



HM Revenue  
& Customs

# Future of the Tariff Classification Helpline

**Summary of Responses**  
July 2015

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# 1. Introduction

## Background

1.1 The Government has been consulting about the need for the Tariff Classification Helpline. This is one of the ways HMRC provides support to customers who need help when classifying goods for import or export purposes. HMRC is looking to transform service delivery under its Digital Strategy so the Government is exploring options for delivering a classification advice service which provides extra help for those business customers who need it whilst being sustainable for HMRC.

1.2 The consultation ran from 26 November 2014 to 18 February 2015. During that period HMRC ran a pilot email enquiry service to test an alternative method of providing advice. The consultation sought views from customers on a number of questions to inform changes to the provision:

- How they use the current service.
- What factors indicate that a customer needs extra help with tariff classification?
- Feedback from users of the email enquiry pilot.
- Benefits or disadvantages of the email pilot approach.
- Suggestions for other options for providing advice.
- Details of any impacts which had been overlooked.

1.3 Responses were sought from importers, exporters, agents and those who would be directly affected by changes to the Helpline.

## Overview of Responses

1.4 HMRC received a total of **40** written responses from a range of interested parties including representative bodies for freight agents and customs practitioners, businesses engaged in international trade, individual members of the public, and a representative from a disability group.

1.5 In addition to the written responses, HMRC discussed the issues raised in this consultation with trade representatives at meetings of the Joint Customs Consultative Committee (JCCC) and the JCCC Duty Liability sub group.

1.6 HMRC is grateful to all respondents and to those who participated in discussions at JCCC meetings for taking the time to consider the issues raised in the consultation document and for providing their views, suggestions and additional information.

1.7 The consultation asked six questions and, as expected, not all respondents answered all questions. They answered those that were most relevant to their own experience.

## 2. Responses

### Question 1 - How do you currently use the existing Classification Helpline service provision? What works well and what doesn't?

2.1 There were **25** responses to this question.

2.2 The majority of respondents agreed that the current Helpline service worked well. They said the service was particularly helpful when classifying newly created or technically difficult goods. It was also seen as useful in aiding the classification of time sensitive shipments.

2.3 Some respondents said they liked the ability to talk through the classification process with an HMRC classifier as they could use it as a learning experience, confirm their classification of the goods and be made aware of any regulations or guidance applicable.

2.4 Some respondents said that things that did not work well included:

- Not being sure of who (which helpline menu option) to speak to, and this wasted time repeating information.
- The call waiting time could be high.
- The operators' knowledge was not as all-encompassing as one would expect.
- The service would be better if the line was open in the mornings rather than the afternoons due to the cut off times for picking up goods for the trade.

### Government response

2.5 Overall, it appears that most customers value the classification advice provided by the Tariff Classification Helpline.

2.6 Whilst valued, it is clear that the constraints on the current helpline service impact on its effectiveness. At busy times queuing time for customers can be too long and they may find themselves being moved between the two classification teams to get the advice they need. Also, the helpline opening hours do not meet all the needs of freight agents and those dealing with time sensitive shipments.

2.7 The current service provision is no longer sustainable for HMRC. The Department is looking to transform service delivery under its Digital Strategy so is exploring options for delivering a classification advice service which still provides the extra help for those business customers who need it but in a way that is consistent with its move to a digitally enabled future

### Question 2 Are there any factors we need to take into account when identifying customers who need extra help?

There were **14** responses to this question.

2.8 There were a number of factors put forward by respondents, and these included:

- Newly EORI (Economic Operator Registration Index) registered traders may require additional support.
- The need for help when classifying in real time for sensitive / perishable goods held at ports.
- Access to support for people with limited or no knowledge of classification as it is hard to get started.
- Dyslexic customers will struggle with a written approach.
- Support for people who do not have internet access.
- The online tariff is not intuitive to use, especially for difficult items.
- There is a lack of knowledge on how classification works and its purpose.

## Government Response

2.9 It is the responsibility of businesses or their representatives to self-assess the tariff classification of goods. Help for EORI registered traders is outside the scope of the Helpline.

2.10 The majority of people engaged in international trade are digitally enabled businesses so internet access is rarely a problem.

2.11 HMRC recognizes that classification may be difficult and that some customers do need help. To make it as easy as possible for people to access the tariff information they need to self-assess, HMRC provides the UK Trade Tariff free online on the GOV.UK website, complete with search engine and classification guides. Tariff information is also available in different formats for those customers who do not have internet access or have other access issues.

