



**HM Revenue  
& Customs**

## **Trade Statistics Report**

### **2010 QUINQUENNIAL REVIEW OF THE UK ANCILLARY COST SURVEY (ACS)**

Published: January 2011  
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**(V1.0)**

### **Purpose**

Government surveys are reviewed at least once every five years to ensure that they continue to meet their purpose in a cost effective way.

This is the report of the Quinquennial Review of the Ancillary Cost Survey (ACS).

The ACS is run by HM Revenue & Customs to collect data on businesses' transportation, insurance and freight costs when trading with other EU Member States. This data forms a key part of the compilation of the Overseas Trade Statistics which details the UK's trade in goods by commodity and partner country.

## Contents

<b>Executive Summary .....</b>	<b>3</b>
<b>Key Facts – Ancillary Costs Survey .....</b>	<b>4</b>
<b>1. Introduction.....</b>	<b>5</b>
1.1 Review Aim.....	5
1.2 Acknowledgements .....	5
<b>2. Background to the ACS .....</b>	<b>6</b>
2.1 Historical need of the ACS .....	6
2.2 ACS Methodology.....	7
2.3 Methodology employed by other Member States .....	8
2.4 Evaluation of Alternatives .....	9
<b>3. Users.....</b>	<b>10</b>
<b>4. Respondents Views.....</b>	<b>10</b>
4.1 Views from those who usually participate in the ACS: .....	10
4.2 Views from those who do not usually participate in the ACS:11 .....	11
4.3 Views on the format of the proposed new ACS form.....	11
4.4 Views on the proposed electronic submission of ACS data ...	12
<b>5. Costs.....</b>	<b>12</b>
5.1 Costs to Government:.....	12
5.2 Costs to Business:.....	12
<b>6. ACS quinquennial review 2005 .....</b>	<b>13</b>
<b>7. Recommendations from this review .....</b>	<b>14</b>
<b>ANNEX A.....</b>	<b>15</b>
<b>ANNEX B.....</b>	<b>19</b>
<b>ANNEX C.....</b>	<b>22</b>

# Executive Summary

Guidance on the control of statistical surveys requires that regular surveys to business and local authorities are reviewed at least once every five years.

The aim of reviewing is to avoid unnecessary surveys, to ensure that control is exercised in the most cost effective way, and that authorised surveys are conducted in such a way as to obtain the information needed while imposing the minimum burden on respondents.

This is the report of the Quinquennial Review of the Ancillary Cost Survey (ACS).

The ACS is used to collect data on businesses' transportation, insurance and freight costs when trading with other EU Member States (Arrivals and Dispatches).

The data collected is used to adjust the invoice values of trade declared by Intrastat <sup>1</sup> businesses on supplementary declarations into 'Statistical Value' format. This allows the Overseas Trade Statistics published by HMRC to be reported on a statistical value basis, in line with international convention and as required by EU legislation.

The ACS is conducted on a voluntary basis, randomly selecting 171 arrivals and 171 dispatches businesses from a stratified sample each month. Businesses can only be selected once in a twelve-month period.

The review has found that:

- The vast majority of businesses who participate in the ACS have no difficulties completing the ACS form or completing it within a two-month timescale.
- The majority that do not participate state that their reason for not doing so is that they have zero or negligible ancillary costs.
- HMRC's efforts to make the ACS form more 'user-friendly' have been met with approval from businesses.
- Businesses would prefer / be more likely to complete the ACS as an electronic form.
- The cost to Government for administering the ACS in 2009/10 is estimated as £23,700.
- The overall cost to business for completing the ACS in 2009/10 is estimated as £35,300.
- The majority of other EU Member States do not run a separate survey to calculate Statistical Value. They collect Statistical Value direct from Intrastat declarations. However, it is estimated that this method has a larger administrative burden on business.

The review recommends that:

- The ACS continues, as it remains the most cost-effective solution for adjusting trade statistics, that meets legislative obligations with a minimum burden on business.
- The new, 'user-friendly' ACS form is adopted.
- The feasibility of producing an online form for businesses to use to declare ancillary costs is investigated.

