



## **Union Customs Code – UPDATE 2**

The Union Customs Code ('UCC') came into force on 1<sup>st</sup> May 2016 and makes major changes to how materials are transported to and from the UK Continental Shelf ('UKCS').

We issued a note in April 2016 explaining the background to the changes, if you are unaware of what the UCC is, we recommend you read that note, which is available on our Vendor Relations web site. You should also refer to the *Further Information* at the end of this document.

HM Revenue & Customs have confirmed that Brexit has not changed any of the requirements and that businesses with materials transported to/from the UKCS must still move to making export and import declarations. The purpose of this note is to update you on ConocoPhillips' position, to set out what we expect of you and to provide you with another reminder of what you need to do. The changes will depend on whether you sell materials to ConocoPhillips, provide offshore services, or both, each of these are explained below.

### **ConocoPhillips' position - update**

- ConocoPhillips has obtained Authorised Economic Operator (C) certification;
- ConocoPhillips will be operating the EIDR method of declaration, to ensure that there are no delays with its materials at the quayside;
- ConocoPhillips has been working on UCC systems changes for over a year and is finalising the testing of its UCC processes; and
- ConocoPhillips is expecting to implement UCC processes in quarter 3 2017 – you must have established procedures in place by then, as ship's manifests will no longer be accepted as the export/import declaration.

### **Materials sold to ConocoPhillips – changes effective immediately and mandatory from 1 June 2017**

- All vendors are required to provide the Tariff Code (sometimes referred to as commodity code, or HS code) for the materials that are sold to ConocoPhillips;
- The Tariff Code is an 8-digit number which ensures that your material is correctly categorised for customs import and export purposes;
- The Tariff Code should be stated clearly on all supporting paperwork, including invoices, order notes and delivery paperwork;
- This requirement applies to all vendors (i.e. UK, EU and non-EU), irrespective of where they are based, or where the materials are delivered from;
- For UK-based vendors, the Tariff Code can be accessed on the online Trade Tariff (see Further Information). For vendors based in other countries, they should access the Tariff via the appropriate source; and
- This requirement, to add Tariff Codes to supporting delivery note documentation, takes effect immediately and shall be a mandatory requirement for all ConocoPhillips materials receipts from 1 June 2017.
- ConocoPhillips believe delivery documentation complete with UCC Tariff Code will become an industry standard in the near future.

### **Vendor owned or hired materials – changes to take effect in quarter 3 2017**

- ConocoPhillips will only be responsible for materials and equipment it owns, so will not be declaring any materials owned by other parties;
- If you are supplying goods on hire, or have tools and equipment being transported as part of some work to be carried out offshore, you will be responsible for making the export/import declaration;
- The export declaration must be made prior to the materials arriving at the quayside or warehouse;
- The materials must be accompanied with evidence that the declaration has been made – we will be in touch again with confirmation as to what is acceptable evidence; and
- This requirement, vendor owned or hired materials declaration, will take effect in quarter 3 2017.

### **What do vendors have to do next?**

- It is vital that you are taking steps to ensure that you will be able to make export/import declarations for all the materials and equipment that you are responsible for;
- We require you to confirm and advise us which one of the following applies (N.B. only one applies):
  - Do you have materials or equipment moving to ConocoPhillips UK offshore locations (other than those sold to ConocoPhillips UK before moving offshore)?  
This includes:
    - equipment/materials supplied to COP on a rental basis
    - mobilisation of your or sub-contractors' equipment/materials for offshore works that will be returned upon completion of work scope
- Advise your EIDR or SDP reference number, where applicable.

***Your response should be submitted on the below website by 30<sup>th</sup> April 2017***

<https://www.surveymonkey.co.uk/r/6KZ5MK6>

### **Where can I get further information?**

- ConocoPhillips Vendor Relations: <http://www.conocophillips.co.uk/vendor-relations>
- UK Trade Tariff (for Tariff codes for UK-sourced materials): <https://www.gov.uk/trade-tariff/sections>
- Oil & Gas UK: <http://oilandgasuk.co.uk/union-customs-code-2.cfm>
- HMRC's website: <https://www.gov.uk/guidance/introduction-of-the-union-customs-code-ucc>
- Speak with a professional adviser