

Draft Notices to be Made Under

The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018

This document provides the draft text for the notices that will be made under The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018. The text covers a number of different notices and is set out according to the chronological order of the regulations that provide the notice making powers.

The proposed text is a draft of the notices that HMRC will make using the powers provided by this SI. The content is, at this stage, indicative, as the text will need to be updated to reflect further policy development and updates to other publications, such as forms and guidance on the UK Tariff (ie Volume 3 of the UK tariff), which are required before exit. The notices will be made before exit and come into force at the same time as the SI is commenced.

PART 2 – Authorisation and Approval

The following paragraphs have the force of law, by virtue of Regulation 8(4) of The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018.

For the purposes of regulation 8, the following requirements and conditions apply where a declaration of goods for a non-transit Part 1 procedure is treated as:

- an application for authorisation under regulation 4; or
- an application for amendment of an authorisation under regulation 5 and that declaration is accepted by HMRC.

These requirements and conditions of approval apply in addition to those specified in or under the Part 1 of the Taxation (Cross-border Trade) Act 2018 (the Act).

Unless otherwise specified, the indications supplied on the electronic declaration of the goods to an inward processing procedure will be the same whether the declarations are submitted to CHIEF or CDS systems.

1. INWARD PROCESSING

References to “goods” in the following shall be taken to mean goods declared for an inward processing procedure, processed goods or other goods obtained from processing.

- (a) The authorisation applies only to the goods specified in the declaration of goods for an inward processing procedure.
- (b) The approved person shall ensure that the authorisation number IP/9999/999/99 is quoted on any subsequent Customs declaration discharging the inward processing procedure for the purpose of paragraph 18 of Schedule 2 to the Act.
- (c) The approved quantity of other goods resulting from the processing will be 1:1 or will be established from the processing records as indicated on the declaration of the goods for an inward processing procedure (ROY 01 or ROY 02).
- (d) The inward processing procedure must be discharged in accordance with paragraphs 18-19 of Schedule 2 to the Act within six months of the date on which goods are released to an inward processing procedure. The processing to which the goods are subject will be that

indicated on the declaration of the goods for an inward processing procedure (PRO 1, 2, 3, 4, 5, 6 or 7 for CHIEF declarations or PRO 01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 11, 12 or 13 for CDS declarations).

- (e) Authorisation is granted on the condition that the goods produced under the process are those indicated on the declaration of the goods for an inward processing procedure (MCP01 or MCP02 plus the classification code of the goods to be produced).
- (f) Authorisation is granted under the economic code indicated on the declaration of the goods for an inward processing procedure (ECO 2, 3, 4, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21 or 22).
- (g) A bill of discharge (BOD) must be submitted to HMRC on form BOD3 <https://www.gov.uk/government/publications/import-and-export-inward-processing-bill-of-discharge-bod3> within 30 days of the end of the period of discharge referred to at (d) above and contain the following information (as appropriate):
 - The name of the importer (either a company or individual);
 - The address of the importer;
 - The telephone number and, if appropriate, e-mail address of the importer;
 - EORI number;
 - Import entry number;
 - Date of import;
 - The rate of yield;
 - Method of disposal;
 - Number of any Customs declaration discharging the inward processing procedure;
 - Date of the Customs declaration discharging inward processing;
 - Goods description or classification code;
 - Valuation method used;
 - The percentage of import goods in the finished product;
 - Signature, full name of the signatory, date of completion of the BOD and the capacity in which the signatory has completed the form.

2. TEMPORARY ADMISSION

- (a) The approved person must ensure that the authorisation number TA/9999/999/99 is quoted on any subsequent Customs declaration discharging the procedure for the purposes of paragraph 18 of Schedule 2 to the Act.
- (b) Authorisation is granted in respect of the goods and the purpose indicated on the declaration of the goods for a temporary admission procedure:
- (c) The period for which goods are to be used before being exported from the United Kingdom, in accordance with the applicable export provisions, is 24 months, or any longer period approved by HMRC. However, this is subject to the exceptions below.

Unless otherwise stated, the period specified below commences at the time that the goods are declared to a temporary admission procedure.

