



# Commodity Codes & Import Declarations from 01/01/22

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# Introduction

- From January 1st 2022 there are 3 changes that you should be aware of if you trade between GB and the EU
- Full Import declarations will be required for all goods entering Britain from the EU and customs checks will begin on these goods.
- Customs agents may demand proof of origin for all goods traded between GB and the EU
- Commodity codes have been updated



# What are Commodity Codes?

- All goods that are traded internationally can be identified by a number – the commodity code.
- As a general rule, export codes are 8 digits and import codes are 10 digits – the export code + 2 digits.
- It is essential to use the correct commodity code for the goods you are moving because it indicates what level of duty is applicable and whether any controls are in place e.g. whether you need a licence – this is indicated by an HS code of 14 digits
- Each territory has a Tariff where you can check duties and controls – it is advisable to check the tariff of the country you're exporting from and to, in order not to miss anything.
- The new HS 2022 edition introduces some major changes with a total of 351 sets of amendments covering a wide range of goods

[https://www.trade-tariff.service.gov.uk/find\\_commodity](https://www.trade-tariff.service.gov.uk/find_commodity)

[https://www.trade-tariff.service.gov.uk/xi/find\\_commodity](https://www.trade-tariff.service.gov.uk/xi/find_commodity)

[https://ec.europa.eu/taxation\\_customs/dds2/taric/taric\\_consultation.jsp?Lang=en](https://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp?Lang=en)



# Examples of changes

- Electrical and electronic waste (e-waste): HS 2022 includes specific provisions for its classification to assist countries in their work under the Basel Convention
- Nicotine-based products and unmanned aerial vehicles (UAVs, also known as drones): New provisions simplify the classification of these products
- Smartphones gain their own subheadings
- Multi-purpose intermediate assemblies: there will be more products classified in their own right, such as flat-panel display modules



# Check your goods

- 8 and 10 digit correlation tables

[https://www.trade-tariff.service.gov.uk/help/cn2021\\_cn2022](https://www.trade-tariff.service.gov.uk/help/cn2021_cn2022)

e.g. Chapter 90 - 9006 51 00 = 9006 53 80 or 9006 59 00?

[https://www.trade-tariff.service.gov.uk/find\\_commodity](https://www.trade-tariff.service.gov.uk/find_commodity)

- Guidance on changes to HS codes by product group

<https://www.trade-tariff.service.gov.uk/help>

<https://www.gov.uk/guidance/classifying-computers-and-software>

<https://www.gov.uk/guidance/classifying-electrical-equipment-for-import-and-export>



# What if my HS codes have changed?

- Check whether import duty now applies
- Check they comply with rules of origin
- Change all internal systems
- Inform customers, suppliers, freight forwarders



# New System for Import Declarations

- Import declarations will be required for all goods entering Britain from the EU and customs checks will begin on these goods.
- Traders and their hauliers will need to understand their new obligations in advance of transporting EU goods into Britain.
- This includes whether they will transport the goods via a port adopting a temporary storage or pre-lodgement model. Under the latter, the haulier carrying goods into Britain will need to be registered and ready to use the government's Goods Vehicle Movement Service (GVMS).

[List of ports using the Goods Vehicle Movement Service - GOV.UK \(www.gov.uk\)](http://www.gov.uk)





# Potential Impact on your Business

Accuracy: Trading history is considered by HMRC, which could flag inconsistencies between goods movement and declaration submissions

Compliance: If caught not in compliance with the law, you may face fines and could get banned from trading certain goods

Costs: If declarations process not correctly established, you may face higher costs from correcting mistakes

Delays: If not on top of declarations processes, you risk delays at the border and potential costs to your business



# How to Prepare

- Check all information for customs declarations is correct
- Speak to your EU suppliers – are they aware of the change?
- Is the freight forwarder is registered with GVMS?
- Which model is best for your goods – pre-lodgement or temporary storage?
- Through which port will your goods enter GB?



## From 8<sup>th</sup> February 2022

- Removal of the country code 'EU' for the Country of Origin, Country of Dispatch and Country of Preferential Origin
- From 8 February 2022, the use of country code 'EU' when declaring goods is changing.
- For CHIEF, the country code 'EU' will no longer be valid in any data field and the specific Member State country code must be used.
- For CDS, we advise you to use the specific Member State Country code for the time being. Removal of the country code 'EU' on CDS and the Online Tariff Tool will take place later.
- For supplementary declarations that are submitted after 8 February 2022, the specific Member State country code must be used regardless of whether the tax point is before this date.
- <https://www.gov.uk/government/publications/uk-trade-tariff-country-and-currency-codes/uk-trade-tariff-country-and-currency-codes>





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