



Financial solvency of applicant

The purpose of this form is to assess your solvency and level of financial resources in respect of an application for approval or authorisation to use the following procedures in Great Britain:

- duty deferment account (DDA) guarantee waiver (relating to customs duty, import VAT and excise duty)
- special procedures (SP)
- temporary storage (TS)

This form is not intended for approvals or authorisations in Northern Ireland.

Please complete this questionnaire honestly, HM Revenue and Customs (HMRC) will test the information supplied. Full answers or explanations are required.

If your application is for a DDA guarantee waiver:

- to demonstrate solvency, you must have positive net assets excluding goodwill at the date of your application and in all of the preceding 3 years or, if shorter, for the period you've been trading
- in addition, if you're applying for a guarantee waiver of more than £10,000 per month your financial resources (net assets excluding goodwill) need to be equal to or greater than the maximum amount you wish to defer, at the date of your application and at your most recent balance sheet date
- if you do not meet these criteria, you should not complete this form. You may need to provide HMRC with a full or partial guarantee from a third party financial institution to cover your liability. Alternatively, if you can demonstrate that you can cover any shortfall in net assets through third party support you may wish to consider applying for Authorised Economic Operator customs simplification (AEOC)

Business information

Please read the notes before filling in boxes.

<p>Name of business or applicant</p> <input style="width: 100%; height: 30px;" type="text"/> <input style="width: 100%; height: 30px;" type="text"/>	<p>Economic Operator Registration and Identification (EORI) number</p> <input style="width: 100%; height: 30px;" type="text"/>
<p>Address of principal place of business</p> <input style="width: 100%; height: 30px;" type="text"/> <input style="width: 100%; height: 30px;" type="text"/> <input style="width: 100%; height: 30px;" type="text"/> <input style="width: 100%; height: 30px;" type="text"/> <p>Postcode</p>	<p>Date of completion DD MM YYYY</p> <input style="width: 25px; height: 25px;" type="text"/> <input style="width: 25px; height: 25px;" type="text"/> <input style="width: 25px; height: 25px;" type="text"/> <input style="width: 25px; height: 25px;" type="text"/> <input style="width: 25px; height: 25px;" type="text"/> <input style="width: 25px; height: 25px;" type="text"/> <input style="width: 25px; height: 25px;" type="text"/> <input style="width: 25px; height: 25px;" type="text"/>

Financial solvency of applicant

Please read the notes before filling in boxes.

<p>Is the business or applicant subject to bankruptcy proceedings (including any insolvency or bankruptcy proceedings served on the company in the last 3 years)?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Does the business or applicant have a good payment history with HMRC? If the applicant has any overdue debt due to HMRC at the time of the application, you may not qualify for the authorisation sought.</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>
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The information you provide in the following table will be used to assess your solvency and level of financial resources. Explanatory notes, to help you complete the table and identify any further information which is required, can be found at the end of the form.

				Column A	Column B	Column C	Column D	Column E	Column F
		Note reference	Information to be entered in Columns A to D (and E and F if applicable)	Management accounts	Financial Statements Yr -1	Financial Statements Yr -2	Financial Statements Yr -3	Financial Statements Yr -4 (if required see Note 3b)	Forecasts (if required see Note 3a)
1	Year / period end	1, 2, 3a, 3b	Date						
2	Length of accounting period	1	Number of months						
3	Audit report modified?	5	Yes / No / N/A						
4	Any going concern explanations?	5	Yes / No						
5	Profit / (loss) after taxation	6	Amount						
6	Net current assets (liabilities)	7	Amount						
7	Net assets (liabilities) [A]	8	Amount						
8	Goodwill [B]	9	Amount						
9	Net assets (liabilities) excluding goodwill [A-B]	10	Amount						

Additional notes

Table row reference for example row 5	Provide the additional information as set out in the Explanatory notes

Checklist of documentation provided

Check applicable boxes, and identify each document provided using the reference number shown below:

Documentation	Check	Reference	When this should be provided
Management accounts	<input type="checkbox"/>	D1	When 3 or more months have passed between the balance sheet date of your last financial statements and your application date
Draft financial statements	<input type="checkbox"/>	D2	When the most recent financial statements are in draft form and not yet signed (see Note 1)
Financial statements for the previous 3 years (or 4 years if Column E is completed)	<input type="checkbox"/>	D3	When financial statements are not filed with Companies House (see Note 4)
Forecasts (profit and loss and balance sheet) for next 12 months	<input type="checkbox"/>	D4	When the financial information available does not cover a full 3 years before the date of application (see Note 3a)
Copy of Auditor's Reports	<input type="checkbox"/>	D5	When there is a modification to the Auditor's Report (see Note 5)
Reconciliation of management accounts to previous financial statements	<input type="checkbox"/>	D6	When the management accounts start with an opening net assets position which differs from that reported in your most recent financial statements (see Note 2)

Declaration

I declare that the information given above is a true and accurate representation of my business and I have disclosed any irregularities or matters which could affect HMRC's assessment of my ability to meet the criteria.

If it is found that the data given above is false, HMRC may revoke any authorisation given.

Anyone who gives false information about goods imported under these arrangements may be liable to penalties under the Customs and Excise Management Act 1979. I understand the above.