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<sup>1</sup> The Intrastat system is a survey to determine the level of trade conducted within the EU. Businesses whose annual value of arrivals (imports from EU Member States) and/or dispatches (exports to EU Member States) exceeds a given exemption threshold are required to provide an Intrastat declaration each month, showing full details of their arrivals and dispatches during that month.

## Key Facts – Ancillary Costs Survey

<b>Date Survey Commenced</b>	January 1993
<b>Statutory or Voluntary</b>	Voluntary.
<b>Frequency</b>	Monthly.
<b>Main information collected</b>	Value of intra-EU traded consignment, Delivery Terms, Net-Mass, Partner Country and the Ancillary Cost (i.e. the cost incurred in the movement of the goods, including freight and insurance charges).
<b>Respondents</b>	Intrastat Businesses.
<b>Sample Size</b>	Approx 342 per month.
<b>Sample Method</b>	Rotational sampling: Businesses are stratified according to value of trade. Businesses are sampled no more than once every 12 months.
<b>Sample Features</b>	Letters are posted to businesses requesting desired information. Businesses are re-contacted if no-response within two months.
<b>Use of Results</b>	
<b>Main</b>	To calculate the Ancillary Cost Factors which are used to provide a standardised statistical value of the UK's EU trade to Eurostat, as required under EU legislation.
<b>Subsidiary</b>	For use in the calculation of the UK Balance of Payments.
<b>Publication</b>	Trade data on a Statistical value basis are published in the ONS Press Notice First Release, HMRC's Overseas Trade Statistics (OTS), and HMRC's Regional Trade Statistics (RTS).
<b>Compliance Cost 09/10</b>	£35,300
<b>HMRC Cost 09/10</b>	£23,700

# 1. Introduction

Guidance on the control of statistical surveys requires that regular surveys to business and local authorities are reviewed at least once every five years. The Government Statistical Service (GSS) protocol on managing respondent load states that:

‘All regular surveys of businesses, local authorities, households and individuals will be reviewed at least every five years’.

The aim of reviewing is to avoid unnecessary surveys, to ensure that control is exercised in the most cost effective way, and that authorised surveys are conducted in such a way as to obtain the information needed while imposing the minimum burden on respondents. The present instructions for controlling Government statistical surveys, including the procedures for reviewing surveys, were issued by the Prime Minister’s office in 1999.

The ECSM Trade Statistics unit in HMRC is responsible for delivering the Ancillary Costs Survey (ACS). The results of the survey are used to provide a standardised statistical value for Regional and Overseas Trade Statistics, which allows HMRC to publish EU trade figures on the same common valuation basis as other EU Member States. The ACS commenced in 1993. It is a postal survey, sent on a monthly basis to approximately 340 Intrastat businesses. The compliance cost of the ACS according to the last review in 2005 was £30k with HMRC costs of £20K.

## 1.1 Review Aim

The main purpose of this review is to establish whether the UK Trade Statistics - Ancillary Costs Survey remains a cost effective way of collecting Ancillary Cost Factors. It is also to establish potential improvements that would help modernise the collection of information while imposing the minimum burden on respondents. The report needs to specifically address the following aspects:

- Provide details of the historical need of the Ancillary Costs Survey (ACS)

- Investigate potential alternative sources of data.
- Address the recommendations published in the 2005 report.
- Compare methodology with National Providers from other countries with a view to identifying good practice.
- State who uses the data, and for what purpose, both inside and outside the government
- Incorporate the views and suggestions of respondents
- Consider how to improve the accessibility and effectiveness of supporting information for respondents (e.g. help facilities, web channel self service)
- Provide up to date assessment of compliance costs, including an estimate of the running cost to the government. Compare results with the 2005 review.
- Consider recommendations for changes.
- Provide justification for the continuation or cessation of the survey

## 1.2 Acknowledgements

We would like to thank the businesses that kindly participated in this review by giving their views of the ACS. We would also like to thank our own Trade Statistics Customer Service team who have relayed the businesses’ views.