Means of transport and containers (sections 6 and 3 of the document “Temporary Admission: Eligible Goods and Conditions for Relief”)

Goods	Maximum period
Means of rail transport	12 months
Commercially used means of transport (other than rail transport)	The period required for carrying out transport operations, providing this does not exceed 24 months or any longer period approved by HMRC
Means of road transport used privately by students	The period the student stays in the United Kingdom for the sole purpose of pursuing their studies, providing this does not exceed 24 months or any longer period approved by HMRC
Means of road transport used privately by persons fulfilling assignments of a specified duration	The period the person stays in the United Kingdom for the sole purpose of fulfilling their assignment, providing this does not exceed 24 months or any longer period approved by HMRC
Means of road transport used privately in cases other than those above (including saddle and draught animals and the vehicles drawn by them)	6 months
Privately used means of air transport	6 months
Privately used means of sea and inland waterways transport	18 months
Containers, their equipment and accessories	12 months

Professional hire services (sections 7 and 8 of the document “Temporary Admission: Eligible Goods and Conditions for Relief”)

Goods	Maximum period
A means of transport temporarily imported into the United Kingdom and returned to a professional hire service established in the United Kingdom	6 months from the date of entry of the means of transport into the United Kingdom
Where the means of transport is rehired by the professional hire service to a person established outside the United Kingdom, or to natural persons who have their habitual residence inside the United Kingdom	6 months from the date of entry of the means of transport into the United Kingdom and three weeks of the conclusion of the contract on the rehiring. For this purpose the date of entry of the means of transport is deemed to be the date of the conclusion of the hiring agreement under which the means of transport was used at the time of entry to the United Kingdom, unless the actual date of entry has been proven
Means of road transport that are: <ul style="list-style-type: none"> • hired by an individuals who is habitually resident in the United Kingdom under a written contract concluded with a professional car hire service; and • used privately by that individual 	8 days

Other temporary admission exceptions

Goods	Maximum period
Goods used to carry out tests, experiments or demonstrations without financial gain (section 22 of the document "Temporary Admission: Eligible Goods and Conditions for Relief")	6 months
Replacement means of production (section 24 of the document "Temporary Admission: Eligible Goods and Conditions for Relief")	6 months
Goods delivered by the owner for inspection to a person in the United Kingdom who has the right to purchase them after inspection (section 25 of the document "Temporary Admission: Eligible Goods and Conditions for Relief")	6 months
Animals owned by a person established outside the United Kingdom (section 14 of the document "Temporary Admission: Eligible Goods and Conditions for Relief")	Not less than 12 months and no more than 24 months
Other goods imported occasionally (section 26 of the document "Temporary Admission: Eligible Goods and Conditions for Relief")	3 months

3. OUTWARD PROCESSING

References to "goods" in the following shall be taken to mean goods declared to an outward processing procedure or to goods obtained from the processing.

- (a) The approved person shall ensure that the authorisation number OP/9999/999/99 is quoted on the declaration of goods for an outward processing procedure.
- (b) The authorisation applies only in respect of the goods specified in the declaration of goods for an outward processing procedure.

4. AUTHORISED USE

- (a) The maximum period goods can remain under an authorised use procedures is 24 months. If a longer period is required, approval must be obtained from HMRC.
- (b) The approved quantity of other goods resulting from the specified authorised use (where appropriate) will be 1:1 or will be established from the processing records as indicated on the declaration of the goods for an authorised use procedure (ROY 01 or ROY 02).
- (c) The place where the goods are to be used will be that specified in the declaration of the goods for an authorised use procedure.
- (d) Where appropriate, any processing to be undertaken and the Classification code of any other goods to be produced will be those indicated on the declaration of the goods for an authorised use procedure.
- (e) The goods must be used for the specified authorised use indicated on the declaration of the goods for an authorised use procedure, which must be a use identified as an authorised use in the authorised use document.

- (f) Where the goods are suitable for repeated use, the approved person is subject to such requirements and control in respect of the goods as may be specified by HMRC. These requirements may not apply for a period longer than two years from the date that the goods have been first put to a specified authorised use.
- (g) A Bill of Discharge (BOD) must be submitted to HMRC on Form BOD4 <https://www.gov.uk/government/publications/import-and-export-end-use-bill-of-discharge-bod4> within 30 days of the authorised use procedure being discharged. It will contain the following information (as appropriate):
- The name of the importer (either a company or individual);
 - The address of the importer;
 - The telephone number and, if appropriate, e-mail address of the importer;
 - EORI Number;
 - Import entry number;
 - Date of import;
 - The rate of yield;
 - Method of disposal;
 - Goods description or classification code;
 - Valuation method used;
 - Signature, full name of the signatory, date of completion of the BOD and the capacity in which the signatory has completed the form.

