

Article

Impact of trade in goods data collection changes on UK trade statistics: further update on Staged Customs Controls

Summary of investigations to understand the impact of Staged Customs Controls on UK trade statistics and plans for implementing data adjustments.

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Table of contents

1. [Overview](#)
2. [Summary of Staged Customs Controls](#)
3. [Identifying use of Staged Customs Controls](#)
4. [Impact of Staged Customs Controls on UK trade statistics](#)
5. [Future developments for UK trade statistics](#)
6. [Related publications](#)
7. [Cite this article](#)

1 . Overview

Since the UK left the EU, the arrangements for how the UK trades with the EU have changed. We are keen at the Office for National Statistics (ONS), working with colleagues in HM Revenue and Customs (HMRC) and elsewhere, to keep users updated on the impact of changes to trade data collection on our trade statistics and how we are taking steps to account for these impacts.

In our [Impact of trade in goods data collection changes on UK trade statistics: update on Staged Customs Controls article](#) published in February 2023, we presented trend analysis to help understand possible impact of Staged Customs Controls (SCC) on trade in goods data for imports from the EU to Great Britain in 2022.

We have continued to work with colleagues in HMRC to determine the impact of SCC on our statistics on imports of goods from the EU. This article summarises our latest findings and details our plans to make adjustments to our estimates of goods imports from the EU in 2022.

2 . Summary of Staged Customs Controls

In 2021, the use of Staged Customs Controls (SCC) allowed customs declarations to be reported up to 175 days after the date of import for imports of non-controlled goods from the EU to Great Britain. [Full customs controls for importing goods from the EU to Great Britain were introduced in January 2022](#), as such, July 2022 marked the first full month of data where delayed customs declarations submitted under SCC could not be included. However, SCC can continue to be used for imports to Great Britain from Ireland, although analysis shows this only affects a very small proportion of imports from Ireland.

Because of the change in trade data collection methods from the Intrastat Survey in 2021 to full customs declarations in 2022, any use of SCC caused double counting in UK trade statistics during 2022. This is because some imports in the second half of 2021 that were recorded via the Intrastat Survey appeared again on customs declarations in the first half of 2022.

3 . Identifying use of Staged Customs Controls

Working with HM Revenue and Customs (HMRC), we have developed a methodology to identify potential instances of the use of Staged Customs Controls (SCC) by traders when making customs declarations during 2022. This approach has been followed up with investigations among traders identified as potentially using SCC, to confirm whether they used it, to what extent, and whether their reporting in 2022 has resulted in double counting. In addition, we have contacted a selection of traders who were not identified under the methodology as having used SCC, to check whether there is evidence of wider use of SCC.

The methodology uses information returned in customs declarations. While there is no clear label on declarations to enable direct identification of those submitted under SCC, the statistical dataset for customs declarations does include both an acceptance date and a clearance date for imported goods. The acceptance date is the tax point and the date when goods enter free circulation. The clearance date is based on when the customs declaration and goods movement was completed; this is the point when HMRC is satisfied all import formalities are complete. The clearance date determines the month of account for trade statistics purposes.

Authorised traders are able to use a simplified customs declaration procedure for imports by using either Entry in Declarant's Records (EIDR) or Simplified Declarations Procedure (SDP). Both options require a supplementary customs declaration submission to be made to HMRC by the fourth working day of the following month. That is, authorised traders have an allowance of up to around 37 days (depending on the length of the month and when the weekend falls) to submit all required information regarding their imports.

The date for clearing customs, when all formalities are complete, can vary depending on whether the goods have been stopped for examination or if further documentation checks are required. The difference during the period of temporary SCC was that traders had the option of taking up to 175 days from the date of acceptance to make the supplementary declaration.