## 2. Background to the ACS

### 2.1 Historical need of the ACS

The ACS was introduced in January 1993, when trade statistics relating to the movement of goods between European member states could no longer be compiled on the basis of information derived from Customs documentation – this being due to the formation of the 'single European market'. The ACS was originally a legal requirement, but from 1 January 1998 it became a voluntary survey.

The ACS allows HM Revenue & Customs to publish EU (Intrastat) trade figures on the same common valuation basis as the other EU member countries. The value of the trade under this common basis is called the Statistical Value. EU Member States are required under EU legislation to provide Eurostat, the Statistical Office for the European Union, with international trade data on a Statistical Value basis. Statistical Value can be defined as the value of the goods plus the cost of movement to the border of the country that publishes the statistics.

Therefore, for Arrivals, Statistical Value is the cost of the goods plus the delivery cost that the seller has incurred to transport the goods to a port in the buyer's country. This transport cost is labelled as the delivery term 'Cost, Insurance and Freight (CIF).

For Dispatches, Statistical Value is the cost of the goods plus the delivery cost that the seller has incurred to get the goods from their premises to the border of their own country, ready for collection by the buyer. This transport cost is labelled as the delivery term 'Free on Board' (FOB).

If a business has more than £16 Million <sup>2</sup> of either Arrivals or Dispatches trade in a calendar year, they are required to provide delivery terms information on their supplementary (Intrastat) declarations. If a business exceeds the threshold for one suite but not the other, they must only provide delivery terms for the suite exceeding the threshold. All 13 Delivery Terms are defined in Appendix E of [Notice 60 – Intrastat General Guide](#) .

Invoice values on Intrastat declarations are those which are already used for VAT purposes. As such, the transport cost element of the invoice value can vary greatly as goods may be delivered in a number of different ways depending on the contract between the seller and purchaser. This means that the declared delivery terms are variable. Specifically, businesses often declare invoice values with delivery terms that are neither CIF nor FOB. These declared values need to be adjusted into Statistical Value i.e. on a CIF basis for Arrivals, and FOB basis for Dispatches. This is done by applying 'Ancillary Cost Factors' (ACFs) to the declared values. ACFs are calculated using responses from the ACS. More information about the calculation and application of ACFs are described in Section 2.2.

Businesses who have trade under the £16 Million threshold are not required to provide delivery terms. All trade submitted not containing delivery terms is adjusted to 'Statistical Value' using the Ancillary Cost Look-up Tables. The data specified in the Look-up Tables are multiplied by the invoice values for the lines of trade without delivery terms <sup>3</sup>. These look-up table values are based upon the difference between the summed invoice and the summed statistical values for each commodity code and country.

By adjusting the declared invoice values reported on Intrastat declarations, the UK has avoided the need for all businesses to provide statistical values on each line of trade on their Intrastat declarations. As statistical value would require businesses to perform a calculation to derive this value, by HMRC only requiring the invoice value to be declared this had reduced the burden on business. The ACS therefore facilitates a necessary legal function of adjusting Intrastat declarations into the required publishable format, while reducing the overall burden on business.

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<sup>2</sup> The current value of the delivery terms threshold was introduced on 1 January 2010 and is set annually.

<sup>3</sup> E.g. if the multiplication factor in the look-up table was 0.98, the invoice would be multiplied by 0.98 to obtain the statistical value.

## 2.2 ACS Methodology

The current ACS methodology involves a survey of businesses. Every month, stratified samples of randomly selected Intrastat businesses (one for Arrivals, one for Dispatches) are surveyed.

