



# Modernising Authorisations



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# Modernising Authorisations (MA)

**Traders who hold authorisations are considered ‘trusted traders’ and are part of HMRC’s Trusted Trader Scheme**

**Modernising Authorisations is HMRC’s project to improve their trusted trader offer and increase the benefits of being authorised for traders**

**The recently issued cross-government Target Operating Model outlines the vision for the future of customs and excise authorisations**

**HMRC are working with Defra who are also seeking to develop their authorisations offer**



# **Modernising Authorisations (MA)**

**The Modernising Authorisations (MA) project will streamline and digitise HMRC's customs and excise authorisation processes to improve HMRC's offer to traders**

**Modernising Authorisations will reduce the administrative burden and remove duplicative processes, improve the authorisation application process, and deliver wider trust benefits to traders**

**HMRC will maintain a robust approval process for authorisations to identify any trader who poses a risk**

**The Joint Customs Consultative Committee (JCCC) Modernising Authorisations Task and Finish (MA T&F) group will work to develop aspects of MA**



# Modernising Authorisations

**The Modernising Authorisations Task & Finish group will co-design the Modernising Authorisations project with HMRC**

**This may include (but is not limited to):**

- **designing new guidance and communications plans for MA**
- **giving industry feedback on migration plans**
- **and feedback on the design of the new trader portal**

**HMRC will work with the MA T&F group to get feedback and incorporate insights into the development of the MA project**



# Modernising Authorisations

**The Modernising Authorisations project is currently in the Discovery Phase**

**This means HMRC is working to understand in detail how this new system will work for both HMRC staff and their customers, gathering requirements and drafting detailed process maps, so that it can be translated into their technical approach**

**They will be working to understand the priorities from both sides to help inform their delivery schedule**

**They aim to complete Discovery in Autumn 2023**

**The topics outlined in the T&F forward look should help the project team to shape this so HMRC can have confidence that the service will work for users**



# Modernising Authorisations

## User Interface

Different customer journeys, e.g. agent, new, amendment

Understanding form requirements and layout

Functionality for traders

Understanding pre-population

## HMRC Case Management

Map processes & actions

Understanding HMRC teams, users and roles

Understanding links to other systems

## Data Storage

Understanding where data is stored

As is and to be, analysis of data requirements/formatting

Impacting movement of current data stores to new system

Internal MI requirements

## Customer Support

As is methods and topics of contact. Design out pain points

Appropriate supporting guidance

To be, help routes

## Business Change

Internal learning and guidance requirements

Lead in times for change

External comms & guidance

Business impacts



# Modernising Authorisations

**HMRC propose to:**

- **Rationalise and simplify customs authorisations by reducing them from 42 to 5 new groups of authorisations**
- **Make all customs and excise authorisations digital/ paperless**
- **Hold all customs related trader information in one place - a single customer record**
- **A 'once and done' approach to data collection so traders don't have to repeat information already provided**
- **Self-serve access for traders through the Single Trade Window**
- **Develop new and improved guidance to make it easy for all traders to find this information**



# Modernising Authorisations

## Authorisation Group One

### **AUTHORISED ECONOMIC OPERATOR (AEO)**

AEO Customs  
Simplification (C)  
AEO Safety and Security  
(S)  
AEO C and S combined  
(F)

**The ‘gold standard’  
of Trusted Trader schemes**

**Globally Recognised**

**Mutual Recognition  
Schemes (MRA)**





# Authorisation Group Two

## DECLARATIONS AND SIMPLIFICATIONS

Self Assessment  
Bulk import reduced Data  
Set (BIRDs)  
Entry in Declarants  
Records (EIDR)  
Simplified Declaration  
Procedure (SDP)  
Registered Exporter  
Approved Exporter  
Authorised Banana  
Weigher  
Authorised Issuer for  
Proof of Union Status  
Customs Supervised  
Exports (CSE)  
Designated Export Place  
(DEPS)  
Non-Inventory Linked  
Port-Loaders



# Modernising Authorisations

## Authorisation Group Three

### PORTS AND WHARVES

Seaport/Wharf  
Approvals  
Airport Approvals  
Railport Approvals  
Fixed transport  
Installations (FTIs)  
approvals



# Modernising Authorisations

## Authorisation Group Four

### FISCAL

Temporary Storage  
Temporary Admission  
Customs Warehouse  
Inward Processing  
Outward Processing  
End Use/Authorised Use  
Relief  
Simplified Import VAT  
Accounting (SIVA)  
Freeports Custom Special  
Procedure  
Freeports Customs Site  
Operator  
Guarantees and  
Guarantee Waiver

