Procedures for movements of oil and gas by pipeline to/from the UK

Customs Information Paper 13 (2016)

<table>
<thead>
<tr>
<th>Who should read:</th>
<th>Operators involved in the movement of oil and gas by pipeline to/from the UK.</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is it about:</td>
<td>Impact of changes under the Union Customs Code that affect the movement of these goods by pipeline.</td>
</tr>
<tr>
<td>When effective:</td>
<td>1 May 2016.</td>
</tr>
<tr>
<td>Extant until/ Expires</td>
<td>Ongoing.</td>
</tr>
</tbody>
</table>

1. Background

With effect from 1 May 2016 the methodology for declaring importations and exportations by pipeline will be harmonised and the procedures as set out below will be adopted for both oil and natural gas, providing a single way of working for all pipelines.

All pipeline owners and operators must ensure that there is a valid authorisation held for the pipeline under S.24 Customs and Excise Management Act 1979 by the 1 May 2016. For further information in relation to applying for authorisation please see Appendix A included with this Customs Information Paper (CIP).

In all cases the approval will be issued to the operator of the pipeline which should be named in all applications.

The simplifications currently available for the movement of oil and gas by pipelines as approved under Section 24 of the Customs and Excise Management Act 1979 (CEMA) will be impacted by the introduction of the Union Customs Code (UCC) on 1 May 2016.

The current simplifications which govern the declaration of oil and gas through the pipeline to Customs will therefore need to be amended to align with the new legislation. Current pipeline authorisation holders will be issued with an amended approval to reflect the UCC changes.

All pipeline operators will need to comply with new arrangements as from 1 May 2016.
From this date you will have two options:

either:

Goods can be declared using normal export/import procedures,

or;

Goods can be declared using the new Simplified procedures available under the UCC such as Simplified Declaration Procedures or Entry in Declarants Records (EIDR). Both require a prior authorisation.

If you intend to use the second option, you will need to submit an application to HMRC using form C&E48.

Please note that on the C&E 48, the procedure is currently named Local Clearance Procedure (LCP). LCP is renamed EIDR under the UCC.

Applicants will need to demonstrate that they meet the criteria appropriate to the Authorised Economic Operator (AEO) for Customs Simplifications also known as AEOC. This does not mean you have to hold AEOC status, however you will have to meet AEOC criteria.

You can find out more about the AEO criteria on the GOV.UK site:

www.gov.uk/authorised-economic-operator-certification

2. Importation of Oil and Gas by Pipeline

Goods may be imported using one of the following declaration processes:

Full declarations (normal procedure)
Simplified Declaration Procedures (SDP)
Enter in Declarants in Records (EIDR)

All Customs declarations must be made electronically.

SDP and EIDR allow you to enter goods to a customs procedure without the need to provide a full customs declaration at the point of release.

Where the Customs Declaration using the normal SDP or EIDR is pre-lodged with Customs (prior to the goods arrival) there is no requirement to enter the goods to Temporary Storage.

Where no pre-lodged declaration has been made the goods will be deemed to be in Temporary Storage on their arrival in the EU. The Temporary Storage
requirements under the UCC must be followed and an approval for Temporary Storage will be required.

To use SDP or EIDR prior authorisation is required. You can apply for these procedures using form C&E48. Please mark your application as “Pipelines”.

For goods entering by pipeline no pre-arrival safety and security declaration is required (Article 104, Delegated Regulation, EU Reg. No. 2015/2446).

For all other importations of oil and gas, a safety and security declaration must be submitted in advance of the goods arrival using the required data sets and timescales laid down under the UCC (Article 127 UCC, EU Reg. No. 952/2013 and Annex B data sets of Delegated Regulation, EU Reg. No. 2015/2446). This safety and security declaration must be submitted to the Import Control System.

Please refer to https://www.gov.uk/guidance/import-control-system for more information.

3. Normal Procedures

Goods will be declared using the full declaration data set. This will require the full commodity code, customs value and origin data to be known at the point of importation.

Full declarations will require IM to be declared in Box 1.

