

Client Case Study – Construction Industry

Reclaiming Customs Import Duty

Background and Problem

The client imports small accessories for use in the construction industry and pays import duty at various rates as appropriate. Much of the material is eventually exported again and the company was unaware that under certain conditions, the import duty can be reclaimed if the goods are subsequently re-exported.

Actions Taken

The PCE Systems Advisor explained the conditions under which the import duty could be reclaimed and then took on the task of negotiating a refund from Revenue and Customs. One of the conditions is that the company needs to be able to demonstrate to Customs that the goods have indeed been re-exported.

Unfortunately, the task of gathering sufficient evidence to satisfy Customs was daunting, since there were several hundred export invoices involved, each with up to twenty different products. These all needed to be matched against the relevant import documents to provide the required evidence. This would have been a hopeless task to attempt manually.

PCE Systems wrote a small Visual Basic program, within an Excel® spreadsheet to automate the task. (Visual Basic is incorporated into many Microsoft® products and is primarily used for running macros, but is much more powerful.) Details of the imports were typed into the spreadsheet to form a database of imported items. Then details of each export were typed in and the Visual Basic program searched through the import database to match the export to the relevant import. The output, produced automatically, was a series of monthly export reports, listing all the exports for that month, with details of the associated import on the same line. These were submitted to Customs, who were satisfied with this evidence, since the relevant export invoice numbers and associated import document references were clearly matched together. Customs were able to carry out spot checks by asking to see the actual invoices etc. for any given line to verify the information.

The Result

The company was able to submit detailed evidence of the re-exportation of their products to Revenue and Customs. Meanwhile, the PCE Systems Advisor negotiated an extension of the normal deadline for submission of such claims from Customs and finally obtained a refund of import duty in excess of £10,000 on behalf of the client. The saving is ongoing, since the client now uses the software themselves to prepare regular claims for duty refunds.