



Customer notice, 12 February 2010

New customs declarations required of shipping companies as of 3 May 2010

Summary

New electronic customs declarations for arriving and exiting goods will be taken into use in Finland. These declarations are a part of the EU safety and security amendment and Finland's national process of initiating an electronic customs clearance chain. The parties primarily responsible for submitting declarations are transport companies which can employ agents to submit declarations when necessary. In so-called feeder traffic arriving in or departing from Finland through EU ports, the party responsible for submitting declarations to Finnish Customs is the company responsible for the means of transport or for the transport contract as regards a stretch of journey whose port of destination or departure is in Finland.

New declarations regarding goods onboard departing ships are to be submitted to Finnish Customs as of 3 May 2010. New declarations for goods onboard arriving ships are to be submitted as of 1 January 2011. These declarations are to be submitted electronically into the AREX system of Finnish Customs which was taken into use in December 2009. Finnish Customs recommends that customers start using the new declarations as soon as possible.

With the new declarations, Finnish Customs oversees that goods placed under an export or re-export procedure are presented at the place of exit, that they exit the EU and that a customs declaration containing security data has been provided for them. At the same time, the submitter of the export declaration receives a confirmation of exit. Declarations for arriving ships help to oversee that all goods that arrive in ports undergo customs clearance and to ensure that advance security data have been submitted electronically for goods arriving in the EU. The declarations also enable advance import declarations.

1 Is your company ready for the change?

We want to offer testing and guidance to our customers concerning the new message declaration format, when necessary. This is why we ask you to read this customer notice and to make sure that your company has decided on the following matters:

- Will your company submit declarations to Finnish Customs itself or will you be using an agent?
- If you will be using an agent, have you already entered into an agreement with one?
- If your company will submit declarations itself, will it be submitting message format declarations or online declarations?
- Does your company already have an EORI number?

2 New declarations of shipping companies in Finland

Shipping companies which undertake transports of goods from Finnish ports are to submit two new declarations for goods exiting Finland as of **3 May 2010**:

- Export manifest presentation
- Exit notification

Shipping companies operating under transport contracts with Finnish ports (companies that have drafted a bill of lading or a waybill) are to submit one of the following declarations for goods arriving from outside of Finland as of **1 January 2011**:

- Entry summary declaration (for ships arriving from non-EU ports)
- Summary declaration for temporary storage (for ships arriving from EU ports)

In addition to these two alternative advance declarations, shipping companies which undertake the transport of goods are to submit the following declaration for goods arriving in ports as of **1 January 2011**:

- Arrival notification

3 What measures are required of shipping companies?

- Shipping companies under the obligation to declare are to decide whether they will submit the declarations themselves or employ an agent.
- Declarants are to decide whether they will submit message format declarations or online declarations.
 - For online declarations, declarants are to obtain a Katso ID from the Finnish Tax Administration.
 - Message format declarations require an authorisation from Finnish Customs, which means that declarants should apply for AREX/EDI customer status with Customs as soon as possible. Obtaining an authorisation requires adequate software which is to be tested with Customs. Applicants should observe that once Customs receives an application for authorisation, it may take several months before message format declarations can be submitted.
- Operators responsible for declarations and those submitting declarations are to agree with their cooperation partners as to how the declarant will be informed of the reference number for the goods it transports and/or other necessary details. The parties should also agree on how the declarant is to forward the reference numbers of submitted declarations to the other operators in the customs clearance chain.
- Both declarants and shipping companies responsible for declarations are to make sure that they have registered with the EU-wide EORI database for declarants.

4 Export manifest presentation and exit notification to be submitted as of 3 May 2010

4.1 Export manifest presentation

A shipping company which undertakes the transport of goods based on an export manifest presentation is to declare, according to manifest, the reference numbers (MRNs) issued by Customs for all export and re-export goods loaded onboard the ship at the port. If the transit procedure has been discharged at the port without temporary storage, the export manifest presentation is also used to declare the transit declaration reference numbers (MRNs) of goods which have been subjected to the transit procedure and loaded onboard a ship that will leave the EU territory directly.

Exception: The legal customs office of exit is not located at a Finnish port

It is not necessary to submit an export manifest presentation if all of the following requirements are met:

- the ship's port of destination is located within the EU customs territory;
- the ship has received authorisation for regular shipping service from Customs;
- the goods onboard the ship are not subject to manifest transit.

The exceptional characteristics described above are typically met, for example, in the car ferry traffic between Finland and Sweden Finland and Estonia. In these cases, the customs office of exit is located at the final border through which the means of transport exits the EU. In such instances, it is not necessary to present the transported goods at the port of departure in Finland using an export manifest presentation.

