



Importers of E-bikes (commodity code 87116010 00) and/or their associated components should be aware of some of the risks.

We want to help protect customers from fraud risks. As part of this we have an education programme. This is to make sure that all customers who import goods are aware of the latest trends, risks and issues which we have identified. We want to help you avoid becoming involved in supply chains that are fraudulent. We will do this by making you aware of potential threats. We also want to make you aware of the steps you need to take to try to avoid fraud risks when entering into contracts and importing goods.

Declarations claiming a false origin of goods

There is a current risk from criminal gangs and corrupt suppliers who are attempting to evade duty and VAT by making false claims about the origin of imported goods.

This can happen in many ways, such as:

- carrying out manufacturing operations that are not substantial or economically justified in another country to hide the true origin of the goods
- getting false documents
- false declaration about types of goods

Impact of making false declarations about the origin of goods

By declaring an incorrect origin an economic operator will:

- unfairly benefit from preferential tariffs, if applicable (for example, declaring an incorrect origin for imported goods in order to get a reduced or nil duty rate)
- avoid paying Anti-Dumping Duties
- misuse the tariff quota system

How this could affect importers

Even if an importer uses an agent, it is still the importer's responsibility to make accurate declarations to HMRC.

If importers become involved in fraudulent supply chains, they could cause reputational and/or financial damage to their company. They would also have to pay a penalty of up to £2,500 for each fraudulent import. They will also have to pay any duty and Vat that is due.

Annexe A enclosed contains examples of good practice that importers should consider using when checking the origin of the goods that have been imported.

Importer's responsibilities

If HMRC find that the importer has not declared goods to us that have been imported, they will have to pay any customs debt. There would be a debt if there were additional customs duties and VAT due.

Importers should check that all the declarations they make to Customs are correct and meet all the conditions relating to the correct Customs procedure.

They should read the Public Notices which are available online. Go to **www.gov.uk** and search for:

- 'Notice 252' (Valuation of imported goods)
- 'Notice 376' (Anti-Dumping and Countervailing duties)
- 'Notice 600' (Classification)
- 'Notice 826' (Tariff preferences – imports)
- 'Notice 828' (Tariff preferences – rules of origin for various countries)
- 'Notice 830' (GSP Countries)
- 'Notice 831' (Binding Origin Information)



- 'Notice 3001' (Customs Special Procedures)

For more information about trade defence measures, such as anti-dumping duty and countervailing duties, go to www.gov.uk and search for 'Anti-Dumping Duty measures'.

Due diligence when making customs declarations

Importers should already have taken steps to try to avoid fraud risks when doing business with their suppliers or customers. They should carry out checks when entering into contracts and importing goods and continue to do this throughout the contract. We call this due diligence.

Using the information in this letter importers may wish to look again at the way you carry out checks and how they respond to the results of these checks.

It will always be a commercial decision for importers whether or not to do business with someone.

Customs Information Paper CIP27 was published in 2017 to remind importers and their customs representatives of their responsibility to carry out due diligence when making customs declarations. To view this paper, go to www.gov.uk and search 'CIP27'.

Importers should also read the guidance document that outlines the 'good faith arrangements'. Go to, www.gov.uk and search for 'preferential trade arrangements for countries outside the EU'.

If importers think that they have made an error in any declaration they have made, or caused someone else to make one on their behalf, they should read para 2 of notice 826.



Annexe A - possible checks to carry out to confirm the origin of goods

Examples of good practice may include some of the questions below. This is as well as the normal due diligence checks for products that may be at risk of false declarations about their origin.

- 1 Is the declared country of origin close to countries without a preferential Free Trade Agreement
- 2 Is the declared country of origin close to countries for which an anti-dumping duty has been introduced for identical goods
- 3 Are the goods simply being assembled in the declared country of origin from component parts which originate from a country where anti-dumping has been introduced
- 4 Is the declared country of origin known for producing this type of product
- 5 Is there a difference between the country of despatch and the declared country of origin
- 6 Is the paperwork presented in the language used in the declared country of origin
- 7 Does all the supporting paperwork match the good that are being imported
- 8 Is there a Binding Origin Information (BOI)
- 9 What evidence do you have to support the claims of the supplier as to the origin of the goods, for example, what is the manufacturing process

Examples of good practice may include:

- reading the appropriate customs notice(s) and guidance on **www.gov.uk** - this will help you to understand your obligations when making a customs declaration
- finding out the origin rules for the products concerned
- classifying the goods to the correct tariff commodity code
- getting a Binding Tariff Ruling so there are no questions about the correct classification of the product(s)
- reminding your overseas supplier and/or agent of the rules and ask them for written confirmation that they had been met (such confirmation should be dated and include details as to the origin of the materials, components or parts used to make the products and a description of the processes carried out) - this should be done if you're going to claim preference
 - you should also confirm that the same information was given to the relevant authorities with the application for the preference certificate(s) concerned
- making sure you have the original certificates (such as the preference certificates, certificates of origin, certificates of undertakings)
- visiting the overseas factory to get confirmation for yourself that the origin rules had been met
- getting Binding Origin Information (BOI) for your products - you can find out more about the binding origin system in Notice 831: European Union - Binding Origin Information
- getting further written clarification from your supplier/selling agent - you should do this if you think the information you receive is not clear or correct
- finding out if you would be able to include and enforce a clause in your contract allowing you to recover duty from your supplier/selling agent if checks reveal that the certificate was invalid or that the goods have not met the origin rules
- finding out if either:
 - the proofs of origin given to you have been forged or falsified in the overseas country, or have not been issued/authenticated by the proper certifying authorities there
 - the proofs may have been got on the basis of false information or an incorrect account of the facts given by the manufacturers/exporters/suppliers in the overseas country

if you do find either of these apply you can report them to us - to do this, go to **www.gov.uk** and search 'Report fraud to HMRC'.

Please note this is not a complete list.