Pre-entry. Before the first day of each month, entry is to be made to CHIEF, of the Tariff description, value and quantity of oil and/or natural gas expected to be imported through and delivered from the approved pipe-line during the month. This entry will be for a period commencing from an agreed hour on the first day of the month and finishing at the same time on the first day of the following month.

Within 90 days of the end of each month you must amend the CHIEF entry to provide the exact quantity of oil and/or natural gas imported through and delivered from the approved pipe-line during the month.

4. Simplified Declaration Procedures (SDP) Imports

A pre-lodged electronic Simplified Frontier Declaration (SFD) will be required to be submitted to the customs declaration processing system (CHIEF - Customs Handling of Import and Export Freight). This SFD will need to specify the CPC to which the goods are being released:

06 10 040 – Free circulation goods
06 40 040 – Excise goods for free circulation
More information on these and other SDP SFD CPCs may be found in Volume 3 Appendix E2 of the UK Tariff.

A supplementary declaration will be required please see Section 6.

5. Entry in Declarants Records (EIDR) Imports

A pre-lodged electronic entry must be made in the EIDR approved operators records. This must include the full EIDR data set.

The entry in the EIDR records should include similar details to those provided on a SDI and should therefore include the following minimum data:

Date and time of arrival of the goods (tax point)
DUCR
TA/Warehousing/TS stock account references
Warehouse approval number
Written description of the goods (sufficient to allow for their easy identification)
Commodity Code
CPC to which the goods will be released
Purchase and (if available) the sales invoice numbers
Customs value
Quantity (number of packages, net mass, number of items, etc. of goods being released)
Licensing requirements and licence numbers
Details of any supporting documentation including the serial numbers (where appropriate) required prior to the release of the goods (i.e. DPOs, EUR1s, etc.).

The requirement to present goods to Customs prior to their release to a Customs procedure may be waived where the criteria in Article 182 UCC, EU Reg. No. 952/2013 are met:

- The EIDR authorisation holder is an AEOC

and

The Customs Authority agree that the nature and flow of the goods warrants the waiver.

Where an EIDR presentation waiver is not held, the EIDR authorisation holder must provide an email to their supervising office at the start of each period, estimating the value and quantities to be imported by pipeline that month.

A supplementary declaration will be required please see Section 6.
6. Supplementary Declarations for Imports

A supplementary declaration will need to be submitted by the fourth working day of the month following the importation. (e.g., goods imported on 1 May 2016 would require the Supplementary Declaration to be submitted by the fourth working day of June 2016).

The supplementary declaration will need to be a full fiscal and statistical declaration of the goods imported by pipeline during the period. The Tariff description, value and quantity of oil and/or natural gas imported through and delivered from the approved pipe-line during the month.

This entry will be for a period commencing from an agreed hour on the first day of the month and finishing at the same time on the first day of the following month.

7. Exportations by Pipeline

Goods may be exported using one of the following declaration processes:

- Full declarations (normal procedure)
- Simplified Declaration Procedures (SDP)
- Entry in Declarant’s Records (EIDR) - non-Excise goods only.

All Customs declarations must be made electronically.

To use SDP or EIDR prior authorisation is required. You can apply for these procedures using form C&E48. Please mark your application as ‘Pipelines’.

Please note that on the C&E 48 the procedure is currently named Local Clearance Procedure (LCP). LCP is renamed EIDR under the UCC.

Any goods in excise duty suspension must be exported using the normal procedures in Section 8.

Excise duty paid goods may use SDP. Please see Section 9

Excise goods may not be declared using EIDR.

Licensable goods must be exported using the normal procedures in Section 8.

8. Normal Procedures

Goods will be declared using the full declaration data set. This will require the full commodity code, customs value and origin data to be known at the point of importation.

Full declarations will require:

CO to be declared in Box 1 for goods destined for Special territories or the Continental Shelf

or
EX for goods destined for a non-EU (third) country.

