Q&A from December 7, 2021 Webinar:
IT Solutions to Brexit Problems: When IT Geeks Can Save the World

1. **Is there a list of the ports and which model they are going to use? How can we know which ports within the PCS system of Destin8 require badges? How will CAS manage this new phase of the BOM and how will it change from the way we work now? Automatisation of claiming the UCN number at Destin8 in connection with CAS, timeframe?** Yes, HMRC published the [list of ports using the Goods Vehicle Movement Service](#) (GVMS) explaining applicable movements per transport operator. For Destin8 ports operating the mixed model, details of pre-lodged declarations for consignments via the GVMS are included in the manifesting process when the GMR is passed to the carrier (shipping line). This effectively creates a link between Destin8 and GVMS. From 1 January 2022, GVMS effectively forms the clearance on Destin8, generating the Release Note. In this scenario, the GMR informs Destin8 of the customs regime, clearance status, and if any holds/issues are present with the lodgement. For valid GMRs where no holds/accounting (e.g., deferment) issues exist, the Release Note will automatically be generated. This means that there will be no requirement for Agents to self-nominate consignments and UCNs as the clearance has already been granted. Where a trader is using EIDR, the EORI number supplied will be validated to ensure that an SCDP EIDR authorisation is held. No interaction is required between the Agent and UCN as the clearance from inventory is automated via GVMS. For Destin8 clearances outside the scope of GVMS, a self-nomination and C21 will be required. CAS is fully prepared for the introduction of GVMS for Import / Export Controls and can be integrated with GVMS to manage the status and clearance of the GMR.

2. **Does CAS work beyond the EU?** Yes. CAS uses the WCO data model, the worldwide standard for customs declaration messages. With this universal system, an EU import declaration for goods can be created in CAS from an export declaration retroactively. CAS can also be used globally without direct integration through broker management. This broker management functionality takes care of your customs formalities by either filing them directly to the respective customs authority or by providing the information to a customs broker who will finalise the filing process.

3. **Do you have a software solution that uses an API to auto-populate Supplementary Declarations on the Trader Support Service (TSS) on-line portal? How does the pre-lodgement functionality work from the UK side? For which info elements does the customer/broker need to file the advanced registration for pre-lodgement?** The TSS is a web application allowing traders that cannot access CDS to enter import & export declarations for GB to/from NI shipments. Consequently, no API link with TSS is possible. For shipments from GB ports using GVMS to NI, arrived declarations are required. For shipments from GB ports that do not use GVMS, pre-lodged export declarations are required. This is also the case for shipments to the EU.

4. **Anything related to Customs classification changes.** CAS validates whether the HS codes submitted in declarations are still valid. C4T has published a blog about the [changes that will be introduced with HS 2022](#).

5. **What are the Brexit challenges from a tax and Customs perspective for e-commerce? For example, how are companies processing when a cargo plane leaves the EU, touches down in the UK, and then goods are delivered to the EU?** Although there are a number of potential solutions, one thing is clear – the use of a Customs Warehouse to mitigate double duty or support supply chains is almost a must-have.

6. **How can goods originating from outside the EU/UK be stored or bonded in the EU/UK, but be moved between both regions in the most cost-efficient way?** Customs warehousing becomes key, as well as dual certification for origin and the correct application of "non-manipulation" (which customs warehousing supports). Certification of origin is always required to support a preferential claim; the applicable proof of origin is specified in the relevant FTA. A proof of origin is only needed for imports. It is important to note that certain goods also require other certificates, e.g., health or licenses. CAS supports customs warehousing in its [Special Procedures module](#) and houses the documentation needed to use this and other cost-saving procedures.

7. **How will GVMS automation handle shipping to a temporary storage port where no pre-declaration is needed, but gets diverted to another port where there is no temporary storage facility and pre-declaration has not been done?** GVMS is only handling shipments to ports linked to GVMS for which pre-lodged declarations have been submitted before departure at the EU-side. Diverted shipments will not be permitted aboard a ferry destined for a RoRo port linked to GVMS unless the MRN of a GB import declaration, or the EORI number of the UK importer, was entered into GVMS.

8. **Can C4T manage a customs transaction for non-EU goods from Belgium to the UK end-to-end?** Yes, the required declarations process can be properly handled by CAS, however non-EU origin cannot benefit from a preferential treatment.