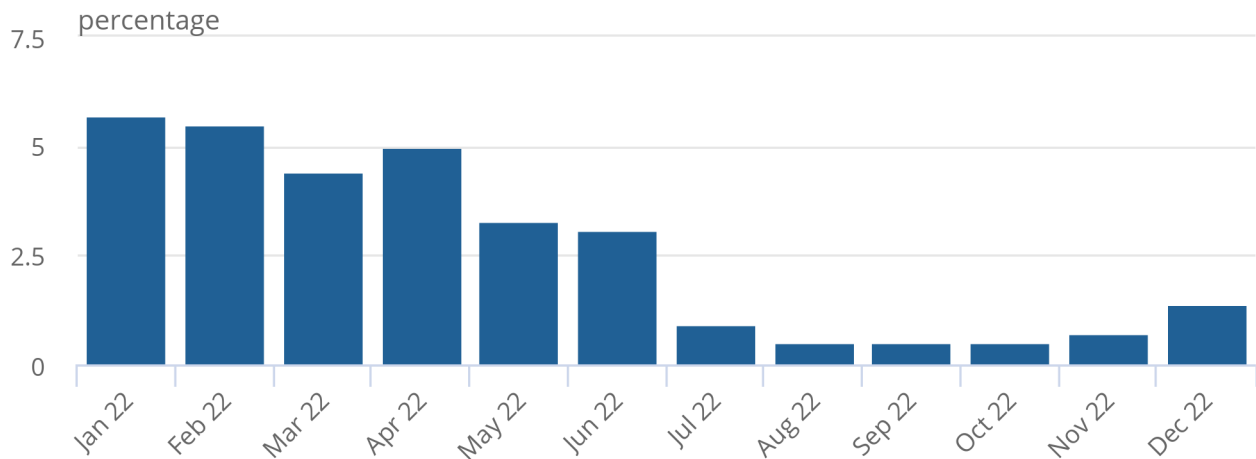
HMRC and the Office for National Statistics (ONS) have identified potential cases of traders who may have used SCC to report 2021 trade in 2022. We did this by examining imports from the EU to Great Britain with an acceptance date in 2021 and a clearance date in 2022 in which the difference in dates exceeded 40 days (that is, the 37 days allowance plus a short period of tolerance). The percentage of monthly total reported trade for which the acceptance date was more than 40 days earlier than the clearance date, was much larger during the first half of 2022 (when delayed 2021 customs declarations submitted under SCC could be included) than the second half (Figure 1).

Figure 1: More imports of goods from the EU had an acceptance date greater than 40 days prior to the clearance date during the first half of 2022

Percentage by value of total monthly goods imports from the EU with an acceptance date greater than 40 days earlier than the clearance date, January to December 2022

Figure 1: More imports of goods from the EU had an acceptance date greater than 40 days prior to the clearance date during the first half of 2022

Percentage by value of total monthly goods imports from the EU with an acceptance date greater than 40 days earlier than the clearance date, January to December 2022



Source: HM Revenue and Customs

We are working with HMRC to collect evidence to check the robustness of the acceptance and clearance date analysis methodology. This work involves:

- contacting traders identified under the dates analysis method to check if they used SCC, for what value, and whether they had also reported that trade via the Intrastat Survey in 2021
- analysing microdata to identify other traders displaying an unusual pattern of trade in 2022, and carrying out investigations with them to check if this reflected use of SCC
- contacting traders that were neither flagged by the dates analysis method nor displayed unusual trade patterns in 2022 to check whether they used SCC

4 . Impact of Staged Customs Controls on UK trade statistics

While our investigations are not yet fully complete, the method detailed previously has flagged approximately £6 billion of imports conducted in 2021 but submitted via customs declarations in 2022. This represents 2% of total imports from the EU to Great Britain in 2022, or 4% during the first half of 2022. HM Revenue and Customs (HMRC) trade statistics verification officers and customer relations teams have contacted and received confirmation from traders accounting for approximately two-thirds of these imports by value. This process has so far confirmed £4.2 billion of imports falling into this category, whereas only £2 million of imports identified as potential Staged Customs Controls (SCC) have been stated by the trader as not relating to SCC. Of the £4.2 billion of imports confirmed as using SCC, all of these delayed declarations were made in the first six months of 2022, rather than later in the year.

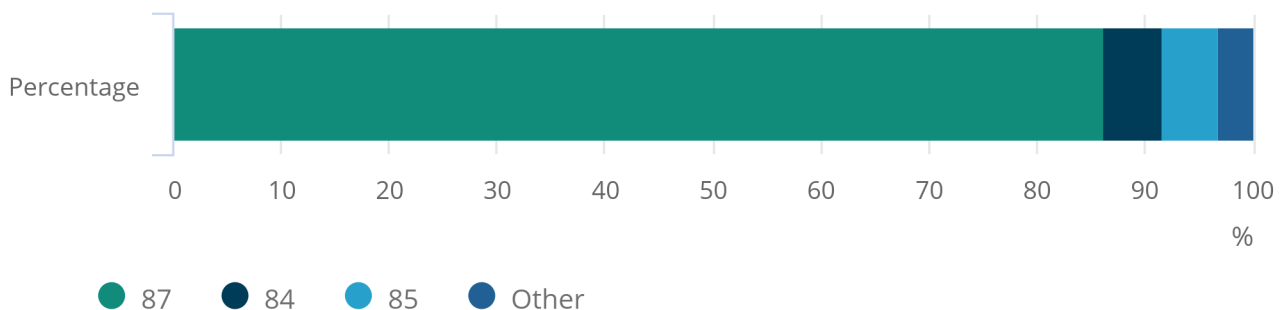
Chapter 87 (vehicles other than railway or tramway) accounts for the majority of the confirmed £4.2 billion when broken down by commodity chapters (Figure 2). Chapter 87 mainly consists of imports of motor cars and vehicles for transport of fewer than 10 people, parts and accessories for large vehicles, and motor vehicles for the transport of goods. As HMRC have focused much of their investigation to date on Chapter 87, the proportion of SCC imports for that chapter is likely to be higher now than when investigations are completed across all chapters and the full impact is determined.