It is possible that the customs office of exit may be in Finland for some of the goods, and in another EU member state for other goods. The easiest solution in these cases is to submit an export manifest presentation for all export goods to be loaded onboard the ship "just in case". This prevents later, time-consuming investigations in cases where the legal place of exit for export goods would have been in Finland and not at the port of another EU member state as supposed.

If the customs office of exit for goods to be exported from Finland is at another EU port, the export goods will be presented in the way prescribed by the EU member state where the place of exit is located.

4.2 Times for issuing an export manifest presentation

If the ship's next port of destination is **outside the EU**, the export manifest presentation must be submitted before the ship leaves the port. If the ship's next port of destination is **in the EU**, the export manifest presentation must be submitted no later than on the working day following the ship's departure from the port.

4.3 Exit notification

The submitter of the export manifest presentation confirms the departure of the goods covered by it by submitting an exit notification. The exit notification can be submitted only after the ship has left the port and Customs has accepted the export manifest presentation. If the ship departs directly for non-EU territory, the notification must be submitted no later than on the second working day following the departure of the means of transport. If the ship departs for an EU port, the exit notification must be submitted no later than on the third working day following the departure of the means of transport.

4.4 Shipping companies can also submit an "Arrival at Exit" notification

The presentation of export goods at the customs office of exit will take place using three new electronic declarations in Finland as of 3 May 2010. In addition to the export manifest presentation and the exit notification which are the responsibility of shipping companies, Customs also requires an "Arrival at Exit" notification when the export goods arrive at the port. This notification can be submitted either by the person responsible for loading or by some other person. Customs replies to the "Arrival at Exit" notification by sending a loading permit. If a shipping company wishes to submit the notification, it must notify the party responsible for loading about the loading permit. Submitting an "Arrival at Exit" notification is subject to authorisation.

4.5 Exit summary declaration to be submitted in some cases as of 1 January 2011

As of the beginning of 2011, customers must submit an exit summary declaration to Customs if no other declaration containing security data has been submitted for the goods and if the ship departs directly for a port outside the EU. Exit summary declarations will become obligatory simultaneously throughout the EU. A shipping company may have to submit an exit summary declaration if no other operator has done so.

As of 1 January 2011, the MRNs of exit summary declarations are to be declared also on the export manifest presentation submitted by the shipping company (see 4.1 above). After a temporary storage period of no more than 14 days, an exit summary declaration need not be submitted for exiting goods. In these cases, the export manifest presentation is used to declare the reference number of the declaration presented for the goods upon their arrival (see 5.1 below).

5 To be submitted as of 1 January 2011 at the latest: advance entry summary declaration or summary declaration, arrival notification

5.1 Entry summary declaration or summary declaration

When a ship arrives at a Finnish port directly **from outside the EU**, the shipping company which has entered into a transport contract is to submit an entry summary declaration for all goods onboard the ship.

When the ship arrives at a Finnish port **from another EU member state**, the shipping company which has entered into a transport contract is to submit a summary declaration for the goods to be unloaded at the port. In EU legislation, this declaration is referred to as a summary declaration for temporary storage.

Exception:

A summary declaration is not, as a rule, submitted for goods transported from EU ports onboard regular shipping service vessels approved by Customs. A summary declaration is submitted only if the goods are subjected to a manifest transit.

5.2 Details of goods are required for the entry summary declaration and summary declaration

One declaration can cover a maximum of 999 consignments. Each consignment must be specified either with a precise description or by using commodity codes at the level of four digits. For example, the goods description "household appliances" is not sufficient, but needs to be more accurate; the description should state refrigerators, stoves, coffee machines etc. Also the quantity and packaging details of the goods are to be declared according to consignment. If the same declaration covers goods of several consignors or consignees, the consignor and consignee details must be provided according to consignment.

Other information to be submitted on the declaration concern the transport and the operators involved in the transport chain.

When transporting piece goods, even hundreds of entry summary declarations or summary declarations may have to be submitted per ship, for example, according to container or bill of lading. For bulk goods, ship-specific declarations are sufficient.

5.3 Entry summary declaration or summary declaration to be submitted also for Community goods

An entry summary declaration or a summary declaration must be submitted also for Community goods imported onboard ships. With a separate authorisation, these declarations can also be used in verifying the Community status of the goods, which means that they will be released for free circulation after the arrival notification is submitted.

5.4 Arrival notification

The arrival notification is the declaration indicating the actual arrival of the means of transport. In EU legislation, this declaration is referred to as the notification of arrival as of 16 April 2009.