The following paragraphs have the force of law, by virtue of Regulation 9(2)(b) of the Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018

Authorisation to declare goods for an inward processing or an authorised use procedure may be granted to a person who is not established in the United Kingdom where the goods are not part of a series of goods imported by the applicant and, in the opinion of an HMRC officer:

- The goods are non-commercial goods or personal gifts, or the declaration of the goods for the procedure is incidental to any business carried on by the declarant; or,
- The declaration of the goods for the procedure will have no economic effect in the United Kingdom.

PART 3 – Declarations

There are no notice requirements within part 3.

PART 4 – Procedure-specific Rules

The following paragraphs have the force of law, by virtue of Regulations 15(2)(a)(ii), 17(3)(a)(ii), 18(1)(c)(ii) and 45(c)(ii) of The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018

The following are operations constituting usual forms of handling of goods. Unless specified below, an operation may not be a usual form of handling if it gives rise to a different classification code for the goods.

(1) Ventilation, spreading-out, drying, removal of dust, simple cleaning operations, repair of packing, elementary repairs of damage incurred during transport or storage in so far as it concerns simple operations, application and removal of protective coating for transport.

(2) Reconstruction of the goods after transport.

(3) Stocktaking, sampling, sorting, sifting, mechanical filtering and weighing of the goods.

(4) Removal of damaged or contaminated components.

(5) Conservation, by means of pasteurisation, sterilisation, irradiation or the addition of preservatives.

(6) Treatment against parasites.

(7) Anti-rust treatment.

(8) Treatment:

- by simple raising of the temperature, without further treatment or distillation process, or
- by simple lowering of the temperature

even if this results in a different classification code.

(9) Electrostatic treatment, un-creasing or ironing of textiles.

(10) Treatment consisting in:

- stemming and/or pitting of fruits, cutting up and breaking down of dried fruits or vegetables, rehydration of fruits or
- dehydration of fruits even if this results in a different classification code.

(11) Desalination, cleaning and butting of hides.

(12) Addition of goods or addition or replacement of accessory components as long as this addition or replacement is relatively limited or is intended to ensure compliance with technical standards and does not change the nature or improve the performances of the original goods, even if this results in a different classification code for the added or replacement goods.

(13) Dilution or concentration of fluids, without further treatment or distillation process, even if this results in a different classification code.

(14) Mixing between them of the same kind of goods, with a different quality, in order to obtain a constant quality or a quality which is requested by the customer, without changing the nature of the goods.

(15) Mixing of gas or fuel oils not containing biodiesel with gas or fuel oils containing biodiesel, classified in Chapter 27 of the customs tariff, in order to obtain a constant quality or a quality which is requested by the customer, without changing the nature of the goods even if this results in a different classification code.

(16) Mixing of gas or fuel oils with biodiesel so that the mixture obtained contains less than 0.5%, by volume, of biodiesel, and mixing of biodiesel with gas or fuel oils so that the mixture obtained contains less than 0.5 %, by volume, of gas or fuel oils.

(17) Dividing or size cutting, out of goods if only simple operations are involved.

(18) Packing, unpacking, change of packing, decanting and simple transfer into containers, even if this results in a different classification code,

(19) Affixing, removal and altering of marks, seals, labels, price tags or other similar distinguishing signs.

(20) Testing, adjusting, regulating and putting into working order of machines, apparatus and vehicles, in particular in order to control the compliance with technical standards, if only simple operations are involved.

(21) Dulling of pipe fittings to prepare the goods for certain markets.

(22) Denaturing, even if this results in a different classification code.

(23) Any process, other than the abovementioned, intended to preserve, improve the appearance or marketable quality of the goods or to prepare them for distribution or resale - provided that these operations do not change the nature or improve the performance of the original goods.