Specifically, a letter is sent to these businesses asking them to detail six lines of trade from the previous six months. Specific details requested include 'Value of the good', 'Delivery Terms', 'Netmass', 'Partner Country' and the 'Ancillary Cost' (i.e. the cost incurred in the movement of the goods, including freight and insurance charges). The letter seeks to persuade the business to comply with its request (making it clear that the ACS is non-mandatory), and also informs the surveyed business that they will not be asked to repeat this process within the next 12 months<sup>4</sup>. The letter is accompanied by a supplementary form that gives extra guidance on how to complete the ACS.

All responses are input into the ACS database. If a business has not responded within two months of the initial distribution of the survey, a reminder letter is then sent. The number of responses received each month is recorded, so it is possible to monitor the compliance levels.

From the data in the ACS database, the ACFs are calculated (once a year) using the most recent six years worth of data. This increases the sample size of the date from which the ACFs are calculated as opposed to using only data obtained in the last year.

The model used to calculate the factors is:

$$AC_{ij} = k \times a_{ij} \times M^b$$

'AC' is the ancillary cost; 'k' is a constant factor, 'a<sub>ij</sub>' is the multiplicative factor that is dependant upon the partner trading country (i) and the delivery terms (j). The Netmass is 'M', and 'b' is the power of the net mass<sup>5</sup>.

The value of 'b' will typically be around 0.5. This means that the Net-Mass of a consignment will have to increase fourfold for the ancillary cost adjustment to double. This effectively takes account of economies of scale, in that it should be relatively cheaper to export a large consignment than a small one.

The ancillary cost factors are calculated according to the theory that there is a positive correlation between the Net Mass of the good and the ancillary costs under each particular delivery term for each country.

It is also assumed that if the declarant declares goods as being delivered as DDU/DDP their ancillary costs would be expected to be greater than if declared as CIF. Their ancillary costs would also be expected to be greater if declared as CIF than FOB, and, again, greater as FOB than EXW (DDU/DDP > CIF > FOB > EXW). This is because the assumption that the longer the journey the goods have had to take, the greater the costs involved.

As mentioned, to present declarations on 'Statistical Value' terms, Arrivals trade must be presented on a

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<sup>4</sup> This also means that the business cannot be selected from both suites in a single month.

<sup>5</sup> Two of these equations are calculated, one for Arrivals and one for Dispatches, each with different values for the multiplicative factor and the power 'b' of the Net-Mass.

CIF basis, and Dispatches trade on a FOB basis. The table below shows the effect that the calculated ACFs have on the declared invoice values to bring them in-line with either CIF or FOB (depending on their suite).

Declared Delivery Term	ARRIVALS	DISPATCHES
	ACF adjustment on declared 'Delivery Cost' to bring in line with CIF	ACF adjustment on declared 'Delivery Cost' to bring in line with FOB
EXW	+	+
FOB	+	0
CIF	0	-
DDU/DDP	-	-

'+' = An upward adjustment of the declared delivery cost

'-' = A downward adjustment of the declared delivery cost

As the table shows, for Arrivals with delivery terms declared as CIF, the ancillary cost factor is zero and therefore no adjustment is made on the declared invoice value. This is because an Arrival with a delivery term as CIF is the definition of 'Statistical Value'. Similarly, for Dispatches with delivery terms as FOB, the ancillary cost factor is also zero – A Dispatch with a delivery term as FOB is also the definition of 'Statistical Value'.

As well as depending on the declared Delivery Term, the adjustment made is also dependant upon the declared Partner Country and the Net Mass of the consignment.

Low weight declarations (defined as having a net mass of 0, 1 or 2) are adjusted through the Ancillary Cost Look-up Tables rather than the factors. This is due to the ancillary cost factors methodology would result in no adjustment to a declared line of trade with a zero Net Mass

### 2.3 Methodology employed by other Member States

The EU legislative requirement to provide Statistical Value is not prescriptive about how this is achieved and Member States have taken differing approaches to providing this information.

