

Migration from CHIEF to CDS FAQs guide

What are the changes being made?

The current customs system (CHIEF) will be replaced with the new Customs Declarations Service (CDS) for imports in September 2022 and exports in March 2023.

Why are these changes being made to my deferment account?

HMRC deemed that it was not practical to try to adapt CHIEF to comply with EU customs requirements set forth in the Union Custom Code (UCC) and instead decided to replace the system with CDS, a flexible, modular platform that is built to scale with the growth of international trade.

According to the Directors General for Borders and Trade at HMRC, “CDS is a key part of the government’s plans for a world-leading fully digitised border that will help UK businesses to trade and to prosper.” The UK government also foresees cost savings for taxpayers as a result of the consolidation into a single system for customs declarations.

Is there anything I need to do in order to change my deferment account?

In order to ensure continuity of service using your deferment account please ensure you have made the following changes:

1. Set up a CDS direct debit instruction which will run alongside your CHIEF direct debit until all your brokers/agents have migrated to CDS.
2. Set the approval for Royal Mail Group (includes Parcelforce Worldwide) to use your deferment account on CDS.

How do I make these changes to my deferment account?

The following guidance on how to make the necessary changes has been issued by HMRC, if you require further instructions please visit their website.

Duty Deferment Accounts on the Customs Declaration Service

The Direct Debit Instruction must be set up by you as the deferment account holder. To do this you’ll need to:

- [Register for CDS](#) and follow the ‘get access’ instructions
- [Set up a Direct Debit for a Duty Deferment Account](#)

If your Direct Debit Instruction does not require multiple signatures, you will be able to set up your Direct Debit through your **Customs Declaration Service Financials Dashboard**, following your registration.

If your Direct Debit Instruction requires more than one signature, you will need to complete, print and sign a direct debit mandate form and return it to HMRC. You can send your form to HMRC digitally, using Dropbox, or simply print and post your completed form to them. Both options are detailed on your Customs Declaration Service Financials Dashboard.

Should you, or another partner you work with, continue to use CHIEF for other goods movements, please do not cancel your CHIEF Direct Debit Instruction. **Two separate Direct Debits are required** – one for CHIEF declarations, and a separate one for CDS declarations. You will not be charged twice for the same liability.

Once registered for CDS, all accounting information can be viewed on your customs financial accounts dashboard. You can also check if your partners have the authority to use your deferment account in your customs financial accounts which you will also find on your financial dashboard and add or delete partners (this is separate to any partners you may have already set up in CHIEF).

When will I need to make these changes by?

If you are an import customer, please ensure that you have made the required changes to your account by the **Friday 20th May 2022** to maintain continuity of the service through Parcelforce Worldwide (note that other intermediaries may have different timelines).

What will happen if I do not make any changes to my account?

If you do not make these changes before **Friday 20th May** Parcelforce Worldwide will **not** be able to use your deferment account and will need to charge duties and import VAT by invoice after the declaration has been made.

Customers who complete the required changes help to reduce the likelihood of delays to items in customs and ensure items are delivered as soon as possible.

What if I do not use CDS directly? Do I still need to make these changes to my account?

Yes, you will still have to make these changes even if you do not use CDS directly. This is to allow Parcelforce Worldwide to continue to use your deferment account on your behalf, you will need to complete a new CDS Direct Debit Instruction for your payments to be successful, as CDS uses a different HMRC bank account to CHIEF.

What happens if I do not want to use a deferment account?

Parcelforce Worldwide can still complete declarations on your behalf by making the payments using the Royal Mail deferment account. This will mean that Parcelforce Worldwide will need to invoice you directly for any declarations that have been made in your name to collect the necessary Tax and Duties.

You will still receive a C79 to allow you to account for your import VAT but sometimes you might find that the Parcelforce Worldwide invoice has not yet been provided in time to cover the reporting period against your C79 – we will try our best to make sure invoices are released in a timely manner.

What if I would like to use Postponed VAT Accounting instead?

It is possible to instruct Parcelforce Worldwide to select PVA at the time of import to allow all of the import VAT to be allocated to your PVA account. This is the preferred method as it allows you to access all the necessary documents online in a timely manner.

If you opt to use PVA for your import VAT, you will still need to account for customs duties using a deferment account. On this basis, you can select to use:

- PVA alongside your own deferment account or
- Parcelforce Worldwide will use your PVA alongside the Parcelforce deferment account

If you would like more information on using PVA on CDS, please check the HMRC website for more information on PVA and how to access it. <https://www.gov.uk/guidance/get-your-postponed-import-vat-statement>

All PVA statements are available in the same CDS financial dashboard – helpfully keeping everything in one place

What other changes might you need to know

CDS does request a number of additional data elements for the declaration and the declarations are made using a different methodology. You should not need to make any changes in the way that you provide data, however, you may notice a few changes to the data fields on our customer facing platforms.

We will keep you informed of any changes or additional/amendments to data fields on the customer facing platforms as soon as we can.

We aim to have as minimal disruption as possible and provide updates as we progress through migration for imports and for exports (we will let you know when we have a final date for export migration – we are expecting this to be approximately September 2022)

Who do I contact if I need help?

For help and advice please contact your Account Managers who will be able to assist with any enquiries.

For more information please visit HMRCs guidance page, [Preparing for the Customs Declarations Service](#)