The following paragraphs have the force of law, by virtue of Regulations 20(1) and 20(2)(b) of The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018

1. The cases of a description specified for the purposes of Regulation 20(1) of The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018 are:

- (a) Where the calculation of the amount of import duty is made in accordance with regulation 23 of the The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018 and both of the conditions below apply:
 - HMRC is aware of evidence that the essential interests of producers of goods in the United Kingdom would be adversely affected by an authorisation to declare the goods for an inward processing procedure.
 - The operation to be carried out is not of a type at paragraph (2)(a) to (f) below.

- (b) Where the calculation of the amount of import duty is not made in accordance with regulation 23 of the The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018 and both of the conditions below apply:
 - If the goods to be declared for an inward processing procedure were declared for the free-circulation procedure:
 - i. the goods would be subject to a non-tariff trade policy measure, an agricultural policy measure or an additional amount of import duty

- by virtue of section 13, 14 or 15 of the Taxation(Cross-border Trade) Act 2018, or
 - ii. the importer of the goods would be required to give a guarantee under paragraph 15(5) of Schedule 4 to that Act.
 - The operation to be carried out is not of a type at paragraph (2)(h), (i),(m),(p) or (s) below.
- (c) Where the calculation of the amount of import duty is not made in accordance with regulation 23 of The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018 and all of the conditions below apply:
 - If the goods to be declared for an inward processing procedure were declared for the free-circulation procedure:
 - i. the goods would not be subject to a non-tariff trade policy measure, an agricultural policy measure or an additional amount of import duty by virtue of section 13, 14 or 15 of the Taxation(Cross-border Trade) Act 2018, or
 - ii. the importer of the goods would not be required to give a guarantee under paragraph 15(5) of Schedule 4 to that Act.
 - HMRC is aware of evidence that the essential interests of producers of goods in the United Kingdom would be adversely affected by an authorisation to declare the goods for an inward processing procedure.
 - The operation to be carried out is not of a type at paragraph (2)(g) to (s) below.

2. The operations specified for the purposes of Regulation 20(2)(b) of the Customs (Special Procedures and Outward Processing)(EU Exit) Regulations 2018 are:

- (a) The processing of goods that are not sensitive goods.
- (b) Repair.
- (c) The processing of goods directly or indirectly put at the disposal of the applicant to declare goods for an inward processing procedure, carried out according to specifications on behalf of a person established outside the United Kingdom, generally against payment of processing costs alone.
- (d) The processing of durum wheat into pasta.
- (e) The declaration of goods for an inward processing procedure within the limits of the quantity determined on the basis of a balance in accordance with Article 18 or Regulation (EU) 510/2015.
- (f) The processing of sensitive goods in any of the following situations:
 - unavailability of goods produced in the United Kingdom sharing the same classification code, the same commercial quality and technical characteristics as the goods intended to be imported for the processing operations envisaged;
 - differences in price between goods produced in the United Kingdom and those intended to be imported, where comparable goods cannot be used because their price would not make the proposed commercial operation economically viable;

- contractual obligations where comparable goods do not conform to the contractual requirements of the non-United Kingdom purchaser of the processed products, or where, in accordance with the contract, the processed products must be obtained from the goods intended to be declared for an inward processing procedure, in order to comply with provisions concerning the protection of industrial or commercial property rights;
 - the aggregate value of goods to be declared for an inward processing procedure, by the applicant for authorisation, in that calendar year, for each classification code, does not exceed £135,000.
- (g) The processing of goods to ensure their compliance with technical requirements for their release for the free-circulation procedure.
- (h) The processing of non-commercial goods or personal gifts.
- (i) The processing of goods resulting from processing under a previous authorisation, the application for which was a case -
- in relation to which an examination of the available evidence was required for the purposes of regulation 20(1)(a) of the Customs (Special Procedures and Outward Processing)(EU Exit) Regulations 2018;or
 - in relation to which an examination of the economic conditions was required for the purposes of Article 211(4) (b) of the UCC.
- (j) The processing of solid and fluid fractions of palm oil, coconut oil, fluid fractions of coconut oil, palm kernel oil, fluid fractions of palm kernel oil, babassu oil or castor oil into products which are not destined for the food sector.
- (k) The processing of goods into products to be incorporated in or used for civil aircraft for which an airworthiness certificate has been issued.
- (l) The processing into products benefitting from relief provided under section 19 of the Taxation (Cross-border Trade) Act for weapons and military equipment.
- (m) The processing of goods into samples.
- (n) The processing of any electronic type of components, parts, assemblies or any other materials into information technology products.
- (o) The processing of goods falling within classification codes 2707 or 2710 into products falling within classification codes 2707, 2710 or 2902.
- (p) The reduction to waste and scrap, destruction, recovery of parts or components.
- (q) Denaturing.
- (r) An operation constituting usual forms of handling of goods as specified in a notice published by HMRC.
- (s) The aggregate value of goods to be declared for an inward processing procedure, by the applicant for authorisation, in that calendar year, for each classification code, does not exceed -:
- in the case of sensitive goods, £135,000;
 - in all other cases £270,000,
- except where, if the goods to be declared for an inward processing procedure were declared for the free-circulation procedure:

