

New Electronic Customs Declaration System in Ireland (“AEP2”)*

The current Irish Automated Entry Procedure (AEP) for Customs declarations (SADs) was replaced on 1 June 2007 with “AEP2”

July 2008



Introduction

We set out below some important points to consider prior to the implementation of the New Electronic Customs Declaration System (“AEP2”) in Ireland. We would suggest that a review of the role of your Customs clearance agents as well as your instructions to them be undertaken as soon as possible. The structure of AEP2 is such that incorrect information used by your clearance agents may, post 1 June 2007, result in unnecessary delays for your goods imported into and exported from Ireland.

We understand that there will be no transition period and therefore it is advisable that all necessary review steps be undertaken immediately.

Background

As an AEP user, the Revenue Commissioners will have sent you information regarding AEP2. In addition, if you are authorised to operate any of the Customs procedures with economic impact (IPR, PCC, OP, End-Use, etc.), you

may already have received notification of your new authorisation number.

To assist you in managing the changes, we would draw particular attention to:

The need for digital signatures

The digital signature of the “Declarant” will be required to submit SAD entries. This will impact where you use DTI (Direct Trader Input) and also where you avail of the services of a clearance agent to complete your entries. The scenarios are as follows:

- If you use the DTI facility, then you will need to ensure that you have a digital signature
- If your clearance agent completes declarations in your name, then you will have to obtain a digital signature and they in turn will be required to be approved as a sub-user of your digital signature
- If your clearance agent completes declarations in his own name, the clearance agent will use his own digital signature

New Electronic Customs Declaration System in Ireland ("AEP2")

The same principles will apply where you propose to use software agencies to process your Customs declarations.

New Validation System for Customs Declarations

Revenue will have the ability to directly validate data entered in certain key SAD boxes against the information that Revenue holds for your approved Customs activities. Therefore, your clearance agents must ensure that all the appropriate details on Customs declarations for your goods are completed correctly. Thus, your agents must enter the correct TAN and VAT numbers, tariff classifications, authorisations numbers, and Customs procedures costs, as well as any other details required under authorisation/rulings held by your company.

For example, it is envisaged that where a company holds an Inward Processing Relief authorisation (IPR), AEP2 will validate all imported materials assigned to that IPR authorisation at both importation and subsequent exportation against the Revenue-held list of approved materials for that authorisation. Any inconsistencies will result in the rejection of the import SAD.

The aim of AEP2 is to enable Revenue to analyse Customs declarations through their Risk Management profiling software and, we understand, assist them in future Audit programmes.

Changes in the data sets on your Customs Declarations

AEP2 will require the completion of new information sets, revised codes and additional boxes on the declarations,

Therefore, it is critical that both you and your clearance agents fully understand the information that will be required to be entered on Customs declarations at import and export for your goods.

Conclusion

In light of AEP2, we would recommend that you:

- Determine whether you will require a digital signature and sub-users
- Review the details used by your clearance agents, for example, your TAN and VAT numbers, tariff classifications, new authorisation numbers, and Customs procedure codes to ensure they meet the new requirements
- Identify what additional or revised information will be required

Finally, it should be noted that while Ireland implemented AEP2 on 1 June 2007, similar software interfaces have been rolled out across the EU in the ensuing months. Therefore, to ensure minimum disruption to your business, we would suggest that you ensure that all appropriate declaration details are being used in all the other Community countries where you make Customs declarations.

PwC Support

If you need any assistance to fully understand the impact of this significant change in Customs declarations or require support to implement procedures to ensure compliance, we would be pleased to offer our assistance.

If you have queries relating to any of the issues referred to in this document, please contact:



Damian McCarthy
Senior Consultant
Customs and International Trade
Email: damian.mccarthy@ie.pwc.com
Tel: 353-1-792 6203 Fax: 353-1-792 6200



Anna Blake
Senior Manager
Customs and International Trade
Email: anna.blake@ie.pwc.com
Tel: 353-1-792 8645 Fax: 353-1-792 6200



Anne Williams
Director
Customs and International Trade
Email: anne.c.williams@ie.pwc.com
Tel: 353-1-792 6528 Fax: 353-1-792 6200



Paul Rodgers
Manager
Customs and International Trade
Email: paul.rodgers@ie.pwc.com
Tel: 353-1-792 6696 Fax: 353-1-792 6200

© 2008 PricewaterhouseCoopers. All rights reserved. "PricewaterhouseCoopers" refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity. PricewaterhouseCoopers, One Spencer Dock, North Wall Quay, Dublin 1 is authorised by the Institute of Chartered Accountants in Ireland to carry on investment business. (00564).