

Apportionment guidance

Making a declaration for goods you bring into Northern Ireland from Great Britain based on expected outcomes

If you cannot make a declaration based on knowledge of the specific destination of all the goods in a consignment (for example a large shipment of widgets), you may still be able to declare based on expectations of which of your goods should be considered 'not at risk' at the point you bring them into Northern Ireland.

For example, if you do not know at the point of entry which item within the consignment will go where but do know that 70% of your goods consignment typically moves into the EU, but 30% goes to end customers in NI you can declare 30% as 'not at risk'. The approach is known as 'apportionment'.

To use apportionment you must:

- Be authorised under the UK Trader Scheme
- Notify HMRC of your intent to use apportionment
- Have stable enough supply chains or sales stable enough to allow you to accurately assess (within a 10% margin of error) what proportion of the consignment will be sold to, or finally used by, end consumers located in Northern Ireland (or in the case of shipments from GB; in England, Scotland or Wales), for example from historical performance or future contracts.
- Be able to provide evidence to support the declarations that you make and demonstrate that the declarations you have made are accurate.

How apportionment works

To be able to declare on this basis, you will need to be authorised under the UK Trader Scheme and tell HMRC that you plan to use expected outcomes as the basis for your declarations.

You should state this in your covering email when submitting your application for authorisation, or email uktraderscheme@hmrc.gov.uk to tell us if you have already been authorised. Type your [EORI number](#) in the subject of the email.

When you move goods into NI you can then declare the proportion 'not at risk' based on your expected outcomes for those goods. (We will later provide a new Additional Information code which you can use on declarations to tell us you are using apportionment on a given consignment, but currently you just need to have told us in advance you will be using the apportionment approach). Once you have told us you intend to use apportionment you can use this approach on every consignment, on some consignments, or you can choose not to use it.

It is easiest to apply the apportionment at Stock Keeping Unit (SKU) level (product level) as you will need to look at the outcomes for the goods on a SKU level to be able to accurately calculate what tariff is due later. You do not need to store your goods separately, but you will need to be able to provide records of the end destination of all the goods.

If the actual use of your goods is different to what you expected when you made your declaration, you will need to inform HMRC and pay any difference in duty due at a later date. You will also be able to claim a repayment of any overpayment of duty. Therefore, you will want to consider the stability of your supply chain and whether the use of apportionment is appropriate for your businesses.

If you are making customs declarations using a Simplified Frontier Declaration and a Supplementary Declaration (this is the process used by the TSS), you do not need to wait to find out the outcomes for the goods before you lodge the supplementary declaration. You should declare as normal then use an under or overpayment form to correct once an error becomes clear.

Your supply chain and sales

To use apportionment you should be able to draw a reasonable conclusion (within a 10% margin of error) about the likely outcome of your goods based on previous supply chains and sales and on any concrete future plans such as contracts. This should be based on around three years of data. We understand that COVID-19 may have disrupted supply chains so last year's data may look different and you may want to take more previous years into account.

You should regularly review your assessment of the expected outcomes. If circumstances change (for example something has affected your sales or you move into a new market), you should change your assumptions.

Evidence

You must keep evidence on what you've declared 'not at risk' and where it has ultimately gone (for example, sales receipts) for 5 years. This evidence is similar to what you should already be keeping for UK Trader Scheme requirements.

We may ask to check your records. You must be able to provide access to a customs officer to check the records, systems and controls you have told us about, and evidence to confirm each declaration.

If you're basing that initial declaration on apportionment principles, you should keep track of that, and make sure that your overall balance is matching up broadly to your expectations.

Corrections/reconciliation

You should do a reconciliation at least every quarter. If the end outcome for your goods is different to your expectations you will have to submit a voluntary clearance amendment (underpayment) or apply for a repayment. This form is not available yet. When this form becomes available you will be able to use the evidence you should already be keeping to show what has been declared 'not at risk' to complete this. We will inform all businesses registered to use apportionment when the form is available, further guidance on how to do this process will be published in due course.

You will then need to update and review your assumptions.