- i. the goods would not be subject to a non-tariff trade policy measure, an agricultural policy measure or an additional amount of import duty by virtue of section 13, 14 or 15 of the Taxation(Cross-border Trade) Act 2018: or
- ii. the importer of the goods would not be required to give a guarantee under paragraph 15(5) of Schedule 4 to that Act.

The following paragraphs have the force of law, by virtue of Regulation 24 of The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018.

1. Where the liability to import duty is to be determined by reference to the goods as they stood when the declaration of the goods for an inward processing procedure was made, the quantity of the goods declared for the procedure considered to be present in the processed goods is to be determined in accordance with the relevant method specified in paragraph (2), (3) or (4) below.
2. Where only one kind of processed good is obtained from the processing operation the relevant method is:

$$PQP \times TQG$$

PQP is the percentage of the total quantity of the processed goods resulting from the processing operation constituted by the processed goods for which import duty is incurred.

TQG is the total quantity of the goods released to the inward processing procedure.

3. Where:

- (a) different kinds of processed goods are derived from the processing operations; and
- (b) all constituents or components of the goods released to the inward processing procedure are found in each of those kinds of processed goods,

the relevant method is:

$$(PQPSK \times PQPAK) \times TQG$$

PQPSK is the percentage of the total quantity of the processed goods of the same kind as that for which import duty is incurred resulting from the processing operation constituted by the processed goods for which import duty is incurred.

PQPAK is the percentage of the total quantity of all processed goods resulting from the processing operation constituted by the total quantity of the processed goods of the same kind as that for which import duty is incurred.

TQG is the total quantity of the goods released to the inward processing procedure.

4. In all other cases the relevant method is:

$$(PVPSK \times PVPAK) \times TQG$$

PVPSK is the percentage of the total value of the processed goods of the same kind as that for which import duty is incurred resulting from the processing operation constituted by the value of the processed goods for which import duty is incurred.

PVPAK is the percentage of the total value of all processed goods resulting from the processing operation constituted by the total value of the processed goods of the same kind as that for which import duty was incurred.

TQG is the total quantity of the goods released to the inward processing procedure.

5. For the purposes of the calculations in paragraphs (2) and (3) any part of the goods destroyed or lost during the processing operation are to be disregarded from the total quantity of the goods released to the inward processing procedure.
6. For the purposes of the calculation in paragraph (4) the value of the processed goods is to be established on the basis of:
 - (a) the current ex-works price in the United Kingdom;
 - (b) where the current ex-works price of the processed goods cannot be determined, the current selling price in the United Kingdom for identical or similar goods; or
 - (c) where the value of the processed goods cannot be established on the basis of (a) or (b), any reasonable method agreed with HMRC.
7. A price is only to be used for the purposes of establishing the value of the processed goods under paragraph (6) if it is the price that would be expected to be paid in an arm's length transaction between parties. Prices between parties that appear to be associated or to have a compensatory arrangement with each other cannot be used for the determination of the value of the processed products unless it can be established that the prices are unaffected by the relationship.
8. "ex-works price" means:
 - (a) the price paid for the goods to the manufacturer in whose undertaking the last working or processing is carried out where that price includes the value of all the materials used and all other costs related to its production, minus any internal taxes which are, or may be, repaid when the good obtained is exported; or
 - (b) where (a) does not apply, the sum of the value of all the materials used and all other costs related to the manufacturing of the good actually incurred in the country of production, minus any internal taxes which are, or may be, repaid when the goods obtained are exported.
9. In the definition of "ex-works price" in paragraph 8 where the last working or processing has been sub-contracted to a manufacturer, the term "manufacturer" refers to the enterprise that has employed the subcontractor.