Pre-entry. Before the first day of each month, entry is to be made to CHIEF, of the Tariff description, value and quantity of oil and/or natural gas expected to be imported through and delivered from the approved pipe-line during the month. This entry will be for a period commencing from an agreed hour on the first day of the month and finishing at the same time on the first day of the following month.

Within 90 days of the end of each month you must amend the CHIEF entry to provide the exact quantity of oil and/or natural gas imported through and delivered from the approved pipe-line during the month.

9. Simplified Declaration Procedures (SDP) Exports

An electronic pre shipment declaration (PSA) will be required to be submitted to CHIEF. The PSA will need to separate out any Excise goods. The PSA will need to quote one of the following CPCs:

10 00 029 – Excise SDP
10 00 011 – Pre shipment declaration

More information on these CPCs may be found in Volume 3 Appendix E1 of the UK Tariff.

A supplementary declaration will be required please see Section 3.4. An electronic pre shipment declaration (PSA) will be required to be submitted to CHIEF. Excise duty paid goods in free circulation can be exported under SDP. The PSA will need to quote the SDP CPC 10 00 011. More information on this CPC may be found in Volume 3 Appendix E1 of the Tariff.

10 00 029 – Excise SDP
10 00 011 – Pre shipment declaration

More information on these CPCs may be found in Volume 3 Appendix E1 of the Tariff.

A supplementary declaration will be required please see Section 11.

10. Entry in Declarants Records (EIDR) Exports For Non Excise Goods

An electronic entry must be made in the EIDR approved operator’s records. This must include the full EIDR data set.

The entry in the EIDR records should include the following minimum data:

- Goods item number – number assigned to goods upon entering to EIDR
- Signature – authenticating the EIDR
- LRN / DUCR – unique reference number for the consignment of goods.
- Representative identification number – required if different from declarant or holder of the procedure
Representative status code
Holder of the authorisation identification number.
Person presenting goods to Customs - EORI number
Location of goods - where goods can be examined.

The requirement to present goods to Customs prior to their release to a Customs procedure may be waived where the criteria in Article 182 UCC are met:

The EIDR authorisation holder is an AEOC
and

The Customs Authority agree that the nature and flow of the goods warrants the waiver.

Where an EIDR presentation waiver is not held, the EIDR authorisation holder must provide an email to their supervising office at the start of each period, estimating the value and quantities to be exported by pipeline that month.

A supplementary declaration will be required please see Section 11.

11. Supplementary Declarations for Exports

A supplementary declaration will be required to be submitted within 14 days of the exportation.
The supplementary declaration will need to be a full fiscal and statistical declaration of the goods imported by pipeline during the period. The Tariff description, value and quantity of oil and/or natural gas imported through and delivered from the approved pipe-line during the month.

This entry will be for a period commencing from an agreed hour on the first day of the month and finishing at the same time on the first day of the following month.

12. Further Information

For further information on this paper contact:

E-mail: ucc-masp.implementation@hmrc.gsi.gov.uk

Re-Issued on the 3 March 2016 by Customs Directorate, HMRC.

Your Charter explains what you can expect from us and what we expect from you.
For more information go to: Your Charter
Appendix A: Procedures to be followed when applying for an authorisation for mineral oil and gases to be brought ashore by pipeline

The application should provide the essential details needed for full consideration of the impact on official resources, and be accompanied by a line drawing (or map) of the whole length of the pipeline.

The intended dates for laying the pipeline, pressure-testing it and initially flushing it should be indicated as soon as known, together with the date that oil (or gas) is expected to flow.

As the Commissioners’ formal approval will be issued to the operator of the finished pipeline, that operator should be named in the application.

(Note: the operator may be one legal person in a consortium of persons with a financial interest in the pipeline).

Other details to be provided are:

The name by which the pipeline will be known;
The length of the pipeline and its diameter
The longitude and latitude at which the pipeline enters UK territorial waters;
The point of the coast at which the pipeline will come ashore;
and
The name (if in different ownership than the pipeline operator) and address of the on-shore site marking the end of the pipeline, and the designation of the boundary valve.

The application should be made locally direct to the CRM when LB traders are involved.