



## Currency Conversion Fluctuations under the Union Customs Code (UCC)

<b>Customs Information Paper XX (2016)</b>	
<b>Who should read:</b>	All Economic Operators involved in International Trade
<b>What is it about:</b>	This CIP has been issued to highlight impending changes to the way currency conversion fluctuations will be dealt with following the introduction of the Union Customs Code (UCC)
<b>When effective:</b>	1 May 2016
<b>Extant until/ Expires</b>	Indefinitely

### 1. Introduction.

The Union Customs Code (Regulation No. 952/2013 of the European Parliament and of the Council) was agreed and adopted by co-decision in October 2013 and applies from 1 May 2016

Businesses engaged in international trade, need to be aware of changes to the way currency conversion fluctuations will be dealt with following the introduction of the UCC across the European Union on 1 May 2016.

### 2. Background

Currently HMRC check the monthly rates issued against the commercial selling rates on the London Exchange Market. If the commercial rate for a currency differs by more than 5% from the last published customs rate, the customs rate is amended from midnight on Tuesday/Wednesday of the following week. This process is in accordance with Articles 168 to 172 of Reg 2454/93.

### 3. Arrangements under the UCC

The existing 5% fluctuation clause under Reg 2454/93 is no longer catered for within the UCC. The Commission have confirmed that Member States cannot continue to use this facility, even as a National provision.

Accordingly from 1 May 2016, in order to comply with the UCC, HMRC will withdraw the current 5% exchange rate fluctuation facility.

#### **4. Contacts**

If you have any questions regarding this CIP, please contact the Customs Product & Policy Team (Valuation) at: [dutyliability.policy@hmrc.gsi.gov.uk](mailto:dutyliability.policy@hmrc.gsi.gov.uk)

Issued on the [Date – Day Month Year, e.g., 1 January 2016] by Customs Directorate, HMRC.

For general HMRC queries speak to the VAT, Excise and Customs Helpline on Telephone: 0300 200 3700.

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