Full name	Position in the company
<input type="text"/>	<input type="text"/>
Signature	Date DD MM YYYY
<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

Explanatory notes

General

Amounts should be recorded in the table in single units of currency (not rounded to thousands or millions), with the currency identified. Negative figures should be identified as such by putting them in brackets (for example '(£1,000)').

Note 1

We require financial information covering the period of 3 years up to the date of your application. Enter the most recent financial information from your management accounts in the left hand column (Column A), working to the right for earlier periods on the basis of your financial statements. State the length of each accounting period in row 2. Illustrative examples are set out below.

Example 1:

You have a March year end and apply on 12 March 2020.

Provide financial information from your management accounts for the 11 months ended 29 February 2020 (Column A) and your financial statements for the years ended 31 March 2019 (Column B), 31 March 2018 (Column C) and 31 March 2017 (Column D).

Example 2:

You have a December year end and apply on 12 June 2020. Your December 2019 accounts are currently in draft form.

Provide financial information from your management accounts for the 5 months ended 31 May 2020 (Column A), your draft financial statements for the year ended 31 December 2019 (Column B) and your financial statements for the years ended 31 December 2018 (Column C) and 31 December 2017 (Column D). You'll need to provide a copy of your draft financial statements for the year ended 31 December 2019 in addition to your recent management accounts.

Example 3:

You have a December year end and apply on 12 June 2020. You have not prepared your December 2019 accounts.

Provide financial information from your management accounts for the 5 months ended 31 May 2020 (Column A) and the 12 months ended 31 December 2019 (Column B), and your financial statements for the years ended 31 December 2018 (Column C) and 31 December 2017 (Column D).

Note 2

If 3 or more months have passed between the balance sheet date of your last financial statements (either draft or signed) and your application date, include a copy of your management accounts with your application, to include a profit and loss account and balance sheet as a minimum. The management accounts you provide must cover the period from your last financial statements up to a date that is within 2 months of the date of your application.

If you're part of a group, the management accounts must be:

- for the entity making the application and not the group (or any consolidated part of it)
- prepared on the same (comparable) basis as your financial statements

The classification of assets and liabilities in the management accounts should be on the same basis as in the financial statements. If it's not, please adjust the figures in the table so that they're comparable to the financial statements, and provide an explanation in the 'Additional notes' box. For example, intercompany liabilities may be presented as long term liabilities or equity in the management accounts, but classified as current in the financial statements. The figures in the table should be adjusted to classify intercompany liabilities as current, and an explanation provided in the 'Additional notes box'.

If the management accounts start with an opening net assets position which differs from that reported in your most recent financial statements, provide a reconciliation to include an explanation for all reconciling items.

Note 3

- a. If the financial information requested does not cover 3 full years before the date of your application because you started trading less than 3 years ago, you'll need to provide profit and loss, and balance sheet forecasts covering at least the next 12 months from the date of application and complete Column F.
- b. If the financial information requested does not cover 3 full years before the date of your application because one (or more) of your financial periods is for less than 12 months, you'll need to complete Column E.

Note 4

If your financial statements are not filed at Companies House (if the application is not for a Company or LLP), state 'N/A'. You'll need to provide copies of the full financial statements along with your application.

Note 5

If your financial statements are audited and there is a modification to the Auditor's Report, for example a qualified opinion or an emphasis of matter, please state 'Yes' in the appropriate columns of row 3 and include a copy of the Auditor's Report with your application. Please explain the current position regarding the issue in the 'Additional notes' box. If the modification indicates that there are concerns about your ability to continue as a going concern we'll take this into consideration when making a decision on your application.

If your financial statements do not require an audit, state 'N/A' in row 3.

If there is any narrative explanation in either the Directors' Report (or other governance statement) or the notes to the financial statements which explains the basis of the going concern assumption, state 'Yes' in the appropriate columns of row 4 and explain the current position regarding the issue in the 'Additional notes' box so that we can take this into consideration when making a decision on your application.

Note 6

You'll find this figure at the bottom of your profit and loss account. Losses should be identified as a negative figure (see general explanatory note above).

Note 7

You'll find this figure on your balance sheet, it is the total of current assets less the total of current liabilities. Net current liabilities should be identified as a negative figure (see general explanatory note above).

Note 8

You'll find this figure at the bottom of your balance sheet, it is the total of all assets less the total of all liabilities. Net liabilities should be identified as a negative figure (see general explanatory note above).

Note 9

Goodwill is an intangible asset that may be included on your balance sheet as a result of the acquisition of a business.

Note 10

Deduct positive goodwill from your net assets (liabilities) to arrive at the figure in row 9 (no adjustment should be made if goodwill is negative).

If your application is for a DDA guarantee waiver, it will not be approved if:

- the figure in row 9 is negative at any relevant date (Columns A to F), and / or
- the DDA guarantee waiver for which you're applying is in excess of £10,000 per month and the figure in either Columns A (management accounts) or B (last financial statements) of row 9 is less than the amount you're applying for

If this is the case, and you can demonstrate that you can cover any shortfall (as described above) through third party support, you can apply for Authorised Economic Operator (AEOC) authorisation.