**Method 1a:** *Applied by Germany, Estonia, Italy, Cyprus, Luxembourg, Poland, Portugal, Romania and Finland.*

The most common method used is to collect data in the form of both statistical value and invoice value from trade operators whose trade is above a certain threshold (this can be from the businesses who contribute up to 70% of total Intrastat value). This data is then used to calculate a correcting coefficient which is then applied to invoice values declared from operators below the threshold, so as to adjust this data to statistical value.

**Method 1b:** *Applied by Bulgaria and Latvia*

Bulgaria and Latvia, like all those Member States using Method 1a, collect data both in the form of statistical value and invoice value from trade operators whose trade is above a threshold. However, instead of using this data to calculate a correction coefficient and adjust trade data from operators below this threshold, they use a correcting coefficient calculated from historical data.

**Method 1c:** *Applied by Ireland, Spain, Lithuania, Hungary, Austria and Slovenia*

These countries also collect data both in the form of statistical value and invoice value from trade operators whose trade is above a threshold. However, for declarations made by businesses below the threshold, no adjustment is made to the collected invoice value. As such, trade data below the threshold is simply reported as the invoice value.

**Method 2a:** *Applied by Czech Republic, France and the Netherlands*

These countries do not collect statistical value at all, they collect invoice value. Adjustments are made using correcting coefficients derived from historical data.

**Method 2b:** *Applied by Denmark, Slovakia, Sweden and the UK*

These countries, like those using Method 2a, do not collect statistical value at all. Each adjusts invoice value to statistical value by applying factors derived from a survey.

### **Other methods employed include the following**

Statistical value is not collected and no adjustments are made. Invoice value is used for all declared trade data (*Belgium*).

Statistical value is collected from all trade operators (*Greece*).

Both invoice value and statistical value are collected (*Malta*).

Source: EU Quality Report

## **2.4 Evaluation of Alternatives**

HMRC deems statistical value to be considerably more difficult and burdensome to declare than simply collecting invoice value. This is because it has to be calculated by the businesses. In light of this, when Intrastat commenced in 1993, HMRC decided to only request the invoice value on Intrastat declarations, and adjust this on behalf of the businesses to derive the legally required statistical value. This simplification was undertaken as a burden reducing measure for businesses in the UK (and also in a number of other Member States).

If we consider some of the alternative methods used by other EU Member States (section 2.3 above) we can assess them in terms of their practicality and the burdens they place on business.

One very simple alternative to the Ancillary Cost Survey, which is popular amongst other Member States, is to require businesses above a certain threshold to declare both the statistical value and invoice value on the Intrastat declaration (methods 1a, above). These values can then be used to determine a coefficient to apply to all declarations by businesses below this threshold (i.e. those businesses who only declare invoice value).

However, it is estimated that by adopting this approach and adding an extra data field to the UK Intrastat declaration in the form of statistical value, in excess of an extra £1m would be added to the annual administrative burden (using the HMRC standard cost model to determine burdens). This would be the case even if statistical value was only collected from the largest of businesses (who account for around 70% of total Intrastat value). This would be in excess of the burdens placed on business by the current ACS methods.

Some Member States do not make a full adjustment to statistical value. Eurostat have highlighted that this approach does not fully comply with the legislated requirements<sup>6</sup>, so is not a feasible option for the UK to take forward.

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<sup>6</sup> As specified in the annex of Regulation (EC) no 638/2004 of the European Parliament and the Council

Another alternative to the ACS would be to adjust all declared invoice values to statistical value using correcting coefficients derived from historical data (method 2a above). However, the historical data employed by other Member States is from either when both statistical value and Invoice value were collected (which has never happened in the UK), or via conducting some form of survey to determine the correcting coefficient.

Importantly, correcting coefficients are calculated at a detailed level (i.e. commodity code level). As such, for HMRC to adopt this approach a considerably larger survey than the current ACS would need to be conducted to build up a sufficient number of observations to base the coefficients on. In addition, a survey of this type would suffer from the problems of coverage i.e. trying to get observations across the complete spread of commodity codes.