9. **How will GVMS tie into customs declarations in 2022?** GVMS is designed to ensure that a physical shipment is associated to a pre-lodged declaration, regardless of which UK customs declaration system the pre-lodged declaration is sent to. GVMS will be linked to CHIEF and CDS. CAS is integrated with CHIEF and CDS for declarations submissions and connects to GVMS via API.

10. **What are Transit Export Control Licences?** Union General Export Authorisations are available for exports from the EU to the UK and vice versa. The UK also has special licenses for transits and transhipments via its territory.

11. **Who should handle our customs declarations?** You can outsource your customs declarations to customs brokers or manage them in-house. A digital customs management platform like CAS dramatically reduces the administrative time of managing customs in-house and can reduce duty and administration costs by up to 90%. A useful resource with case study comparisons can

be found in the whitepaper ["Customs Broker vs. Software Solution"](#) to help evaluate your options.

12. **We have GVMS information for suppliers to pass to their freight providers, but how will EU hauliers learn about the GVMS requirements?** HMRC has issued guidance documents and leaflets in various languages for both [imports](#) and [exports](#) for EU hauliers. Haulier responsibilities are also covered in this blog ["What You Need to Know About GVMS"](#). ["The Short Straits"](#) technical webinar presented by HM Cabinet Office is also a helpful resource.

13. **Pre-lodge issue: validation was done during transport from EU to UK. At the moment of arrival in the UK, if the validation is not done/correct, the truck driver needs to go to customs inspection. Is it an option that the driver can continue without going to the customs authorities for inspection? We have experienced issues with the current pre-lodge process between UK and FR, whereby documents are not validated but the truck driver continued their journey without validation. There was no obstacle to the driver continuing although validation was not completed. How is the UK addressing this?** From 01/01/2022, customs will be stricter and if you do not have proper documentation, you risk your goods being denied crossing the border. If these goods continue their journey without valid documentation, it is technically considered smuggling, and traders could incur legal penalties. If the GVMS system and process works as expected, the driver will be notified as they travel across the Channel that they must move to an inland customs site. Non-compliance will be taken seriously.

14. **What is the GVMS system from end to end?** ["What You Need to Know About GVMS"](#) is a useful article that explains the process. ["The Short Straits"](#) technical webinar presented by HM Cabinet Office is also a helpful resource.

15. **Is this deadline similar to Y2K hype, that went by without a hitch? Is this situation comparable as far as changes to customs processes?** Y2K was a situation of "we don't know what could happen". Here we know exactly what WILL happen, and when. The UK is now a 3rd country and, although trade measures have been rolled out in stages, all will take effect. From 01/01/2022, customs will be stricter and if you do not follow the new regulations, you risk your goods being denied border crossing. If these goods continue their journey without valid documentation, it is technically considered smuggling, and traders are subject to financial and criminal penalties.

16. **Given this webinar is talking about a private party initiative, what does the industry think of projects like the UK GVMS system or the announced Gateway2Britain project for logistics simplification?** We cannot speak for the industry, however from our perspective these initiatives seek to build digital connections and integrations for logistics simplification. C4T as a software provider anticipated these government initiatives and set up its CAS solution to address them as of 2020, in time for CAS users to ship in full and without delay on January 1, 2021 when Brexit formalities began to take effect. CAS is continually updated to automate

declarations in compliance with changing legislation and integrations. C4T's customs and technology experts also continue to add enhanced features and functionality to further simplify the complexities that customs compliance and cost-saving customs special procedures pose to logistics. It is common for industries to recreate the wheel, but it will be difficult for those new entrants to catch up with two years of development to solve the same challenges.

17. **Process through EU and UK ports for GVMS?** UK HMRC has provided details here. You can also refer to the blog "What You Need to Know About GVMS" or watch a short video explaining the processes for the different UK port types.

18. **What should we put in Box 1ab after the changes to legislation come into effect?** Refer to the UK Trade Tariff, as it will depend on whether the goods are imports or exports.

