



Customs Administration of the  
Netherlands  
*Ministry of Finance*

# Declaration Services Information Document EIDR

# 1 Introduction

From the Union Customs Code it ensues that all declaration data must be shared electronically based on Annex B of Regulation 2015/2446 (the Commission Delegated Regulation, Dutch abbreviation: Gvo.DWU). A new version of AGS (Customs Declaration Software) will be built to this purpose and will be renamed as of then: Douaneaangiften Management Systeem (Dutch abbreviation: DMS), the Customs Declarations Management System. The present data set will be replaced by a new data set (DMS 4.0). Everyone who submits customs declarations<sup>1</sup> will be faced with an alteration of the data sets, irrespective whether one is using the normal procedure, the simplified declaration, or entry in the declarant's records.

To those who are authorized to enter goods in the declarant's records and use the Written Periodic Declaration (Dutch abbreviation: SPA) or the Automated Periodic Declaration (Dutch abbreviation: GPA) it also applies that they will have to use DMS. The Dutch Customs Administration aims to achieve that these authorisation holders will only have to go through one process of change in which both the declaration system (from SPA or GPA to DMS) and the data set (from the present data set to the UCC data set) will be converted. Changing the data set is a separate project. Customs will closely monitor the concurrence of replacing the data set and replacing the declaration system in order to ensure that the change process will run as smoothly as possible. The transfer from SPA and GPA to DMS must be implemented ultimately by 1 January 2023, with an extension until 1 July 2023.

This information set describes the three options of declarations from which authorisation holders SPA and GPA must choose as an alternative for their SPA or GPA. SPA or GPA authorisation holders can choose between:

1. The normal procedure. This also includes the prior declaration and the simplified declaration.
2. Entry in the records of the declarant with presentation and periodical supplementary declaration 10 days after lapse of the period in which the goods are entered in the records.
3. Entry in the records of the declarant with exemption from presentation and periodical supplementary declaration 10 days after lapse of the period in which the goods are entered in the records.

Besides the normal procedure, the simplified incomplete declaration, and entry in the records of the declarant, the UCC has two additional simplified procedures, namely centralised clearance, and assessment by the market operator itself (self-assessment). Centralised clearance pertains to the option to declare goods in the member state where the declarant is located though the goods are physically located in another member state. Self-assessment authorisation holders who also have an EIDR authorisation may be allowed to submit the additional declarations by means of direct electronic access to the authorisation holder's system. Centralised clearance and self-assessment will not be detailed further in this document due to the lack of a full statutory framework and technical specifications for these procedures.

Below, we will address the following procedures in sequence: the normal procedure, the simplified declaration, entry in the declarant's records, and stipulations that apply to all declaration options. The elaboration is based on submitting declarations to release goods for free circulation. This also includes goods placed under the end-use procedure, which is a special type of release for free circulation. The elaboration also applies largely to declarations to place goods under the inward processing arrangements, or temporary admission procedure. These stipulations also apply to placing goods under the customs warehousing procedure, subject to the proviso that no supplementary declaration is required for this customs procedure. These types of declarations will be further detailed in the various topics if so required.

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<sup>1</sup> The person who submits the declaration is often also the declarant. In case of representation the person who submits the declaration may be another person than the declarant. I.e. in case of direct representation in the normal procedure the person who submits the declaration will not be the declarant. When we use the term declarant in this document, we mean the legal entity: the person submitting the declaration is the person who submits the customs declaration on its own behalf or, alternatively, the person on whose behalf this declaration is submitted.

## 2 Normal Procedure

When goods are declared they must be presented to the Customs Administration. Presentation means sending a notification to the customs authorities that the goods have arrived at the customs office or at any other designated or approved location and are available for customs control. In the normal procedure, the declaration is also the presentation notification (unless a prior declaration is submitted) since the declaration provides information about the place where the goods are located.