**Special Procedures**  
**Temp Storage**  
**Duty Deferment Accounts**

**Considering presumption  
no guarantee needed except where  
Applicant is borderline for  
Authorisation**

**DDA considering if £10K  
threshold is right level**



# Modernising Authorisations

## Authorisation Group Five

### TRANSIT

Authorised Consignee  
Authorised Consignor  
Use of Special Seals  
Individual Guarantee  
Customs Comprehensive  
Guarantee  
Transit Declaration  
Use of Special Loading  
Lists



# Modernising Authorisations

**All authorisations to have baseline criteria –**

**This involves having a baseline criteria for all authorisations which includes solvency, compliance history, customs competence and record keeping**

**This would involve adding criteria to some authorisations**

**Standardise the decision points for authorisations once an application has been submitted**

**The standard decision point has not yet been decided but it is likely that this will be from 60 - 90 days**

**Stop the clock function - an automatic right to stop counting days towards the legal decision deadline if HMRC go back to the trader to request more information**



# Modernising Authorisations

**Stop the Clock would be recorded on the new MA case management system**

**Example:**

**Application made, HMRC looked at it on day 5 and realised something was missing, HMRC would auto stop the clock when HMRC sent the applicant the request for information, and it would auto start again when the applicant responded**

**The clock will ONLY stop for situations where HMRC doesn't have the information they need because otherwise it would be open to abuse**



# Modernising Authorisations

**Requirement to comply with authorisation conditions and eligibility criteria**

**Introducing a requirement that a trader must comply with the eligibility criteria and conditions of an authorisation**

**If the trader does not comply, then HMRC would have the ability to revoke the authorisation.**

**Requirement to comply with reasonable request for information - e.g. if HMRC needs to reconfirm information for administrative purposes**



# Modernising Authorisations

## **Renewals & time limits –**

**The proposal that HMRC are looking to make in MA is that the grouped authorisations do not have an end date, however they will have a 5 year renewal point where a trader needs to reconfirm details**

**HMRC will do a more thorough check than the periodic reviews**

**As the TCTA does not include end dates for most authorisations however gives a requirement for regular monitoring this should not need to be changed legally**





# Modernising Authorisations

## A new approach to testing Customs Competence and Record Keeping

HMRC propose to:

- **Move from the current system to more of a focus on education for applicants**
- **Introduce a requirement that e-learning is completed as part of the application process for authorisations to help traders understand the requirements for authorisations**
- **The e-learning will also signpost where further information is held**
- **Provide additional support for applicants who have followed the e-learning but need additional information prior to completing their application**
- **Review record keeping requirements and make these more consistent where appropriate**



# Modernising Authorisations

**Modernising Authorisations will be delivered in 3 or 4 phases**

**Currently HMRC plans are:**

**Phase 1:**

- **Deliver a user interface to apply for and manage AEO, Duty Deferment Accounts (DDA) and Excise authorisations (not related to alcohol)**
- **The intention is that by introducing AEO first the most trusted traders see benefits quickly**
- **Duty Deferment Accounts (DDA) will also bring benefits to traders as it is one of the most widely used authorisations**



# Modernising Authorisations

## Phase 2/3:

- **Deliver the remaining authorisations in either 1 or 2 phases**
- **One of these phases will include system to system interaction to allow longer to prepare for IT changes**
- **HMRC understand that sufficient lead in time is required for changes requiring IT build**
- **For this reason HMRC have suggested leaving system to system interaction out of the first phase**



# Modernising Authorisations

## Phase 4:

- **The final phase is expected to be HMRC back end changes to link systems and improve internal data sharing and access**
- **No major work is expected of traders for this phase, though some changes cannot be ruled out**
- **This is expected to complete by March 2025**



# Modernising Authorisations

**Migration of existing traders - HMRC have initially identified two options:**

## **Option 1:**

- **HMRC delivers the new authorisations in phases for new and existing traders**
- **This could mean partial transfer if a trader holds authorisations in different groups – e.g. their AEO is transferred and their Transit authorisations would follow in a later release**
- **This could mean immediate access to the benefits of the new system, but not for all authorisation until the final release**
- **Access would be initially be via Government Gateway and not an Authorised Public Interface (API) until the final release**