The following paragraphs have the force of law, by virtue of Regulation 26 of the Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018.

For the purposes of regulation 26(4) of the Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018, the holder of the procedure must obtain approval from HMRC before goods subject to an inward processing procedure are temporarily exported from the United Kingdom in accordance with the applicable export provisions, for:

- further processing outside the UK, for the purposes of paragraph 9(6)(a) of Schedule 2 to the Taxation (Cross-border Trade) Act 2018, or
- the subjection of goods to an operation as described in paragraph 11 of Schedule 2 to the Taxation (Cross-border Trade) Act 2018 outside the United Kingdom.

The temporary exportation must be carried out in accordance with any conditions specified by HMRC in an approval notification.

PART 5 – General Rules

The following paragraphs have the force of law, by virtue of Regulation 43(2) of The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018.

This paragraph is relevant to the discharge of the following procedures:

- a storage procedure, under which goods can be kept in a premises approved by HMRC (customs warehouse);
- an inward or outward processing procedure;
- an authorised use procedure; and
- a temporary admission procedure.

The evidence which is to be required for the purposes of showing that the procedure has been discharged will be any evidence specified by HMRC in an approval notification in relation to an authorisation.

The evidence which may be sufficient, for the purposes of showing that one of the above procedures has been discharged is set out below.

This list is not exhaustive, and applies only to the extent that the items listed are relevant to the discharge of the procedure.

- Customs declaration to a customs procedure
- Export declaration
- Evidence of the destruction of the goods
- Goods Departed Message (GDM)
- Commercial documentation including:
 - Customers' orders
 - Contracts
 - Correspondence
 - Copy invoices
 - Advice notes
 - Consignment notes
 - Packing lists
 - Insurance and freight charges
 - Evidence of payment
 - Credit transfer documents
 - Receipts.

The following paragraphs have the force of law, by virtue of Regulation 43(3)(b) The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018.

Where an HMRC officer is not satisfied that the holder of the procedure has provided sufficient evidence in accordance with Regulation 43(3)(a) (concerning goods declared for a relevant non-transit Part 1 procedure placed together with other goods, which have been destroyed), the quantity of goods destroyed should be determined using the following formula:

$$(A \div B) \times (C \div B)$$

Where:

- A is the goods of the same type as the goods destroyed that were, at the time when the destruction or loss occurred, released to the relevant non-transit Part 1 procedure and placed together with other goods of the same type in the location where the destruction occurred.
- B is all the goods of the same type as the goods destroyed that were, at the time when the destruction occurred, placed together in the location where the destruction occurred.
- C is the goods that were destroyed.

This following paragraphs have the force of law, by virtue of Regulation 44(3) of The Customs (Special Procedures and Outward Processing) (EU Exit) Regulation 2018.

1. The records to be kept and preserved are those which are appropriate to the operation and discharge of the following procedures:

- a storage procedure, under which goods can be kept in a premises approved by HMRC (customs warehouse);
- an inward or outward processing procedure;
- an authorised use procedure; or
- a temporary admission procedure.

2. Records to be kept and preserved should contain information and particulars which will enable the control of the procedure by HMRC, including the identification of goods, whether goods are domestic or chargeable and details of any movements of goods.

3. So far as appropriate to the relevant person, the records to be kept and preserved must include the following:

- Where appropriate, details of the authorisation under which the goods have been declared for the relevant procedure.
- A Master Reference Number (MRN) issued by HMRC or, where it does not exist, any other number or code identifying the Customs declaration of goods for the procedure.
- Information about the manner in which the procedure was discharged.
- Data that unequivocally allows the identification of documents, other than Customs declarations, which are relevant to the declaration of goods for the procedure.
- Data that unequivocally allows the identification of documents relevant to the discharge of the procedure.