Figure 2: Chapter 87 (vehicles other than railway or tramway) accounts for the majority of the £4.2 billion of trade confirmed as using SCC to date

Proportion of trade confirmed to date as using Staged Customs Controls (SCC) in the first six months of 2022, by chapter

Figure 2: Chapter 87 (vehicles other than railway or tramway) accounts for the majority of the £4.2 billion of trade confirmed as using SCC to date

Proportion of trade confirmed to date as using Staged Customs Controls (SCC) in the first six months of 2022, by chapter



Source: HM Revenue and Customs

Notes:

- The commodity chapters include:
 - Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances
 - Chapter 85: Electrical machinery and equipment; sound recorders and reproducers, television image and sound recorders and reproducers
 - Chapter 87: Vehicles other than railway or tramway stock
 - Other: All other chapters

To date, all traders who have confirmed 2022 returns under SCC have stated that they also made those returns in 2021 via the Intrastat Survey. This confirms that the trade reported in 2022 under SCC represents double counting in our trade statistics, as detailed in [Section 2: Summary of Staged Customs Controls](#). We will therefore make an adjustment to remove imports identified as SCC from the 2022 figures.

The scale of adjustments to be made is not yet finalised, with work to check trade patterns with more traders still continuing. We are increasing our focus on additional traders who were not identified under the acceptance and clearance date analysis as using SCC. This investigation is faced with challenges relating to complexity and level of detail required, as well as the time lapse from 2022, which makes investigation with each trader a lengthy process. To date, feedback from the contacted traders has been that SCC was not used. However, any feedback to the contrary will be considered in refinement of the dates-based methodology described previously, to determine what the final adjustment total should be.

The analysis presented in this article represents the latest findings in our ongoing investigation into the impact of SCC on UK trade statistics. We will continue with our analysis in collaboration with colleagues at HMRC, and we plan to include a finalised adjustment in our upcoming [GDP quarterly national accounts, UK: April to June 2023](#) and [Balance of payments, UK: April to June 2023](#) releases publishing on 29 September 2023. This will represent a downward adjustment to EU imports of trade in goods data for the period from January to June 2022.

5 . Future developments for UK trade statistics

Imports from the EU in 2022

When considering the adjusted total, imports of goods from the EU are expected to continue to display a changed pattern relative to mirror statistics of EU exports to the UK reported by Eurostat throughout 2022 and into 2023. However, as Eurostat and the Office for National Statistics (ONS) data have never completely matched on trade between the UK and EU, this is therefore not definitive proof of a change, but it does suggest a potential step change in trade patterns. We are continuing to explore if there are any other factors in data collection or trader behaviour that could be influencing this trend and aim to outline any findings in autumn 2023.

Imports from and exports to the EU pre–2021

[HM Revenue and Customs \(HMRC\) implemented a data collection change](#) affecting data on goods exports from Great Britain to the EU in January 2021, and data on goods imports from the EU to Great Britain in January 2022. We have [applied adjustments to our estimates of goods imports from the EU for 2021](#) to reflect this data collection change, which brought imports and exports statistics onto a like for like basis in 2021.

The full time series for goods imports from and exports to the EU contains a discontinuity from January 2021 resulting from the move from Intrastat to customs declarations. For more information, please see our [Impact of trade in goods data collection changes on UK trade statistics: adjustments to 2021 EU imports estimates article](#). Caution should be taken when interpreting these statistics. We are continuing to work with HMRC to consider whether it is possible to account for this discontinuity.

6 . Related publications

[UK trade: April 2023](#)

Bulletin | Released 14 June 2023

Total value of UK exports and imports of goods and services in current prices, chained volume measures and implied deflators.

[UK trade in goods, year in review: 2022](#)

Article | Released 17 February 2023

An analysis of UK trade in goods in 2022 in the context of rising price inflation and the Russian invasion of Ukraine.

[Trading places: How we are producing consistent estimates of trade figures following the UK's EU exit](#)

Blog post | Released 10 February 2023

A blog summarising the changes to the way trade in goods is recorded following the UK's exit from the EU, and how the ONS is responding to their impact.

[Focus on UK trade](#)

Article series | Released 26 January 2023

A series of articles taking a closer look at emerging themes in UK trade statistics.

[Understanding the latest changes to the UK trade figures with the EU](#)

Blog post | Released 11 March 2022

A blog detailing the latest changes to the way HM Revenue and Customs collect data for both imports from and exports to the EU.

7 . Cite this article

Office for National Statistics (ONS), released 3 July 2023, ONS website, article, [Impact of trade in goods data collection changes on UK trade statistics: further update on Staged Customs Controls](#).