2.12 The current arrangements cause problems for freight agents and those dealing with time sensitive shipments.

2.13 Some people felt that the online search engine is not intuitive and could be improved, although it was clear that not all representatives had explored its full capability. HMRC will work the Government Digital Service to make improvements.

## Question 3 Have you used the email pilot service? What works well and what doesn't? How could we improve the proposed new service?

2.14 There were **17** responses to this question. However during the pilot there were 2926 email enquires which resulted in 4008 items of classification advice. The majority of enquiries were answered within 24 hours. Many were answered on the day they were received.

2.15 Most respondents agreed that the email service worked well, one describing it as a positive experience.

2.16 Two people thought that the instructions in the introductory Customs Information Paper were not clear enough causing them to have difficulties using the pilot.

2.17 The respondents identified the things that worked well included:

- Straightforward enquiry form.
- Quicker response times than the 48 hours advertised for the service. Also with the option for customers to be called back at a later date.
- Less time waiting for an enquiry to be answered.
- Enquires could be submitted at any time enabling customers to be more time efficient.
- HMRC Officers were able to research the query before calling back, and so had the most current guidance to hand.

2.18 The respondents identified the things that did not work well included:

- The ability to enter more than one item per enquiry form would be beneficial.
- The ability to include web links or photos would save time and help HMRC before the call back.
- The ability to include BTI references on the form for similar items would aid HMRC.
- The response time could cause issues for releasing shipments increasing the cost to the trade.
- E-mail responses would be advantageous, to reduce missed call backs.
- There is no ability to flag urgent queries.

## Government Response

2.19 Overall, most responses received from those who participated in the pilot were positive. Some areas for improvement were identified and HMRC will work to address these.

2.20 HMRC found that responding to email enquirers by telephone was not the most efficient way to deliver the service. An email response would be quicker and avoid wasted call back attempts when the enquirer is unavailable to take the call. This change was suggested by some pilot participants.

2.21 It is true that on occasion a telephone conversation is helpful to aid mutual understanding. For that reason, the email response would be supplemented by telephone contact where this would help with clarification of the item specifics.

## Question 4 what do you think are the main benefits and disadvantages of the new approach?

2.22 There were **23** responses to this question.

2.23 The majority of respondents saw the benefits of the new approach as:

- Reduced costs for HMRC.
- Enabling HMRC to get the best placed officer to call back and give advice.
- Enabling HMRC to carry out research before calling back to better handle the query.
- A written response would be beneficial for customers for future reference.

2.24 The respondents saw the disadvantages of this new approach as:

- Slower response time due to repeated contact attempts.
- Possible increased classification errors as customers are more likely to pick a code that is easy rather than correct.
- The two day time frame does not account for urgent queries or freight by air which can arrive the same day as it is shipped.
- Classification is not black and white, the ability to talk to a classifier is sometimes the only way to find the correct code.
- Inability to know when you will be called back means there is a high risk of missing said call back.
- Traders have no confirmation that their queries have been received, therefore cannot be sure of return contact.
- Even with the HSEN's (Harmonised System Explanatory Notes) and CNEN's (Combined Nomenclature Explanatory Notes) it is not always apparent how to classify difficult goods, which is where real time specialist knowledge is invaluable.

## Government Response

2.25 The current helpline arrangements cause problems for both customers and HMRC so doing nothing is not an option.

2.26 It is true that some aspects of the email pilot process need to be improved if that approach is to be implemented. However, the pilot was successful in testing the concept. HMRC consider that an email service provides the best way to deliver a sustainable advisory service for those business customers who need extra help with tariff classification. Recognizing feedback from both respondents and staff, HMRC will work on a number of the recommendations to improve the service.

## Question 5 Have you suggestions for alternative options for how we provide extra Classification help for those business customers who need it?

2.27 There were **10** responses to this question.

2.28 Suggestions for providing extra classification help included:

- Live web chat, making the whole process interactive and instant.
- The introduction of subscription fee based help for trade.
- A premium rate phone line be made available.
- Having a reduced hour's phone line to deal with urgent queries.
- Run the phone line all day in conjunction with email platform.
- HMRC run training courses for business to enable customers to be more efficient.
- Improved search facility on the web site.
- More comprehensive guides written in plain English.
- Step by step walk through guide of the classification process from start to finish.
- Directing customers to private web based classification help.