- Particulars of marks, identifying numbers, number and kind of packages, the quantity and usual commercial or technical description of the goods and, where relevant, the identification marks of the container necessary to identify the goods.
- The location of goods and information about any movement thereof.
- Whether the goods are domestic or chargeable.
- Particulars of any usual forms of handling and, where applicable, the new classification code resulting from that operation;
- Particulars of temporary admission or authorised use;
- Particulars of inward processing or outward processing including information about the nature of the processing or the subjection of the goods to a supplementary form operation;
- The costs for storage or any operations constituting usual forms of handling of goods.
- Where appropriate, the rate of yield, approved quantity of goods resulting from processing and the approved methodology used.
- Particulars enabling customs control of the use of equivalent goods.
- Where accounting segregation is required, information about type of goods including domestic or chargeable status, whether they are equivalent goods and, where appropriate, the origin of the goods.
- Where appropriate, particulars of any transfer of rights and obligations.
- Where the records are not part of the main accounts for customs purposes, a reference to those main accounts for customs purposes.
- Any additional information for special cases, at the request of HMRC for justified reasons.

4. A person subject to the requirements of these paragraphs shall update a record at the time when any information that is to be kept and preserved under these paragraphs is first known to them, or as soon as possible thereafter.

However, where goods declared for a storage procedure are moved from a customs warehouse in order to be exported, records shall be updated to provide information about the export of the goods:

- within 100 days of the goods being removed from the customs warehouse, or
- within such longer period agreed with HMRC.

5. Records may be kept and preserved in any form sufficient to enable any HMRC officer to control the procedure and to enable the person subject to these requirements to demonstrate that the conditions and requirements of the procedure have been satisfied

6. Records must be kept and preserved for a minimum of three years unless elsewhere specified.

7. HMRC may waive any of the requirements set out above in particular cases.

8. In the case of temporary admission, records shall be kept only if a person is notified of this requirement by HMRC.

9. An authorised economic operator is deemed to comply with the requirements set out in these paragraphs insofar as their records in relation to the relevant procedure are, in the opinion of an HMRC officer, appropriate.

10. These paragraphs apply in addition to any requirements for the keeping and preservation of accounts and records by customs traders that are set out elsewhere

The following paragraphs have the force of law, by virtue of Regulation 45(6) of The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018

Special provisions concerning equivalent goods

An equivalent goods authorisation in relation to the declaration of goods for an inward processing procedure is subject to the conditions set out below in relation to the identified goods.

Reference below to goods that are imported are to imported goods as set out at paragraph 23(1) of Schedule 2 to the Taxation (Cross-border Trade) Act 2018. References to goods that are domestic are to equivalent domestic goods as defined at paragraph 23(2) of that Schedule.

(1) Rice

Rice classified under classification code 1006 shall not be equivalent goods unless it falls within the same classification code as the imported goods. Nevertheless, for rice with a length not exceeding 6,0 mm and a length/width ratio equal to or more than 3 and for rice with a length equal to or less than 5,2 mm and a length/width ratio equal to or more than 2, equivalence shall be established by determination of the length/width ratio only. The measurement of the grains shall be done in accordance with Annex I Part II to Regulation 1308/2013

(2) Wheat

Equivalent goods may be used only between wheat harvested outside the United Kingdom and discharged from the free-circulation procedure in the United Kingdom and imported wheat of the same classification code, having the same commercial quality and the same technical characteristics.

However, the use of equivalent goods is permitted between domestic and imported durum wheat, provided it is for the production of pasta falling within classification codes 1902 11 00 and 1902 19.

(3) Sugar

The use of equivalent goods is permitted between imported raw cane sugar (classification codes 1701 13 90 and/or 1701 14 90) and sugar beet (classification code 1212 91 80) under the condition that processed goods falling within classification code 1701 99 10 (white sugar) are obtained.

The equivalent quantity of raw cane sugar of standard quality as defined in point III of Part B of Annex III to Regulation (EU) No 1308/2013 shall be calculated by multiplying the quantity of white sugar with the coefficient 1,0869565.

The equivalent quantity of raw cane sugar not of standard quality shall be calculated by multiplying the quantity of white sugar with a coefficient obtained by dividing 100 by the yield of raw cane sugar. The yield of raw cane sugar shall be calculated as set out in point III of Part B of Annex III to Regulation (EU) No 1308/2013.

(4) Live animals and meat

Equivalent goods may not be used for live animals or meat.

(5) Maize

The use of equivalent goods between domestic and imported maize is possible only in the following cases and subject to the following conditions:

- In the case of maize for use in animal feed, the use of equivalent goods is possible provided that a customs control system is set up to ensure that the imported maize is in fact used for processing into animal feed
- In the case of maize used in the manufacture of starch and starch products, the use of equivalent goods is possible between all varieties with the exception of maizes rich in amylopectin (wax-like maize or 'waxy' maize) which are only equivalent between themselves.