# Modernising Authorisations

## Migration of existing traders

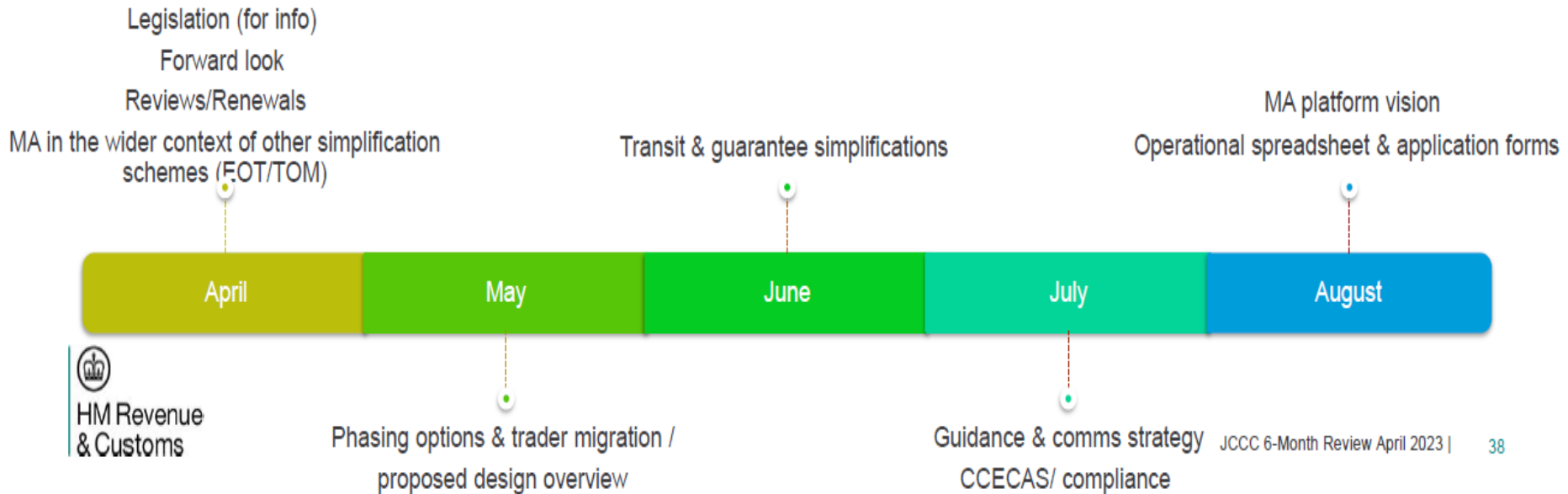
### Option 2:

- **HMRC deliver the new authorisations in phases for new traders**
- **Existing traders are migrated once when the full system is developed**
- **This will minimise the changes traders experience (one system to set up, no changes once it is live)**
- **Traders could use an API instead of logging onto the system via the Government Gateway**
- **There would be time to update IT systems throughout the phased delivery process, which is likely to be completed 2024/2025**



# Modernising Authorisations

## 2023 timeline





# Modernising Authorisations

## **Renewal & review periods**

**To prevent multiple renewal points and multiple site visits, under MA HMRC will assess all trader authorisations at once, so there will be a single review point**

**To ensure authorisation data is kept up to date HMRC will ask traders to re-confirm the data that HMRC hold is correct annually**

**This will also support closing authorisations that are no longer required more quickly**





# Modernising Authorisations

## **Renewal & review periods**

**The trader portal will give notifications and auto-reminders will be sent in advance to support awareness of when these reviews are upcoming**

**Review periods of authorisations/evidence will be tailored to the trader and authorisation to support traders whose circumstances are more fluid and may need additional support**

**Authorisations will be renewed via a more thorough assessment every 3-5 years to ensure authorisations are being used correctly and continue to be required**

**These renewal points will be noted on the trader portal so traders can prepare in advance**



# Modernising Authorisations

**HMRC propose to have:**

**New content on the gov.uk pages**

**Authorisations handbooks which is a middle product between gov.uk information and technical manuals**

**HMRC plan to only have two handbooks, covering Fiscal and Simplifications and Declarations groupings**

**Technical manuals and notices for the more experienced traders and intermediaries which will support their work on complex customs issues**

**Smart application form guidance which is in the application pages to inform traders for each data field of the application form**

**Guidance on how to use the new IT portal**



# Modernising Authorisations

**Delivery of the MA project is currently due to take place in  
2023/2024 and 2024/2025**



# Questions?

# Act Now!