After submission in the Customs system the declaration is accepted technically. This technical acceptance includes a check for completeness, accuracy, and consistency of the data and for listing relevant documents. The next step is acceptance. Acceptance can only be effected when the goods have been presented. The customs and tax dues are calculated based on the details in a declaration to release goods for free circulation, and it is established whether the conditions have been met in respect of bans and/or limitations that apply to the goods.

### 2.1 Prior Declaration

In the normal procedure, the UCC provides an option to submit a declaration prior to the presentation of the goods to Customs, the so-called prior declaration. The prior declaration is a customs declaration and contains the same details as a normal customs declaration. An prior declaration can be submitted up to a maximum of 30 days before the time of presentation. An prior declaration will be accepted technically after the automated checks have been performed. A risk analysis will also be performed on the prior declaration. When the declarant who has submitted the prior declaration has AEO status (Authorised Economic Operator), it will be informed about customs controls to be performed. As such, the announced controls can be taken into account in advance in the logistical planning. When the goods have arrived and are available for inspection, the goods must as yet be presented by forwarding a presentation notification. Only after the goods have been presented the declaration will be accepted and the goods may be released.

When the goods have not been presented within 30 days after submitting the prior declaration, the declaration will be disregarded.

### 2.2 Representation

Representation may be direct or indirect:

- direct representation: the representative acts in the name of and on behalf of another person;
- indirect representation: the representative acts in its own name but on behalf of another person.

The person submitting the declarations in the normal procedure may act as a direct representative and as an indirect representative. More information about representation is available in the Customs Manual (Handboek Douane - in Dutch) 2.00.00.

### 2.3 Tariff Quota

A tariff quota is automatically requested when Customs have received all required data in DMS. In case of a normal declaration this is as soon as the declaration has been accepted.

## 2.4 Supervision

In the normal procedure, there are no pre-established securities in company records. Enforcement will consist of, if and when there is a reason to do so based on risk management:

- a) Risk-focussed verification of declaration and relevant documents (as soon as data become available, in case of prior declaration this may even be prior to presentation of the goods)
- b) Risk-focussed control of the goods, as soon as these have been presented
- c) Performing formalities that impede removal of the goods for release (SHEE obligations, Security, Health, the Economy, and the Environment; Dutch abbreviation: VGEM)
- d) Performing formalities that do not impede removal of the goods before or after release
- e) Controls after import at transaction level - for multiple transactions simultaneously

Within the normal procedure, declarations can be distinguished in a green and blue flow. When a declaration meets specific, pre-determined criteria it will be designated as a green flow declaration. This requires at least that the declarant (and in case of representation, the person who submits the declaration) has an AEO authorisation and was assessed positively in respect of operation of that status. When it was demonstrated that a declarant does not adhere to the conditions, declarations by this declarant will be processed as blue flow declarations.

Green flow declarations will be controlled as little as possible "in logistics". Only when (legal) obligations stipulate this and in case declarations are selected randomly, they will be controlled "in logistics".

A company cannot submit a request for the green flow. Customs will assess by means of objective criteria whether a declaration qualifies for the green flow and whether companies will be exempted from application of the green flow (i.e. due to any irregularities observed).

The blue flow will be controlled based on risks. This applies to companies without an AEO authorisation and to companies that have an AEO authorisation but do not qualify for the green flow, or do not yet qualify. In the blue flow AEO-companies will indeed be subject to fewer risk-focussed controls than other business.

# 3 Simplified Declaration

From a practical perspective, the simplified declaration is a normal declaration in which specific mandatory data and/or documents do not have to be submitted yet at the time of the declaration. The simplified declaration is also called an 'incomplete declaration' in practice. Annex B of the GVo.DWU (Commission Delegated Regulation to the Union Customs Code) stipulates what data must be submitted at least in case of a simplified declaration.

When the missing data or documents are essential to be able to release the goods for free circulation - such as an import permit - the goods cannot be released for free circulation until such data or exhibits have been submitted. When the missing data or documents are not essential to be able to release the goods for free circulation - such as a document of preferential origin - Customs may release the goods for free circulation based on the simplified declaration.

