



# HM Revenue & Customs

Dear customer,

## Update on processing Valuation Method within Customs Declaration Service (CDS)

We are writing to inform you of an updated process for completing Customs Declaration Service (CDS) import declarations

- there are updates to valuation method which are detailed below
- there is no change to the preference mismatch workaround solution
- there is no change to authorised end use workaround solution

Please follow the information detailed below to make sure your rest of the world (RoW) to Northern Ireland (NI), and Great Britain (GB) to NI declarations are submitted successfully on CDS in the scenarios below.

This only affects customers who use CDS. We know from our records that you are familiar with declaring a valuation method on CHIEF previously, and now on CDS. These updates provide functionality for you to declare valuation methods 4, 5 or 6 on CDS.

### Declaration Scenarios

#### Valuation Method 4, 5 and 6

If you use **valuation methods 4, 5 or 6**, functionality is now live on CDS and guidance can be found on [GOV.UK](https://www.gov.uk). This means you no longer need to use the workaround solution we previously issued guidance on, when declaring valuation methods 4, 5 or 6.

If you use **valuation methods 2 or 3, preference or authorised-use relief arrangements**, you will need to continue to use the workaround solutions detailed below to ensure your declaration is accepted.

You can also contact the free [Trader Support Service \(TSS\)](#) if you need support making a full frontier declaration (FFD).

#### Valuation methods 2 or 3

If you usually use valuation method 2 or 3, you will need to continue completing your declaration differently. This is a temporary measure impacting a limited number of goods and does not indicate a change in policy.

### **How to complete your import declaration**

If you usually use valuation methods 2 or 3, you should continue to use the following instructions:

1. DE 4/16: enter '1' instead of 2 or 3.
2. DE 2/3: enter document code 'N935' followed by Document Identifier: VM, then 2 or 3 depending on the method used to value the goods, e.g., VM2. Enter: Document Code 9WKS followed by a Document Identifier reference that enables an audit trail within the commercial records to the details on how the customs value has been arrived at, e.g., stock records, dispatch notes.
3. DE 4/1: enter CIF followed by the delivery destination of the goods.
4. DE 4/9: leave blank.
5. DE 4/13: enter 0000.
6. DE 4/14: enter the fully inclusive customs value for the goods, including any royalties, freight charges, insurance, tooling costs etc.
7. DE 4/16: enter code 1.
8. DE 5/21: leave blank.
9. DE 8/5: enter code 1.

Further information about valuation methods can be found in Notice 252 on [GOV.UK](https://www.gov.uk)

### **Preferential rates of duty**

If you claim a preferential rate of duty which applies in the UK tariff but not the EU tariff, or vice versa, or there is a difference in the code used to apply the preference, you will need to continue to complete your declaration differently. This is a temporary measure impacting a limited number of goods and does not indicate a change in policy.

For example, for white chocolate from Turkey, the code to apply the preferential rate of duty which applies in the UK tariff (300) is different from the preferential rate of duty which applies in the EU tariff (400).

### **How to complete your import declaration**

If your declaration falls into this category, you should:

1. Manually calculate the customs duties, excise duties, and VAT applicable using the online tariff duty calculator, which can be found at the commodity code level under the 'Overview' tab in the online UK trade tariff.
2. Enter the NI Additional Information (AI) code 'NIIIMP' in DE 2/2.

3. Use the free format text part of DE 2/2 to enter the preference code that should have been used against the NI AI statement. For example, 'NIIMP-300'.
4. Enter the override code 'OVR01' in DE 2/2 with the free text stating 'Manual Calculation'.
5. Enter the document code(s) required by the Tariff for the preferential rate of duty being claimed in DE 2/3, including a reference to the calculations against document code '9WKS'.
6. Enter the manually calculated duties in DE 4/3, 4/4, 4/6, and 4/7 as appropriate.
7. Enter preference code '100' in DE 4/17.

### **Authorised Use Procedure (or End Use Procedure)**

If you move goods using the UK's Authorised Use Procedure, or the EU's End Use Procedure, and where a commodity is eligible for one but not the other, you will need to continue to complete your declaration differently.

For example, for a transmission gearbox with the commodity code 8483409080, the End Use relief is applicable in the EU tariff, but the Authorised Use relief is not applicable in the UK tariff. Claiming the Authorised Use/End Use relief in the usual way will result in a "preference not applicable" error.

The categories of goods that are eligible for Authorised Use/End Use relief can be found on the [UK Trade Tariff Guidance](#) page.

If your declaration falls into this category, you should:

1. Manually calculate the customs duties, excise duties, and VAT applicable using the online tariff duty calculator, which can be found at the commodity code level under the 'Overview' tab in the online [UK trade tariff](#).
2. Enter the Additional Information (AI) code 'NIDOM' in DE 2/2.
3. Use the free format part of DE 2/2 to enter the preference code that should have been used. For example, 'NIIMP 110'.
4. Enter the override code 'OVR01' in DE 2/2.
5. Enter the manually calculated duties in DE 4/3, 4/4, 4/6, and 4/7.

### **What you can do if you pay more duty than you expected to**

If you pay more duty than you expected to, you can apply for a repayment by completing a [C285 CDS form](#). Under 'Basis of claim', please select 'Miscellaneous - for any other reason not detailed in this list' and enter 'Complex case' in 'Reason for Claim'. You should then include this letter as part of the evidence you submit.

If you are a representative applying on behalf of the importing business, please ensure the importing business is aware of the repayment claim.

## Further help and support

If you have any questions about these scenarios, or about migrating to CDS in general, please [contact us through our usual communication channels](#).