When a ship arrives **from outside the EU** to a Finnish port, the shipping company which has undertaken the transport of the goods is to submit an arrival notification which will include the reference numbers (MRNs) of the entry summary declarations of **all the goods onboard the ship**. When a ship arrives at a Finnish port **from an EU member state**, an arrival notification is to be submitted for declaring the reference numbers of the summary declarations of all the goods onboard the ship **to be unloaded at the port**.

The arrival notification is used also for conveying the identification data of the temporary warehouse into which the goods will be unloaded.

It should be noted that, if goods arriving from outside the EU are to be unloaded in Finland, an entry summary declaration submitted for such goods becomes a summary declaration required in customs clearance for temporary storage of goods once the arrival notification is accepted.

5.5 Diversion

A customer who submits an entry summary declaration must provide a so-called diversion request if the ship arrives first in such an EU member state which was not originally included as a country of routing in the entry summary declaration.

6 Shipping companies should prepare to submit new declarations in good time

Your company should make sure that the following matters are in order in good time:

- The company will receive the reference numbers (MRNs) of the declarations for export goods they have transported out of Finland from the port operators responsible for loading or from the submitters of export declarations.
- The company will receive the necessary information from the goods holder for declarations of arriving goods.
- The company will be able to forward the reference numbers (MRNs) of the entry summary declaration or summary declaration it is responsible for to the other operators in the customs clearance chain, namely to port warehouse keepers and to parties responsible for post-warehousing customs clearance.

- The declarant has the EORI number which can be obtained through registration with the EORI database of EU customs declarants. Registered credit customers of Customs have the EORI number.
- If the company is to submit the declarations via the Internet, it should have obtained a Katso ID from the Finnish Tax Administration.
- If the company is to submit declarations in message format (EDI transactions), it should have an AREX/EDI customer status with Customs. EDI transactions require authorisation from Customs as well as adequate software which is to be tested with Customs.

7 EORI database registration

If the company is a registered credit customer of Finnish Customs, for example in terms of shipping dues, Customs has automatically registered the company into the EORI database and the company has been issued an EORI number.

If the company is not yet in the EORI register, the registration should be done immediately. Companies registered in Finland apply for registration through Finnish Customs. Companies based in other EU member states carry out the registration in their own countries. Shipping companies which have registered outside the EU can register in any EU member state. Further information on registration is available in Finnish at www.tulli.fi/yrityksille/asiakkaana_tullissa/EORI.

An individual company is given only one EORI number which can be used in customs declarations in any EU member state.

8 New declarations can be submitted electronically either online or in EDI message format

8.1 Online declarations

Online declarations are free of charge and suitable for small quantities of declarations. Online declarations do not require a separate authorisation, but the online declarant is to log in to the Customs online service using the Katso ID issued by the Finnish Tax Administration. The Katso ID can be ordered free of charge from the Tax Administration. Instructions on submitting online declarations are available in Finnish at www.tulli.fi/yrityksille/sahkoinenasiointi/Internet-asiointi.

8.2 Message-based transactions with Customs require authorisation

Message-based transactions require an AREX/EDI consignor authorisation from Finnish Customs and acquiring adequate software which is to be tested with Customs. For the time being, message-based transactions also require that the declarant has entered into an agreement with a message communications operator. By the end of June 2010, messages can be submitted into the Finnish Customs system directly without using an operator.

Finnish Customs advises all parties who are to apply for the status of AREX/EDI consignor to send their applications as soon as possible so that the necessary software testing with Customs can be done in time. The application form in Finnish for AREX/EDI consignor status is available at www.tulli.fi/yrityksille/sahkoinenasiointi/lomakkeet/edi_lomakkeet.

9 Message declarants are to archive messages related to transactions

Arrival and exit declarations do not entail any paper documents which can be archived. Therefore, EDI customers are to archive their electronically submitted declaration messages, reply messages from Customs, requests for further information and their replies to the requests.

10 Declarations can be submitted by an agent

When necessary, a shipping company can employ an agent for submitting declarations which are the responsibility of the company. The responsibility for the content of the declarations remains with the shipping company when an agent is used. The use of an agent should be agreed on as soon as possible, so that the agents who offer services can have sufficient time to prepare for submitting new electronic declarations.

11 PortNet declarations remain obligatory

In addition to the new declarations entering into force, the currently required declarations are to be submitted into the PortNet system also in the future in Finland.

12 Additional information

Further information is available at the Finnish Customs website at www.tulli.fi. The decisions by the National Board of Customs (184/010/2009 and 23/010/2010) will be available on the Customs website at http://www.tulli.fi/en/businesses/eServices/customer_notices/index.jsp. The message descriptions of the new declarations and a general description of the AREX system, will also be available on the Customs website at <http://www.tulli.fi/en/businesses/eServices/message/AREX/index.jsp>.

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