## 3.1 Supplementary Declaration

The missing data or documents must be provided by the declarant within a period as stipulated by law. The declarant must do so by submitting a supplementary declaration. The simplified declaration must, in combination with the supplementary declaration, contain the same data as a declaration in the normal procedure. The period within which the data or documents must be submitted depends on the type of data that are missing. The main rule is that the supplementary declaration must be submitted ultimately within 10 days after the simplified declaration. In some cases, this period may be extended to a maximum of 120 days (i.e. for documents of preferential origin) or to a maximum of 2 years (data with regard to customs value).

Please note: it is not possible to submit multiple supplementary declarations for one simplified declaration. The shortest period to submit data or documents determines the final deadline for submitting the supplementary declaration.

A supplementary declaration is not required in case of a simplified declaration to place goods under the customs warehousing procedure.

The supplementary declaration to the simplified declaration has a general nature. This means that a supplementary declaration has to be submitted for each simplified declaration.

## 3.2 Prior Declaration

See paragraph 2.1.

## 3.3 Representation

See paragraph 2.2.

## 3.4 Tariff Quota

A tariff quota is automatically requested when Customs have received all required data in DMS. In case of a simplified declaration the time to apply for a quota depends upon the question whether all required data have already been included in the simplified declaration. If this is not the case, a quota can only be applied when the supplementary declaration has been submitted.

### 3.5 Supervision

Supervision on the simplified declaration is not different in essence from supervision on the normal declaration (see paragraph 2.4.). However, the nature of the simplified declaration entails that some deviations apply. Customs will, for instance, check whether a supplementary declaration will be submitted in time for each simplified declaration.

# 4 Entry in the Declarant's Records (EIDR)

In order to use the EIDR declaration procedure you require an authorisation from the Customs Administration. In order to qualify for this authorisation the economic operator must meet most of the conditions to obtain an AEO-permit. An EIDR authorisation cannot be granted for all types of goods/procedures. Some of the excluded goods are those that are exempted from VAT and those for which excise duties have been suspended.

The EIDR-procedure consists of a maximum of three key elements: the goods must be presented to Customs, the goods must be entered in the declarant's records, and a supplementary declaration must be submitted. The relationship between these three elements is one-to-one. This means that a presentation notification and a supplementary declaration has to be submitted for each entry in the declarant's records, and that these element can be linked.

## 4.1 Presentation of the Goods

The main rule in EIDR is that goods will be presented to Customs. This is effected by submitting a presentation notification for every individual entry in the records. The presentation notification contains a prescribed data set and must be effected electronically in DMS.

In some cases, exemption from presentation may be granted (see next paragraph). However, goods must always be presented if the prior procedure was temporary storage after entry. Customs need the presentation notification to be able to close the declaration for temporary storage in an automated manner.

## 4.2 Exemption from Presentation

EIDR authorisation holders may file a request to be granted exemption from presentation of goods to Customs when they meet specific conditions. The following conditions apply to granting exemption from presentation:

- The declarant has AEO authorisation for simplified customs procedures;
- The nature of the goods and the goods flow of the relevant goods justify exemption from presentation and are known to Customs;
- Customs have access to all information it deems necessary to control the goods, if and when required;
- At the time of entry in the records, the goods are no longer subject to bans or limitations, unless stipulated alternatively in the authorisation.

Please note: even when exemption was granted for presentation, the authorisation holder must still be able to present the goods as yet when requested by Customs.

The condition behind the second dash has not been elaborated in legislation. This means that Customs can give substance to this at its own discretion, with due observance of prior remarks by European institutions during review of existing procedures. In principle, the Netherlands only grant exemption in cases with a so-called chain procedure.

### 4.3 Chain Procedure

Part of the present authorisation holders declares goods for consecutive customs procedures and uses the EIDR procedure for each declaration. In effect, these authorisation holders perform a chain of consecutive declarations and procedures. When the comprehensive goods flow is demonstrated in one set of records it is possible to assess the nature of the goods and the goods flow at the start of such chain and next, to follow the goods by means of entries in the records, the supplementary declarations, and the stock audit file. In order to assess the nature of the goods and goods flow, the goods must be presented at the first link of the chain. The goods need not be presented once more at subsequent links of the chain. This is called the chain procedure.

