

# Guidance on the completion of Approved Exporter application form C1454

Customs Information Paper (12) 42	
Who should read:	All UK exporters who are interested in applying for Approved Exporter status for the purpose of issuing simplified proofs of preferential origin for exports to South Korea and to the EU's other preferential trading partners.
What is it about:	Specific Guidance on the completion of Form C1454 (Approved Exporter application).
When effective:	Immediate.
Extant until/expires:	Until further notice.

## 1. Background

Under the provisions of the EU's preferential trade arrangements, certain goods may be imported at reduced or nil rates of customs duty if they are manufactured/produced in the exporting country in accordance with the appropriate rules of origin.

Evidence that those rules have been met is provided by a proof of preferential origin - a certificate issued by a government authority, or a declaration inserted on an invoice or other commercial document by an exporter in the overseas country concerned.

While the EU's preferential trade arrangements normally provide for the issue of invoice declarations as an alternative to a preference certificate, under the EU-South Korea Agreement the proof of preferential origin only takes the form of a declaration of origin which is inserted by the exporter on an invoice or other commercial document.

Any exporter in the UK or in the preferential partner country can issue such a declaration where the value of the consignment is £5,700 or less (Notice 827 European Community Preferences: Export Procedures has a list of countries and the value limits applicable to them). **However, exporters must be approved by the relevant customs authorities to issue declarations for consignments with a value in excess of this amount.** HM Revenue & Customs (HMRC) issues approvals for exports from the UK, and the customs authorities in the partner countries will issue approvals under their own procedures for their exporters.

The legislation stipulates that the authorities may approve exporters who have been able to satisfy them that the goods they are exporting qualify for the preferential tariff treatment provided by the Agreement. Therefore, approval is not automatic or guaranteed. It can only be granted if the exporter's goods meet the preferential rules of origin.

This means that UK exporters who are applying for approved exporter status must provide the appropriate information and evidence, in order to satisfy HMRC that the goods that they are wishing to export under the Agreement meet all conditions for the issue of the preferential origin declaration.

## **2. Further information**

Any UK trader who wishes to become an Approved Exporter must complete Form C1454. Once completed it must be forwarded by post, for consideration, to:

HMRC Authorisations and Returns Team  
Peter Bennett House  
Redvers Close  
Lawnswood Business Park  
Leeds  
LS16 6RQ

Once you have sent in your application form to Leeds, then you should receive an acknowledgement within ten working days of your application being received. This will indicate whether it is satisfactory or it will contain a request for further information.

Each application will be carefully considered, so it is in your own interests not to take any action on the assumption that the authorisation will be granted automatically. We may arrange a visit to confirm and clarify the information you have given to us on your application form.

You will be informed of the decision to grant or reject the application within 30 days of us receiving all the information we need to consider the application.

If you have an HMRC Client Relationship Manager you should send your application direct to them or to your allocated Customs & International Trade Tax Specialist.

Please refer to [Annex 1](#) to access the "Box by Box" Guidance.

## **3. EC-wide approvals**

Exporters in the UK who frequently export originating goods from another Member State, can apply to the HMRC Authorisations and Returns team to extend their authorisation to cover exports from other Member States.

Such an extension is not automatic as HMRC is obliged to refer any such applications to the relevant authorities in the Member States from which such exports are to be made.

## 4. Useful links

There is also a lot of information available on the Business Link website on the various Trade Agreements that the EU operates with partner countries. This information can be accessed via the trade agreements pages.

[Trade agreements](#)

## 5. Contacts

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If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the Excise & Customs Helpline on Tel 0845 010 9000.

To find out what you can expect from HMRC and what they expect from you have a look at [Your Charter](#).

## Annex1 - form C1454

**Box 1** – Full name and UK address and contact details of the exporting company applying for Approval.

**Box 2** – List any associated companies in the UK/EC. Use a separate sheet of paper if more space is required.

**Box 3** –

a) Goods – Identify the goods by giving a reasonably full commercial description. For example, “Photocopiers/Printers” instead of “Office Machinery”.

b) Commodity Code (10 digit) – The origin rule to be applied depends entirely on the Commodity Code of the product(s) to be exported. Consequently, if there is any doubt as to the correct classification, then advice can be obtained from the HMRC Classification Helpline on Tel 01702 366077.

**Box 4** – The entered information does not have to be precise - approximations are acceptable.

**Box 5** – This is important, because it will determine the level/type of evidence required to be held.

**Box 6** – If you are intending to export goods for which you are not the manufacturer, then you will need to obtain evidence of EU preferential origin from the actual manufacturer. This should be in the format of a Suppliers' Declaration – the layout of which can be found in Sections 14 and 15 of Notice 827. A copy of each Declaration held should be forwarded with the application.

**Box 7** – Depending on the origin rule for product(s) to be exported (see Box 8), you may need to hold evidence of EU origin for bought-in components/materials. This would need to be a Suppliers Declaration confirming EU origin. A copy of each Declaration held should be forwarded with the application.

**Box 8** – This is the most important Box, as it is the information supplied here that largely determines whether an approval application will be successful. Use a separate sheet of paper if required.

Step 1 – The first thing to do is to insert the actual Origin rule that you are seeking to apply to the product(s) to be exported. If you are uncertain in any way of the correct rule, then please refer to Annex 1 of our Guide to the Korean Agreement, which can be found in Customs Information Paper (12) 50, or for other countries Notices 828, 830 or 832. The origin rule is based on the first four digits of the commodity code.

You must also include in Box 8 an explanation of how the product has met that rule.

Step 2 – Some rules can seem a little daunting, so the following examples set out some of the more common rules together with some guidance to explain “what they mean” in practice.

