



HM Revenue
& Customs

Customs Declaration Service Finance Guide

This guide explains:

- 1. Changes to the payment method you can currently use through the Customs Declaration Service (CDS), and what you need to do.**
- 2. Payment methods through CDS which will be available from autumn.**

HMRC is gradually introducing the Customs Declaration Service, the long-term replacement for the current Customs Handling of Import and Export Freight (CHIEF) system. It's a modern and flexible system that can handle anticipated future growth. From 1 January 2021, customs declarations for goods movements to or from Northern Ireland, including goods moving from Great Britain to Northern Ireland, will need to be submitted on the Customs Declaration Service (CDS), in accordance with the Northern Ireland Protocol. CDS is being introduced alongside CHIEF, so traders can move across to the new service when they're ready.

The way you process your declaration payments will change with CDS. When you'll be affected depends on which of these payment methods you use. You'll be affected if you use:

- Duty Deferment Accounts
- Flexible Accounting System (FAS) accounts
- Immediate Payments
- Guarantee Accounts
- Individual Guarantees

1. Changes to current payment methods through CDS

Duty Deferment Account

If you use a Duty Deferment Account, either for declaring your own imports, or on behalf of another business on CDS, you'll need to make sure that the Duty Deferment Account holder completes a new Direct Debit Instruction to use CDS. This will ensure payments are made to the correct bank account number.

Only those registered to use CDS and acting as the official deferment account owner will be able to view deferment account statements and certificates. If you work with an intermediary, or manage Duty Deferment Accounts on behalf of others, they will need to register to use CDS. However, direct access to deferment statements and certificates is only available to the formal account owner.

Please do not cancel your original Direct Debit instruction. It will still be needed for deferred declarations you make via CHIEF, as well as Registered Excise Dealer and Shipper (REDS), Alcohol and Tobacco Warehouse Duty (ATWD) or VAT 908 payments. If you cancel it, your payments could fail.

You'll have two active HMRC Direct Debit instructions (one for CDS and one for CHIEF), and two payments may be taken on the same day, one to settle your CDS liabilities and another for CHIEF. If this happens, you'll receive two statements to confirm charges due. Please be assured, we will not charge you twice for the same liability.

If your payments are over £20m, where a Clearing House Automated Payment System (CHAPS) payment is required, you must use the new CDS bank account number, followed by the reference 'CDSA', followed by your DAN number, e.g. CDSA0123456. You must use this reference number for each payment of this type.

- If you have any questions about the new Direct Debit Instruction or Duty Deferment Accounts, please email us at: cdoenquiries@hmrc.gov.uk or telephone **03000 594243**.
- If you registered for your Economic Operator Registration and Identification (EORI) number before 1 February 2019, you'll need to subscribe to CDS via the Government Gateway. For more information on this, go to [GOV.UK](https://www.gov.uk)

With CDS declarations, you now have the option of making an interim payment into your Duty Deferment Account. This will be allocated against charges due on your account to increase your available balance. This gives you flexibility to make more declarations without needing to increase your agreed guarantee or account limits. To make an interim payment, you must use the new CDS bank account number, followed by the reference 'CDS D', followed by your Deferment Account Number e.g. CDS D1234567. To find details of the HMRC bank account you'll need to use, go to [GOV.UK](https://www.gov.uk)

If your shipment is being cleared through UK Customs by an intermediary (Customs Broker, Agent, Express Operator or Freight Forwarder), you'll need to inform them of your payment preference prior to the goods arriving in the UK. Otherwise, intermediaries may process your goods using their own Deferment Account.

2. Payment methods through CDS which will be available autumn

About Flexible Accounting System

HMRC intends to close Flexible Accounting System accounts and replace them with new cash accounts for CDS declarations. If you're a trader, you'll be able to:

- Register for CDS - you'll automatically be issued with a cash account
- Pay funds into your own cash account and authorise your agent to use the account on your behalf
- Use your cash account at all Customs locations
- Allocate funds for declarations to clear against, in chronological order

*If you are an agent, please make sure you are authorised to use other cash accounts so that you don't have to fund your own account to pay others' charges

Your cash account number will be available on your digital dashboard. For payments into cash accounts, you'll need to pay into the HMRC CDS bank account and use the payment reference number 'CDSC' followed by your cash account number. You must use this reference number for each payment of this type.

Another important change that will affect payments is the CDS bank account number that you send payments to. It's vital that you start using the new account details at the right time and update any regular payments, or payees, that you've set up.