19. **What are the benefits of CAS for Forwarders?** Key benefits include:
    - A multi-country solution, supporting a unified way of working for logistics service companies and faster handling of declarations with fewer resources.
    - Greater efficiency, e.g., the automatic generation of an import declaration in the country of destination as soon as the export declaration is generated. This "single message, double filing" functionality cuts workload in half.
    - An intelligent system with legal compliance and validation checks built in. This supports faster, more accurate declaration submission and reduces the need for extensive customs knowledge and training.
    - A competitive advantage for large-volume, recurring clients due to automated pre-population of data sets.
    - The possibility for clients to upload their data directly into the system and access their documents. This gives logistics service providers the ability to offer clients cost savings for self-managing declarations while at the same time increasing margins.
    - Visibility of all customs data within one single platform with flexible-view filtering, dashboarding, and reporting.
    - Supports material lists, formulas, and stock movements for customs special procedures like Customs Warehousing and Inward and Outward Processing—a value-add to clients.

20. **Will trade procedures improve for Northern Ireland?** The hope is that the current negotiations around the Northern Ireland Protocol will improve the process, but we will need to wait for more information.

21. **What consequences will the customs changes have to day-to-day practical business?** The sequencing of the various declarations/interactions will have to be carefully managed to ensure that delays at the border do not occur. More data will have to flow between the various actors in the supply chain.

22. **How can we prepare for a customs audit?** Access to customs declarations and the background commercial data that has gone into generating your declarations is absolutely key. As an importer or an exporter, you have the responsibility and liability to hold that information, not the customs broker. Background data includes demonstrating how you classify your products, that your valuation is in line with requirements, and that you've met the rules for preferential origin if you claimed it. CAS can provide this audit trail. In addition, in the UK, access to Management Support Service (MSS) data from HMRC can provide greater visibility of your customs profile.

23. **What about imports made between 1st of January last year and 1st of January 2022 where declarations were deferred? Are brokers and UK customs ready to make all those declarations?** Since there was no pre-authorisation required to use the deferred declarations scheme, we are seeing that some traders did not realise that the scheme was used and therefore did not know that a subsequent supplementary declaration needed to be filed. An authorisation for simplified procedures is required to generate the supplementary declaration and it needs to be filed within 175 days of the physical import. Brokers' ability to process the deferred declarations will depend on their workload and many are already overtaxed. Brokers will also likely charge per supplementary declaration for this service. CAS handles the submission of supplementary declarations at a transactional cost that is 10 or more times lower.

24. **We have been advised by HMRC that 'arrived' export declarations will still be required at certain ports when GVMS becomes operational next month. Currently, excise duty on suspended goods and controlled goods requires 'manual departure' by HMRC by submission of form C1602. Are we confident that GVMS will be able to provide a 'Goods Departure Message' for these goods in January or should companies/hauliers continue with submission of C1602's?** GB exports of excise goods must not manually arrive at the GB port of exit from 01/01/2022 in the following cases:
    a. If you're exporting duty-suspended excise goods using the Customs Supervised Export (CSE) simplification through a roll on roll off (RoRo) port using GVMS, you do <u>not</u> need to submit a departure message, but must make sure adequate evidence of export is retained.
    b. When exporting duty-paid excise goods with the intention to reclaim duties paid, a notice must be sent to the drawback processing centre and there is a waiting time before goods can be exported. Documentary evidence is to be retained to prove that the goods left the UK.

    Note: one of the purposes of GVMS is to automate the goods departure communication, except for goods that require an export license, such as dual-use goods.

The locations where export declarations will need to be submitted as arrived are:
• Cheriton Channel Tunnel Terminal, Folkestone
• Dover, Eastern Docks (excluding the Dover Cargo Terminal and Eastern Arm) only
• Fishguard
• Heysham, Berths 1, 2 and 3 only
• Holyhead
• Liverpool, North Brocklebank & East Langton Berth, Gladstone Berth and Twelve Quays Terminal Birkenhead only
• Pembroke Dock Ferry Terminal

25. **For goods moving under Transit into the UK from January 2022, will we need to pre-lodge the import declaration prior to boarding, or can it be completed when goods reach the destination/authorised consignee premises?** There is an expectation that the declaration be lodged before the goods actually arrive in the UK. This is a relatively new rule so HMRC can ensure there is a subsequent declaration after the goods have arrived. The declaration must be pre-lodged 4 hours prior to arrival at the office of destination/authorised consignee premises. Note that this will change to 24 hours in July 2022. If the transit destination is not an authorised consignee, then it's a standard procedure and the expectation is that the shipment goes into a temporary storage facility governed by an inventory-linked port CSP and then the subsequent declaration can be done after self-nomination.