## Government Response

2.29 HMRC wants to help more customers to self-assess classification using online tools and guidance. Suggestions such as additional guidance and the use of web chat will be considered. HMRC will also explore digital methods for providing basic training around classification and what options may be available to improve the search functionality of the online tariff.

2.30 Introducing a subscription fee is unlikely to generate enough income to fund the Helpline and does not fit with HMRC strategies for changing how we engage with customers.

2.31 Introducing a premium line is not an option. HMRC is shifting away from the use of premium rate numbers and does not receive any income from premium rate numbers.

2.32 The pilot has demonstrated that an email to email service will deliver a quicker response time and, with some improvement, will deliver a more flexible service to our customers. HMRC may still telephone the enquirer where the Classifier decides that this is only way to clarify what the goods are. But this will very much be by exception.

2.33 Provision of a full day Classification Helpline together with an email service does not fit with HMRCs strategy to move more customers into digital channels.

2.34 HMRC does not endorse any private web based classification tools.



## Question 6 Are there any impacts that we have not identified?

2.35 There were **13** responses to this question.

2.36 There were a varied range of possible impacts identified including:

- The impact on trader's ability to classify correctly at speed and to be compliant.
- Detrimental effect on trade when dealing with shipping time restraints.
- Last minute shipments need classifying and forwarders leave it to the last minute.
- The additional relay of e-mails is not time efficient for either party.
- Slower response time could cause trade additional costs in storage and demurrage.
- Erosion of specialist knowledge for HMRC and the ability for customers to access it.
- Additional volume of BTI applications due to lack of verbal advice.
- This will cause problems as many shipments are classified once they are already dockside.
- Increased cost to both HMRC and trade sorting out misclassified goods, and any penalties or repayments identified at a later date.

## Government Response

2.37 HMRC understands that International trade is a 24/7 activity. The limited helpline opening hours mean that the current service arrangements cause problems for customers as well as HMRC.

2.38 It is the legal responsibility of businesses or their representatives to self-assess the tariff classification of goods. A variety of classification aids are available to help customers. These include classification guidance, explanatory notes and binding tariff information rulings.

2.39 HMRC will work with customers to understand their needs so that they can improve services to help them classify their goods correctly themselves.

## 3. Next steps

3.1 The Government will proceed with changing the way HMRC provides the classification advice, which is currently provided by the Tariff Classification Helpline.

3.2 The Helpline will be converted into an email enquiry service. The change will be implemented with effect from 1 September 2015.

3.3 At launch, the email service will follow the same format as the pilot, requesting that customers use the structured enquiry form developed for the pilot. HMRC will introduce an online 'i' form when available to replace this. Customers will receive an email response, rather than a call, except in exceptional circumstances.

3.4 Following suggestions from respondents the email enquiry service will accept web links and attachments including PDF, Word and JPEG. HMRC recommends that these are limited to 5MB in size to prevent impacts on systems.

3.5 Further discussions will be held within the JCCC Duty Liability sub group to identify subject areas where a classification guide would be beneficial. New guidance will be developed and introduced. HMRC will also work with our internal digital education team to identify any scope for introducing webinars or videos for basic training.

3.6 Although not identified as part of this consultation, many responses identified a need to improve the online UK Trade Tariff search engine and user guidance. HMRC will work with the Government Digital Service to identify and introduce improvements.

3.7 The provision of tariff classification advice will be kept under review.

## Annexe A: List of stakeholders consulted

Acushnetgolf  
Agency Sector Management UK Ltd  
Anzer Consultancy on behalf of the British Food Importers & Distributors Association  
Armitage Pet Care  
Association of Accounting Technicians  
Blue Tree Ltd  
Bonnington Plastics  
Braid Logistics UK Ltd  
British International Freight Association  
Codsel UK  
Core UK Ltd  
Customs Practitioners Group  
Dachser Ltd  
Davies Turner & Co  
Davies Turner Air Cargo Ltd  
Disabled Flying Association  
Dixons Carphone Group  
Draper Tools Ltd  
Echostar Europe  
Exigo Brewing and Distilling  
Geodis Wilson UK Ltd  
Howard & Sons Exports Ltd  
LV Shipping Ltd  
Madison  
Martinspeed Ltd  
Paragon Creative Ltd  
Price Waterhouse Coopers LLP  
Primark UK  
Princes Ltd  
Proteintech Europe  
Strong & Herd LLP  
Torque Logistics Limited

There were 2 responses received from each of five of the stakeholders above.

There were also 3 responses from individuals.