- In the case of maize used in the manufacture of meal products, the use of equivalent goods is possible between all varieties with the exception of maizes of the vitreous type ('Plata' maize of the 'Duro' type, 'Flint' maize) which are only equivalent between themselves.

(6) Olive oil

A. Use of equivalent goods is permitted only in the following cases and under the following conditions:

1. Virgin olive oil:

- (a)** between domestic extra virgin olive oil falling within classification code 1509 10 90 which corresponds to the description in Point 1(a) of Part VIII of Annex VII to Regulation (EU) No 1308/2013 and imported extra virgin olive oil of the same classification code, provided that the processing operation produces extra virgin olive oil falling within the same classification code and satisfying the requirements of the said Point 1(a);
- (b)** between domestic virgin olive oil falling within classification code 1509 10 90 which corresponds to the description in Point 1(b) of the Part VIII of Annex VII to Regulation (EU) No 1308/2013 and imported virgin olive oil of the same classification code, provided that the processing operation produces virgin olive oil falling within the same classification code and satisfying the requirements of the said Point 1(b);
- (c)** between domestic lampante virgin olive oil falling within classification code 1509 10 10 which corresponds to the description in Point 1(c) of the Part VIII of Annex VII to Regulation (EU) No 1308/2013 and imported lampante virgin olive oil of the same classification code, provided that the processed goods are:
 - refined olive oil falling within classification code 1509 90 00 which corresponds to the description in Point 2 of Part VIII of the above mentioned Annex VII, or
 - olive oil falling within classification code 1509 90 00 which corresponds to the description in Point 3 of Part VIII of the said Annex VII and is obtained by blending with domestic virgin olive oil falling within classification code 1509 10 90.

2. olive-pomace oil:

between domestic unrefined olive-pomace oil falling within classification code 1510 00 10 which corresponds to the description in Point 4 of Part VIII of Annex VII to Regulation (EC) No 1234/2007 and imported unrefined olive-pomace oil of the same classification code, provided that the olive-pomace oil processed goods falling within classification code 1510 00 90 and corresponding to the description in Point 6 of Part VIII of the said Annex VII is obtained by blending with domestic virgin olive oil falling within classification code 1509 10 90.

B. The blendings referred to in Point A.1(c) second indent and Point A.2, with imported virgin olive oil, used in an identical manner, are authorised only where the arrangements for the control of the procedure are organized in a manner that makes it possible to identify the proportion of imported virgin olive oil in the total quantity of blended oil exported.

C. The processed goods must be put into immediate packaging of 220 litres or less. By way of derogation, in the case of agreed containers of 20 tonnes maximum, HMRC will allow the exportation of the oils found in the preceding points on condition that there is systematic control of the quality and quantity of the exported goods.

- D. Equivalence shall be checked by using commercial records to verify the quantity of oils used for blending and, for the purpose of verifying the quality concerned, by comparing the technical characteristics of samples of the imported oil taken when it was declared for an inward processing procedure with the technical characteristics of the samples of the domestic oil used taken when the processed goods concerned were processed against the technical characteristics of the samples taken at the time of actual exportation of the processed goods. Samples shall be taken in accordance with international standards EN ISO 5555 (sampling) and EN ISO 661 (sending of samples to laboratories and preparation of samples for tests). The analysis shall be carried out with reference to the parameters in Annex I to Commission Regulation (EEC) No 2568/91.

(7) Milk and milk products

Use of equivalent goods is permitted under the following conditions:

The weight of each component of milk dry matter, milk fat matter and milk protein of the imported goods shall not exceed the weight of each of these components in the domestic goods.

However, where the economic value of the goods intended to be declared for an inward processing procedure is determined by only one or two of the above mentioned components, the weight may be calculated on the basis of this or these component(s). An authorisation for the use of equivalent goods shall specify the details, notably the reference period for which the total weight has to be calculated. This reference period will not exceed 4 months.

The weight of the relevant component(s) of the goods intended to be declared for an inward processing procedure and of the equivalent goods shall be indicated in the relevant customs declarations and required supporting documentation, to enable HMRC to control the equivalence on the basis of those elements.