



WHY CDS IS REPLACING CHIEF

Customs Handling of Import and Export Freight (CHIEF) is being replaced by the Customs Declaration Service (CDS). The last day to make import declarations on the CHIEF system is 30 September 2022.

CHIEF is one of the world's largest and most sophisticated electronic services for managing customs declaration processes. However, at nearly 25 years old, CHIEF cannot be easily adapted to new requirements.

The decision to replace CHIEF with CDS was made before the EU referendum, however, CDS will be scaled to handle any potential increases in the volume of declarations that may result from the UK's exit from the EU.

HOW THIS WILL AFFECT IMPORTERS AND EXPORTERS

If a trader imports or exports goods outside the EU, they or their agent will be currently using CHIEF to:

- Process declarations for goods entering and leaving the UK or EU through ports and airports
- Calculate and pay the correct duty and taxes
- Complete customs information electronically

They will still be able to do these things on CDS but there will be differences:

- CDS will be accessed on GOV.UK using a Government Gateway account – if traders use a customs declaration software package, they will need to follow the instructions and documentation from their supplier
- CDS will offer several new and existing services in one place - for example, traders will be able to view previous import and export data on pre-defined reports, check the tariff, apply for new authorisations and simplifications, and check their duty deferment statement
- Online help will include self-service tools, guides and checklists

Some additional information will be required for declarations to align with the World Customs Organisation Kyoto Convention, currently being implemented in the UK through the Union Customs Code (UCC):

- An audit trail of previous document IDs
- Additional party types, such as the buyer and seller
- Possible additional commercial references or tracking numbers



- Levelling – change between ‘header’ and ‘item’ for some data items

To align UK customs data with international standards, there will also be changes to:

- Location of goods identification (based on UNLOCODE)
- The warehouse type code list
- Item tax lines, including method of payment codes
- Unit of quantity codes (ISO)
- The way customs procedures are quoted
- The number of items on a declaration – CDS will allow a maximum of 999 items on a customs declaration, instead of the current 99 items on CHIEF

EFFECTS ON UK PORTS

When CDS comes online between 30th September and 1st October, it is foreseen that the UK ports, in particular Dover’s ferries and Eurotunnel, will have traffic delays due to customs brokers and their customers not being ready for the switch to the new customs system. This will be down to the lack of preparation by UK companies and also the still very new CDS system having a number of bugs that have not yet been addressed by HMRC.

PRIORITY FREIGHT

At Priority Freight, we have had dedicated training sessions for all our customs clerks as well as trader dress rehearsal customs software to fully prepare for the transition on 30th September.

We also liaise with all our customers to make sure that authorisations and AEO documentation is up-to-date, accurate and in place. This will ensure, from a customs and import/export point of view, that we have eliminated any possibility of delay.

As the system is very new for everyone there will, no doubt, be hurdles along the transition period and we, at Priority Freight, will be here 24/7 to make sure the shipments clear UK customs and reach their destination quickly and safely.