If you do not do this, your payment will not be allocated to your HMRC account and your goods may not clear.

You will need to be aware of the following:

- If you have insufficient funds in your cash account, then the declarations won't pass
- If you have an agent with standing authority, they cannot withdraw money from the cash account to their own bank account

Where appropriate, cash accounts can be used as a method of clearing goods immediately, as sums can be held in account for later use when required.

Frontier Declarations and Immediate Payments

If you make a frontier declaration using CDS, you can soon pay using a:

- a deferment account
- a cash account
- personal debit card, corporate debit card or corporate credit card
- general guarantee accounts
- individual guarantees

To pay immediately for goods declared in CDS, you will need to:

- use the correct CDS bank account when paying for your goods
- use the CDS reference number automatically generated once your declaration has been accepted. The reference number will begin with 'CDSI', followed by a 12 character reference comprising both numbers and letters. This reference is unique to each individual declaration. The same number must be used for payments made in part or in full
- pay by card, guaranteed cheque or bank transfer. You will not be able to change the method of payment once your declaration has been accepted

If you use online banking and pay by Faster Payment (FP) as your method of payment, transactions can only be made up to the value of £250,000. Should you wish to make a card payment using the Online Payment Service (OPS), the transaction threshold is £97,000.

If you wish to pay using a personal debit card, corporate debit card, or corporate credit card, you will need to make the payment in full, using the HMRC online payment service. The online payment service can be accessed on [GOV.UK/pay-tax-debit-credit-card](https://www.gov.uk/pay-tax-debit-credit-card) and selecting CDS.

Repay by card

If you, or your agent, settles your liabilities by card and you are subsequently due a refund, this will automatically be credited to the original payment card. Refunds will be made within 270 days of your original payment.

If you're not eligible to be repaid by card (for example, your refund exceeds the 270 day limit), your repayment will be made by BACS to the bank account held on your customer record.

If the original payment was made using your agent's card, and you're due a refund, you'll need to resolve this with your agent directly.

General Guarantee Accounts

General Guarantee Accounts allow traders to release goods without payment of a deposit, when an ongoing user-guarantee from an approved financial institution has been provided. Soon, General Guarantee Accounts can be used to secure deposits for potential liabilities, such as:

- temporary admission procedures
- provisional anti-dumping duty
- critical quota
- missing preference documentation

These will need to be supported by a guarantee from a financial institution. Applications must be made through **Customs Salford** at ntas.guarantees@hmrc.gov.uk

For General Guarantee Accounts to remain live, they must have at least one active guarantee on the account, while declarations can be secured up to your guarantee limit. This limit is determined by the guarantee the trader secures from their guarantor.

You can use the General Guarantee Account as a combined mode of payment with Duty Deferment.

Individual Guarantees

You'll be able to use Individual Guarantees on CDS, to secure deposits for potential liabilities, like a single-use guarantee backed by a financial institution.

You will be able to use more than one Individual Guarantee against one declaration.

If you require an estimate for your Individual Guarantee, please contact Customs Salford at fasaccounting@hmrc.gov.uk who will provide further assistance.

To use Individual Guarantees on CDS, you will need to:

1. Submit a declaration with Method Of Payment code 'Z', indicating that you wish to use an Individual Guarantee
2. Note the payment reference generated following Duty calculation
3. Send the guarantee to HMRC, including your Movement Reference Number and Payment Reference

HMRC will confirm receipt of the guarantee. If the guarantee value is equal to, or greater than, the value of the security calculated, the declaration is cleared.

Payment Errors

It's important that you understand how you intend to pay for your goods before you submit a declaration. Your goods will not clear if you:

- Use a wrong payment reference
- Pay into a wrong bank account

If this is the case, you will need to contact **Customs Salford** at fasaccounting@hmrc.gov.uk who will provide further assistance.

Payment clearance notification

Real-time information on account balances and limits can be found online, via your CDS Financials page or dashboard. Here, you will find all your transaction data in one place.

This applies to:

- supplementary declaration payments, made by interim payments into a Duty Deferment Account
- frontier declaration payments paid into CDS Cash Accounts, or interim payments into Duty Deferment Accounts

The dashboard will enable you to:

- view the sum of deposits against guarantees
- view the status of your account

However, you won't be able to see historical transactions against your account.

For more information about CDS payment methods, or to register for CDS email updates, go to [GOV.UK/customsdeclarationservice](https://www.gov.uk/customsdeclarationservice)