We will give you an example of a common chain. Goods arrive at the storage location of a customs warehouse by means of the transit procedure. By means of entry in the declarant's records the goods are placed in the customs warehouse procedure and, after some time, released for free circulation by entry in the declarant's records. By presenting the goods upon placement in the customs warehouse the nature of the goods can be established and it is no longer necessary to present the goods when they are released for free circulation.

One very important condition must be met in order to apply the chain procedure. At the first link, the declarant must submit sufficient data and/or documents to be able to perform controls that have to be performed in later links of the chain. I.e., when goods are released for free circulation Customs have to check whether all veterinary obligations were met. When it can be verified whether this is the case upon placement in the customs warehouse, it need not be checked upon release for free circulation.

Besides, a company may be ordered to present goods at later links of the chain in exceptional situations.

The chain procedure has the advantage that any physical controls to be performed will be effected at an idle moment in logistics (upon arrival of the goods at link 1 of the chain).

### 4.4 Supplementary Declaration

In case of the EIDR-procedure, a supplementary declaration must be submitted within a specific period, so that Customs will have available all declaration data of the goods. The supplementary declaration must, in combination with the presentation notification, contain the same data as a declaration in the normal procedure.

The supplementary declaration in case of EIDR has a periodical nature in the Netherlands. This means that 10 days after the end of a pre-determined period (time period) all supplementary declarations must be submitted in one go in respect of all goods that have been entered in the records during that time period. Every supplementary declaration refers to one entry in the declarant's records. Depending on the number of entries in the declarant's records and the duration of the time period, this may concern a large number of supplementary declarations that will be submitted at one given time.

The Netherlands have set the time period to one calendar day. I.e. in respect of all goods that will be entered in the records on 1 January 2023, the supplementary declarations must be submitted on 11 January 2023. This means that an EIDR-declarant has to submit a supplementary declaration every working day rather than once a month.

A supplementary declaration is not required in case of a simplified declaration or EIDR-procedure to place goods under the customs warehousing procedure.

## 4.5 Prior Declaration

It is not possible to submit a prior declaration in the EIDR-procedure. The declaration will be accepted at the time of the entry. However, a declaration can only be accepted after the goods have been presented to Customs. In case of a prior declaration in the framework of EIDR the time of acceptance of the declaration would be scheduled before the time of arrival of the goods/presentation of the goods and this is impossible from a statutory point of view.

## 4.6 Representation

Options for representation in respect of EIDR depend on who was authorised for entry in the declarant's records. Two situations can be distinguished:

1. The authorisation holder acts as a representative for one or more other persons;
2. The authorisation holder asks someone to represent him.

In situation 1 you may imagine a logistic service provider that does not just submit declarations in its own name and at on its own behalf, but also intends to act as a representative for one or more importers. In situation 2 you may imagine an importer with its own authorisation, who engages other parties to perform specific acts on its behalf.

### **The authorisation holder (logistic service provider) as an indirect representative**

In case of indirect representation, the representative (the logistic service provider) is the declarant from a legal perspective. The indirect representative holds the EIDR authorisation and meets all authorisation requirements. The declaration is submitted by entering all goods in the records of the logistic service provider, irrespective of the number of persons it represents indirectly.

The indirect representative presents the goods and submits the supplementary declaration. One particular characteristic of indirect representation is that there are two debtors: both the declarant and the person at whose expense the declarant is submitted (the indirectly represented party).