NB – “Materials” means non-originating (non-EU) materials unless specified to the contrary.

## Rules

The following rules of origin are for South Korea – for the rules of origin for any other country you will need to check the appropriate Notice or Regulation.

### a) Wholly obtained

Heading 0705 (Lettuce)

Manufacture in which all the materials of Chapter 7 used are wholly obtained.

This means that any exported lettuce from the EU must have been grown and harvested in the EU. This is the confirmation that will be required in Box 8.

### b) Change of Tariff Heading (CTH)

## Heading 8601 (Rail locomotives)

Manufacture from materials of any Heading, except that of the product.

This means that the only restriction is that non-EU materials of Heading 8601 cannot be used. The Authorisation team will require confirmation of this to confirm compliance with the rule.

### c) Process rules

## Heading 5901 (Coated textile fabrics)

Manufacture from yarn.

Most textile goods have what are often referred to as “stage of production” rules. In this particular case, it means that while the yarn can be sourced from anywhere, each stage from thereon (yarn to fabric/fabric to finished article) must be undertaken in the EU.

You will need to set out the processes undertaken in the EU from imported raw material to finished product.

### d) Percentage rules

## Heading 3824

Manufacture from materials of any Heading except that of the product. However, materials of the same Heading as the product may be used, provided that their total value does not exceed 20 per cent of the ex-works price of the product.

OR

\*Manufacture in which the value of all the materials used does not exceed 50 per cent of the ex-works price of the product (“materials” means non-EU materials).

Any non-EU materials used must be of a different Heading than 3824. However, there is a built in tolerance which allows the use of non-EU materials of Heading 3824 – subject to a maximum of 20 per cent by way of value of the selling price of the exported product.

The best way to look at the 50 per cent rule is to work out the total value of all materials. If this is less than 50 per cent, the rule is met. However, if for example the total material content is 52 per cent of the ex-works price, then you will need evidence of EU origin\*\* for the “extra” 2 per cent (the first 50 per cent being unrestricted in terms of source).

\* See Annex 2 – Heading 8529 for an example of the type information required to confirm compliance.

\*\* Suppliers Declarations – Notice 827 (Sections 14/15).

## Heading 7604

Manufacture from materials of any Heading, except that of the product, AND in which the value of all the materials used does not exceed 50 per cent of the ex-works price of the product.

Any materials of Heading 7604 used must be of EU origin, and the TOTAL value of all non-EU materials used must not exceed 50 per cent of the value of the product to be exported (for example if this is £100, then the value of non-EU materials is limited to £50).

#### Heading 8529

Manufacture in which the value of all the materials used does not exceed 50 per cent of the ex-works price of the product ("materials" means non-EU materials).

The best way to look at the rule is to work out the total value of all materials. If this is less than 50 per cent, the rule is met. However, if for example the total material content is 52 per cent of the ex-works price, then you will need evidence of EU origin for the "extra" 2 per cent (the first 50 per cent being unrestricted in terms of source).

For all of the above percentage rules, the HMRC Authorisations team will need a breakdown of costings to demonstrate compliance with the relevant rule. Therefore a brief costings summary confirming compliance should if possible be attached to the Application Form.

[Annex 2](#) contains some suggestions as to how the required information might be provided.

NB Some Headings (as with 3824 above) offer a choice of rules – where this is the case, exporters can apply whichever rule they choose.

**Box 9** – Enter SOUTH KOREA or the Country you are exporting to.

**Box 10** – The answer here will depend on whether the application is restricted to one country ie South Korea. If not, then please list any additional countries.

NB It must be stressed the rules in different agreements are not always the same for exports to all other countries. You will need to check Notices 828/830/832 to confirm.

**Box 11** – Indicate Invoice Declarations.

**Box 12** – All authorisations (past AND present) should be listed. This information will assist HMRC to build a history of compliance.

## Annex 2 - suggestions as to how information might be provided

Product code	Description	Origin rule	Ex works price	Cost of all Materials (originating + non-originating)	Cost of Labour	Overheads	Cost of non-EU materials in heading 3824	Profit
3824	Prepared binders for foundry moulds or cores: chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex works price	1000*	500	200	150	120**	150

\* This figure is made up of the four underlined columns.

\*\* This figure confirms the total is within the tolerance specified in the origin rule. If for example the figure was 210, then the tolerance would be exceeded and the rule not met.

Product code	Description	Origin rule	Ex works price	Cost of all Materials (originating + non-originating)	Cost of Labour	Overheads	Cost of any non EU materials	Cost of EU materials in heading 7604 (evidence of EU preferential origin attached)	Profit
7604	Aluminium bars, rods and profiles	<p>Manufacture:</p> <p>from materials of any heading, except that of the product and</p> <p>in which the value of all the materials used does not exceed 50% of the ex works price of the product</p>	2500*	1500	250	250	1200**	200***	500

\* This figure is made up of the four underlined columns.

\*\* The value of non-EU materials is less than 50 per cent of the ex-works price, so that part of the rule is met.

\*\*\* Any materials of 7604 used must be of EU preferential origin, so the appropriate evidence must be held (Sections 14/15 of Notice 827 refer).



Product code	Description	Origin rule	Ex works price	Cost of all Materials (originating + non-originating)	Cost of Labour	Overheads	Cost of any non EU materials	Profit
8529	Parts suitable for use solely or principally with the apparatus of headings 8525 to 8528	Manufacture in which the value of all the materials used does not exceed 50% of the ex works price of the product	8400*	5300	500	400	4100**	2200

\* This figure is made up of the 4 underlined columns.

\*\* The value of non-EU materials is less than 50% of the ex-works price, so the rule is met.