26. **Do truck drivers need to have a paper copy of the export/import declaration, or can they just show a PDF at the border that was received via email? Does the driver need to wait at the warehouse until customs declarations are ready or can they depart and get the documents via email?** The key with the pre-lodgement model is that the declaration reference is linked to the GMR, then GVMS checks that the declaration exists. This is all done digitally. All SADs, TADs, and eADs need to be printed and given to the driver by the declarant.

27. **Is there a list available of which UK ports use the TSL (Temporary Storage) model or have the pre-lodge model?**
The decision as to which model (GVMS, temporary storage, or mixed) a border location uses is ultimately a commercial one, undertaken by the operators of the border location. This can be at a port- or berth-specific level, and locations have the option to change should the need arise. Since this is commercially led and subject to change, HMRC advised that they will not be publishing a full list, and advocate that it is in the interest of the Border Locations to publish their own operating processes. HMRC has, however, published an updated list of GVMS locations. The have also published a list of ports and port codes, which includes:
• Community and Common Transit
• Goods Vehicle Movement Service (GVMS)
• Roll on Roll off (RoRo) ports
• Border Force Customs offices
You can also find the port codes for use in:
• the Customs Declaration Service

- Customs Handling of Import and Export Freight (CHIEF)

28. **Do we still have the option to use the temporary storage model via inventory-linked ports?**
Yes, see this [condensed guide to the UK Border Operating Model](#). Some inventory-linked ports adopted a mixed model, meaning that for some of their RoRo ferry terminals they will use the temporary storage model with GVMS and for others, the traditional temporary storage model. On 15 December, HMRC published a final list of ports that will use GVMS which can be found [here](#).

29. **What customs procedures can be used to suspend duties?** Economic operators can obtain authorisations for various Customs Special Procedures that offer suspension or even complete relief of customs duties. C4T has a [video overview](#) of the various situations where Special Procedures can be invoked. Often, performing the administrative requirements to use these special procedures can be cumbersome. The logic built into CAS provides the necessary audit trails to support all these cost-saving regimes, making it easier to obtain and maintain authorisations.

30. **How best to manage goods which are shipped between UK and EU for repairs, particularly due to quality issues, rework, or repairs?** The TCA allows for the movement of goods between the UK/EU for repair free of duty, but it requires the use of Inward Processing and Outward Processing Relief – there is no ability to recover import VAT if these procedures are not used. These Customs Special Procedures usually require an authorisation. The UK announced a couple of months ago that you no longer need an authorisation to use these procedures but you are still required to maintain records, such as Bill of Discharge. The [CAS Special Procedures module](#) provides all the documentary proof needed to satisfy customs authorities' requirements to use these and other cost-saving procedures.

31. **What is the link between the EU exporters' declaration and the GB import declaration? I assume our EU suppliers must file an export declaration for the EU, but can we leverage this so the GB import declaration is dealt with at the same time?** Indeed, CAS has built-in "single message, double filing" functionality that automatically triggers the import declaration in the country of destination upon the generation of the export declaration. No further action is needed on the part of the trader.

32. **Where can we find more information on the C4T software with regards to ERP connectivity?**
CAS connects to all ERPs and WMSs. Learn more about how the connection is done through CAS [APIs](#).

33. **How can we make our import/export department more informed on all the tasks our hauliers perform?** HMRC has issued guidance documents and leaflets in various languages for both [imports](#) and [exports](#) for EU hauliers. Haulier responsibilities are also covered in this blog ["What](#)

You Need to Know About GVMS". "The Short Straits" technical webinar presented by HM Cabinet Office is also a helpful resource.

34. **NCTS - Union / CCT Transit and guarantee management?** Transit guarantee management is available in CAS.

35. **EXCISE - EMCS management?** EMCS management is not yet available in CAS but is on the roadmap.

36. **Can GB-CSP/Inventory linking be integrated into CAS?** API integration is on the CAS roadmap. In the meantime, there are a few manual steps that need to be followed. You can find the different steps for using inventory-linked, non-inventory-linked, and GVMS ports in C4T's recent blog.

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