**Conclusion:** this type of representation is possible.

### **The authorisation holder (logistic service provider) as a direct representative**

In case of direct representation, the represented party is the declarant from a legal perspective. The declaration must be submitted by entering the goods in the records of the declarant. These records must have been approved by Customs in advance (initial investigation). When the logistic service provider intends to act as a direct representative on behalf of ten customers, the records of these ten customers must be approved in advance. Besides, the representative must have real-time and online access to every set of records. The representative presents the goods to Customs and submits the supplementary declaration. Although it is not impossible from a legal-technical perspective, there are practical objectives to this type of representation:

- An EIDR authorisation holder must meet the criteria set out in Article 39 of the UCC under a, b, and d. This will be difficult in many cases. I.e. how can the authorisation holder ensure that the owner of the records will limit access to the records, that no alterations will be implemented without Customs' approval, that he can still provide access to the data to Customs after the end of the representation relation, etc.
- Representation in other member states. When the represented party (and the declarant, consequently) is established in another member state, Dutch Customs Administration cannot review that party's records itself. Mutual assistance will be required to do so. Normally, this entails a substantial increase of the lead time of the authorisation process;

- The administrative burdens for Customs are very high both initially and during the period of representation. An initial investigation must be carried out for each represented party. Administrative controls are complicated and may sometimes only be possible in the context of mutual assistance. Besides, proper alternatives exist that make such heavy investment by Customs unnecessary. One alternative is that the logistic service provider will act as a direct representative in the normal procedure. It is also possible to cover general and financial responsibilities by means of civil contracts between the logistic service provider and the principal.
- The representative must have real-time and online access to each of the sets of records of companies that it represents as a direct representative.

**Conclusion:** this type of direct representation is possible in theory, but it will not often occur in practice. If specific situations arise in which there is an actual need for this type of representation for which the costs to be incurred by Customs are realistically proportionate to the benefits of such an authorisation, Customs will not reject this in principle. However, the argument that ‘fewer physical controls will be performed by Customs in case of an EIDR authorisation’ will not suffice in any case.

#### **Authorisation holder (importer) intends to engage an indirect representative**

When an indirect representative submits a customs declaration on behalf of another person he will do so in its own name as declarant and not in the name of someone else. The situation described in this paragraph refers to an importer who holds EIDR authorisation and meets all of the conditions that apply to that authorisation. These are mainly the criteria as referred to in Article 39 under a, b, and of the UCC (no serious or repeated violations, acts and goods flows are well-managed due to records that allow appropriate controls, and practical skills or professional qualification).

When a person who submits a declaration intends to benefit from simplification, it must meet the required conditions itself, rather than the importer on whose behalf it acts. Custom simplifications are mainly aimed at simplifying the manner of submitting declarations, or rather, simplifying formalities and procedures. It is based on the trust granted by Customs that the declarant will apply the procedures correctly. Therefore, conditions for using simplification must be met by the declarant (which is in this case the indirect representative itself) and not by another person.

**Conclusion:** this type of representation is not possible.

#### **Authorisation holder (importer) intends to engage a direct representative**

The importer holds the EIDR authorisation and meets all authorisation requirements, entry takes place in its records, and it is the declarant. The importer has engaged someone to perform specific general and customs activities on its behalf, such as submitting the supplementary declaration.

**Conclusion:** this type of representation is possible.

## 4.7 Request for Tariff Quota

In case of EIDR, a tariff quota can only be requested when the supplementary declaration is submitted.

## 4.8 Supervision

The supervision strategy will still be based on the generic approach that has been used by Customs for a large number of years. The manner in which this approach is effected for you as an EIDR authorisation holder depends partly on the nature (typology) and size of your company, the range of goods, the link in the logistic chain, internal operations of the authorisation holder itself, any other authorisations that were granted, agreements with Customs, and results of recent customs controls.

The application for the authorisation in the context of this amendment will be assessed in an investigation to establish whether your company has adequate internal management measures in place to guarantee reliability of the entry in the records, and accuracy of the consecutive declarations of the customs goods.

Every three years, Customs perform a cyclical supervision to investigate the risks that are relevant for the authorisation holder and to cover these by means of a control approach, which takes into account both the risks with regard to the authorisation conditions, as well as the accuracy and completeness of the declarations, which will be based partly on the risk alerts received.

