



# An Informative Guide to Movement Guarantee



# Exploring what a Movement Guarantee is and answering your questions.

Within this document, KC Group Shipping will explain what a movement guarantee is, its importance, and outline and answer some common FAQs. At KC, we believe that shared knowledge helps to guide decisions and deliver a collaborative partnership. The aim of the document is to assist both companies shipping goods and those representing them, like KC Group Shipping.

**Let's start with an explanation of what a movement guarantee is.**

## Understanding Movement Guarantees

An Excise Movement Guarantee is a financial guarantee required by tax authorities to ensure that excise goods (such as alcohol, tobacco, and certain types of fuel) are transported while complying with relevant tax regulations

It acts as a form of security to cover potential excise duties and taxes that may be owed if the goods do not reach their intended destination or if there are other breaches of excise regulations during transportation.





# Origins of Excise Duties

Excise duties in the United Kingdom have a long history, being first introduced during the reign of Charles II in the 17th century. Initially introduced to generate revenue for the state, these taxes primarily targeted specific goods like beer, ale, and spirits.

**Over the centuries, there have been many reforms in taxation and changes to the duty system however excise has always remained an important source of revenue for the government.**

With evolving procedures, technological advancements have also played a pivotal role. In 2011, the Excise Movement and Control System (EMCS) was introduced to modernise and automate the processes associated with the movement of excise duty-suspended goods between European Union (EU) member states. This system facilitates control and monitoring to ensure the proper payment of excise duties and accurate tracking of goods throughout their journey.

Despite the UK's departure from the EU, it continues to employ EMCS for movements to and from ports and airports, as well as internal movements between excise warehouses, breweries, and distilleries. The movement guarantee remains crucial for transporting goods under duty suspension, providing Customs with the necessary assurance that might not otherwise be available.





# Discovering the Importance of Movement Guarantees

**Why is it required?** The following three points are fundamental in movement guarantee and set a standardisation of processes and procedures.

# 1

## Control and Compliance

Excise movements are often subject to strict regulations to prevent fraud, smuggling, and other illicit activities. A guarantee can serve as a control mechanism to ensure that businesses comply with these regulations.

# 2

## Facilitating Trade

With a movement guarantee, goods can be transported under duty-suspension between transit points and registered excise premises. This supports businesses with worldwide trade for UK producers, importers and exporters.

# 3

## Financial Protection

A movement guarantee is like an insurance for HMRC, ensuring all customs excise duties and charges are agreed upon and settled. In the event of non-compliance or unforeseen circumstances leading to a loss of excise revenue, the guarantee can be used to cover the financial shortfall.



# Who Requires a Movement Guarantee?

Anyone moving duty-suspended goods basically, although the points below outline in more detail for individual groups.

# 1

## Importers & Exporters

All importers and exporters moving goods under duty suspension will require the use of a movement guarantee, whether that be their own or that of a forwarder.



# 2

## Freight Forwarders

Although uncommon, some forwarders do hold a movement guarantee, offering a value-added service to their customers. KC Group Shipping pride themselves in being one of the only independent forwarders in the UK to offer this service.



# 3

## UK Producers

UK producers of beers, wines and spirits will require a movement guarantee for moving goods internally within the UK or to overseas markets. Again this may be their own or that of a forwarder.



# Exploring what's required for completing a movement guarantee

Welcome to the next stage of our journey into the realm of movement guarantees. We believe in a shared knowledge collaborative approach with customers and supply chain partners at KC Group Shipping.

**Our goal has always been to empower our customers and network with comprehensive information, demystifying the complex processes that underpin international freight forwarding.**

As outlined, a movement guarantee is pivotal for a seamless shipping experience. Yet, diving into the intricacies of providing the correct information or even completing one can seem daunting, especially if you're navigating these waters for the first time. We've distilled our collective expertise into the following FAQs section — to guide you through what you need to consider and provide, ensuring a flawless movement guarantee for your shipments.

We're dedicated to ensuring transparency in our processes. We understand that entrusting us with your valuable shipments means putting a piece of your business in our hands. Our intent with this section is to make the process clear and straightforward to follow and ensure your every shipment is protected and compliant.

The world of international freight forwarding is vast, but it becomes infinitely more navigable with the proper knowledge and a partner like KC Group Shipping by your side. Let's delve into the frequently asked questions and set you on the path to success.





## Why do we need to complete your movement guarantee authorisation form?

As part of our AEO procedures, we must have this form completed to ensure compliance with duty liabilities and risks for moving goods under excise control.

## Do I need to fill this in for every shipment?

Yes, you should complete the form for every shipment and for each physical movement within that shipment. For example: for three containers on one booking, we must have a form completed for every container, as this is what constitutes each 'movement'.



## Do we need to complete the form before collection?

Yes, the form must be completed, signed, and returned by KC Group Shipping (KC) before we can collect any cargo. The form and processes cover both us and the origin/destination warehouse, as the EMCS movement should not be completed without prior approval to use our guarantee number.



## Can an overseas company complete the movement guarantee form?

With the duty amounts involved, and therefore risk, we only accept signatures from companies holding a UK EORI.

However, we have other options available should an international client wish to be supported by KC Group Shipping with our Movement Guarantee for shipments.

## Why does KC Group Shipping need to complete the transport when using your guarantee?

For exports, we must manage all consignments to departure from the UK, for transparency and reporting. We must complete transport from the UK uplift destination to the final destination. This process lets us track and see when shipments have departed, and all EMCS movements have been closed.

For example, for a container to Singapore, KC must collect from the UK door and will arrange all transport from the point of collection to arrival at Singapore port.

For imports to the UK, we must control all transport from the port of arrival to the final destination warehouse. Managing all transport again allows us to control when goods are delivered, and EMCS movements are closed.

## Do all boxes need to be completed by the customer?

Yes, a customer must complete all boxes marked with an asterisk before KC can give authorisation to use the Movement Guarantee.





## Is electronic signature accepted?

Yes, an electronic signature can be accepted as long as it is date and time-stamped by a Companies House registered company director or authorised signatory.

## Why has the movement guarantee authorisation document changed?

Through time, various changes have been applied to the document to reflect up-to-date terms and conditions and legislation. KC will always provide you with the most up-to-date version of the movement guarantee authorisation document for completion. Earlier versions are automatically invalid so please do not retain blank copies for future use.



## Which involved parties are authorised to sign our document to allow shipment to take place?

This document needs completed by a director or company officer from either the UK booking party utilising the guarantee or the authorised warehouse storing the goods.



## **If the Incoterms are ex-works, why do I need to complete the MG document?**

The Incoterms are an agreement between the buyer and seller however these do not dictate or change our parameters when using our guarantee. The form must be completed by the party using the guarantee which will always be one of either the excise warehouse or UK booking party. It should never be a party domiciled outside of the UK.

## **Is there a cost for using your movement guarantee?**

Yes, there is a nominal fee for using the guarantee for every movement – costs vary dependent on duty liability and can be advised at time of the quote by our expert commercial team.

## **Why does the document need to be signed by a board director/company secretary?**

To ensure compliance, we must ensure that the document is completed by a director, company secretary or authorised signatory of the business.

## **The movement guarantee form states that your customer should complete it; however, we are not a customer?**

Under BIFA Scotland terms and conditions, which KC trades under, they describe a customer as the following 'any Person at whose request or on whose behalf the Company undertakes any business or provides advice, information or services'.





For all enquiries contact us on **+44 (0)141 420 1700** or email the relevant team below:

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