk">EORI Home Page</a> on the HMRC website <a href="http://www.hmrc.gov.uk">www.hmrc.gov.uk</a>.</p>
<p><b>Declaration Unique Consignment Reference (DUCR)</b></p>	<p>From 1 July, it is important that traders <u>create their own UCR number in Box 44</u>. The structure of a DUCR is set out in section 1.9.10 of the Tariff. Most traders already produce their own unique reference numbers but some have relied on CHIEF to generate an artificial number. From the 1 July, a properly constructed Trader created UCR will be recognised across the EU and negates the requirement to enter additional references into Box 7 and to produce transport documents (eg an airwaybill or bill of lading).</p> <p>(See note below on printing the trader constructed DUCR onto the EAD).</p>
<p><b>Export Accompanying Document (EAD)</b></p>	<p>From 1 July 2009, the SAD Copy 3 will be replaced by the EAD. The EAD should show the MRN number and a bar code so that they can be scanned at the Office of Exit, effectively closing the indirect ECS movement and informing the Office of Export that the goods have left the EU. Where there is more than one item on a declaration the EAD must be accompanied by a List of Items (LOI) form. <b>NB In the UK, when printing an EAD from 1 July 2009, the DUCR number in Box 44 should be printed into <u>Box 7</u> of the paper EAD.</b></p> <p>EAD and (LOI) forms and printing guidelines can be found on the ECS web page.</p>
<p><b>Single Transport Contract (STC)</b></p>	<p>For goods travelling under a "Single Transport Contract" (STC), the exporter or declarant will need to notify Customs each time STC is used by:</p> <ol style="list-style-type: none"> <li>a. entering a new Additional Information (AI) code (STC99) into box</li> </ol>

	<p>44; and</p> <p>b. leaving Box 29 (Office of Exit) blank).</p> <p>Declarants should check with their freight forwarder or ocean carrier as to whether STC should be claimed. A further, detailed CIP will be issued shortly on the importance of claiming STC and the related processes.</p>
<b>Box 29 – Office of Exit</b>	<p>For indirect exports, traders will now have to complete Box 29 (Office of Exit) using the relevant Office of Exit code on the EU Customs Office List available on the EUROPA website.</p> <p>Please note, for direct exports (eg where the export is to leave the Community on a direct flight from the UK to USA) and for exports travelling under a single transport contract (STC) traders should <b>not</b> enter an Office of Exit code into Box 29.</p>
<b>Box 33 – Commodity Code</b>	<p>In most cases, completion of the commodity code is mandatory at export. Where a simplified procedure is used, you may be approved not to supply this data if an adequate goods description is declared. However, it is strongly recommended that the commodity code is always completed as this is required if a message is to be passed to another member state. The inclusion of the code will facilitate a quick release of the goods at the Office of Exit</p>

**The main changes relating to ECS Phase 2 (Safety and Security) are:**

**Risk Assessment** – HMRC will be required to carry out risk assessment against all data items listed in Annex 30A of Commission Regulation (EC) 1875/2006 using an agreed set of EU risk rules for safety and security. The majority of the items listed in Annex 30A are already required in the UK and CHIEF has supported them since the introduction of SAD H. The list below highlights items which are specific to safety and security:

- Country of Export Box 15A (required at all times);
- Country of routing Codes (to the extent known);
- Transport charges method of payment code (where available);
- UN Dangerous Goods Code (where relevant); and
- Seal numbers (where applicable).

These data items will not necessarily need to be input by all traders as they are only required under certain circumstances.

Key messages from the Tariff update are included in the CIP but full details on the completion rules for the above items will be found in section 1.9 of the June issue of the Tariff.

**The introduction of time limits for the lodging of export declarations -**

The safety and security regulation introduces new, minimum deadlines for the lodgement of export declarations. Full details can be found in Article 592b(1) of Commission Regulation (EC) No 1875/2006. They are summarised as follows:

- for “deep sea” containerised cargo, at least 24 hours before the goods are loaded;
- for “short sea” containerised cargo, at least two hours before leaving a port;
- for air traffic, at least 30 minutes prior to departure from an airport;
- for rail and inland waters traffic, at least two hours prior to departure;
- for road traffic, at least one hour prior to departure;
- for supplies for ships and aircraft at least fifteen minutes prior to departure.

Please note that these are the minimum legal deadlines and some commercial carriers (particularly in the maritime industry) may require receipt of the information included in an export declaration long before the statutory deadlines to enable them to meet safety and security and commercial responsibilities.

### **The introduction of a new declaration type - Exit Summary Declaration (EXS)**

The safety and security provisions coming into force on 1 July 2009 introduce a new type of declaration – the Exit Summary Declaration (EXS). The EXS consists of “pure” safety and security data (ie that data laid down in annex 30A of Regulation 1875/2006) and is only required where a full export declaration which already includes safety and security data is not required. The EXS should be presented to the **Office of Exit**, not the Office of Export. We have identified **very few circumstances** where an EXS will be required.

### **Transition Regulation relating to the Exit Summary Declarations -**

Important note - following the passing of a transition regulation by the EU, there is **no legal obligation** to present an EXS until 1 January 2011. However, CHIEF has been developed to support EXS functionality from 1 July 2009.

## **4. Other sources of information**

ECS changes will be incorporated into the June edition of the Tariff. Traders are advised to review sections 1.1-1.4 and 1.9 especially.

Further detailed CIPs will be issued shortly on some of the items above including STC and EADs. The ECS website has also been updated recently to include all relevant information.

## **5. Contacts**

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Issued on the **4 May 2009** by the JCCC Secretary, HM Revenue and Customs, Customs & International Directorate. E Mail @ [JCCC Secretariat](mailto:JCCC_Secretariat)

If you have a question about the content of this paper please use the details provided in the 'Contacts' section. For general HMRC queries speak to the National Advice Service on 0845 010 9000 or follow this crumb trail which details how to contact us by phone, e-mail or post: HMRC home ([www.hmrc.gov.uk](http://www.hmrc.gov.uk)) >Contact Us

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