Besides administrative controls (in accordance with cyclical supervision) physical controls will be used. It depends on the range of goods of the declarant whether these will be random checks or a combination of random checks and risk-focussed physical controls:

- Random checks will be used to supervise the physical goods flow and to audit the management measures of the authorisation holder. Random checks will be performed in logistics (unless exempted from the obligation to present).
- Risk-focussed physical controls will be aimed primarily at compliance with statutory obligations ensuing from special legislation (in respect of Security, Health, the Economy, and the Environment) and will be performed in logistics. Goods will only be released after these controls have been performed.

Profiles (Prisma) will be applied to supplementary declarations. Any alerts arising from this may be a reason to take direct action or may be used as input for cyclical supervision. This depends on the nature and gravity of the alerts.

No random or risk-focussed selections can be carried out in case of EIDR with exemption from presentation. Customs may decide to perform random observations outside logistics.

In case of EIDR with presentation Customs may select goods based on the presentation notification to perform a random check or a risk-focussed control.

Controls will be performed on idle moments in logistics as much as possible.

# 5 Stipulations that Apply to all Types of Declarations

## 5.1 Security and Notification of Customs Debt

When goods are released for free circulation, a customs debt is incurred, and, in relevant cases, also a tax debt is incurred upon importation. The goods can only be released when the duties and taxes related to these debts have been paid or when a guarantee has been provided in this respect. In practice, a guarantee is provided for these debts.

Customs will monitor the guarantee by means of a reference amount. The reference amount is the total sum of Customs duties and other taxes upon importation subject to which goods can be released. When the reference amount has been fully reserved, no goods can be released anymore. In principle, the guarantee amounts to 100% of the reference amount. The actual sum to be provided in guarantee can be mitigated for AEOs. For AEOs, the mitigation has a standard level of guarantee up to 30% of the reference amount (sum of customs debt). When the customs debt is paid (in practice, before day 15 of the next month), the reference amount will be released once again.

The sum due in import duties will be established by the Customs Administration and notified to the debtor by sending an invitation for payment (Dutch abbreviation: UTB). A notification of customs debt must be effected for each declaration or supplementary declaration. There are no stipulations that prohibit a combination of notifications in one message. This means that Customs have chosen to combine the UTBs ensuing from supplementary declarations on one day in one specified collective UTB. The sums credited on the reference amount must be paid each month.

## 5.2 Controls and Formalities with regard to Security, Health, the Economy, and the Environment

Customs have to perform a number of obligatory controls. These are controls and/or formalities that are set out in legislation and regulations in the field of Security, Health, the Economy, and the Environment. These controls may be both administratively and physically. The selections for these controls are often laid down in so-called procedural profiles in enforcement practice. Similar to the risk profiles, these are registered in the Prisma selection system. Contrary to risk profiles, these often pertain to a formality, such as an endorsement to be placed on documents or verification that documents are present. Partly, these controls or formalities must be performed before goods may be released.

## 5.3 Financial Risk Criteria

Directing controls for financial risks is increasingly performed at an EU-level, by means of the so-called Financial Risk Criteria (FRC, these are European financial risk profiles). Customs authorities have to comply with these FRC. The nature and level of detail of an FRC may entail that Customs are not free to choose the instrument of enforcement but may be obliged, i.e., to perform physical controls, irrespective of the level of reliability of the actor or the chain.

One important source of information for these FRC are the so-called AM reports (assistance mutuelle). These reports are sent by OLAF to the member states and contain a description of the possible fraud pattern, any engaged parties, and the steps to be taken to cover the potential financial risk as much as possible.

However, the available topics of the FRC do provide discretion to apply national enforcement methods when this concerns AEOs. In principle, a major part of these controls does not have to be performed in logistics at AEO authorisation holders. In doing so, it must be observed that a total lack of controls in logistics at the level of declaration lines is undesirable, also for AEO authorisation holders, even if only for external rendering of account. Therefore, a focussed random selection will have to be performed in logistics, besides application of the FRC, albeit afterwards in administrative supervision, and it has to be taken into account that logistic interventions will have to be performed in respect of some specific EU-risks.