HMRC is committed to balancing the burdens on business with the need to meet our legislative obligations. The evidence above suggests that the task of calculating statistical value is still best met by the ACS survey. This meets the legislative obligation, and provides a substantially smaller administrative burden than methods employed by a number of other Member States.

### 3. Users

The data collected in the ACS is only used by HMRC's Trade Statistics unit in the calculation of the ACFs. However, the ACFs are used to adjust the invoice values of all Intrastat declarations that have delivery terms specified. The ACS data is therefore directly linked to the publication of the UK OTS, a National Statistics output. This OTS is the major constituent part of the ONS Balance of Payments (BoP) calculation.

Other customers of the OTS include Eurostat, the European Central Bank (ECB), Department for Business Innovation and Skills (BIS), Department for Environment Food and Rural Affairs (DEFRA), Department of Energy & Climate Change (DECC), Organisation for Economic Co-operation and Development (OECD), Welsh Assembly Government, House of Commons, data retailers, libraries and Universities. OTS data is published on website [www.uktradeinfo.com](http://www.uktradeinfo.com).

### 4. Respondents Views

As part of this review, a survey was conducted on a sample of those businesses eligible to participate in the ACS. A copy of the questionnaire sent to these businesses can be found in Annex A. In all, 352 businesses were sent questionnaires. A total of 145 questionnaires were correctly completed and returned – a 41 per cent response rate.

#### 4.1 Views from those who usually participate in the ACS:

Of the 145 businesses that responded, 42 per cent reported that they do participate in the ACS

Time Burden:

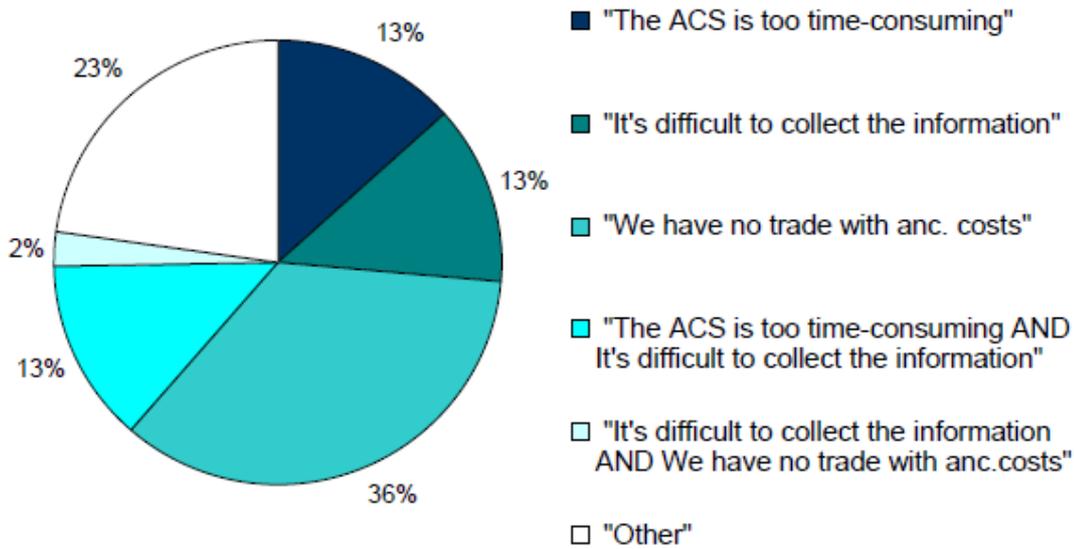
- The length of time taken to complete the ACS ranged from 2 minutes to 8 hours - The mean length of time taken was reported as 63 minutes.
- The median length of time was 30 minutes

Administration burden:

- The ACS was most likely to be completed by Clerical Staff or Middle Managers (36 per cent and 31 per cent of responses respectively).
- Over 93 per cent of respondents to the questionnaire reported having no difficulties completing the ACS form and completing it within the two month timescale.

## 4.2 Views from those who do not usually participate in the ACS:

Figure 1 - Reasons for non-participation in the ACS



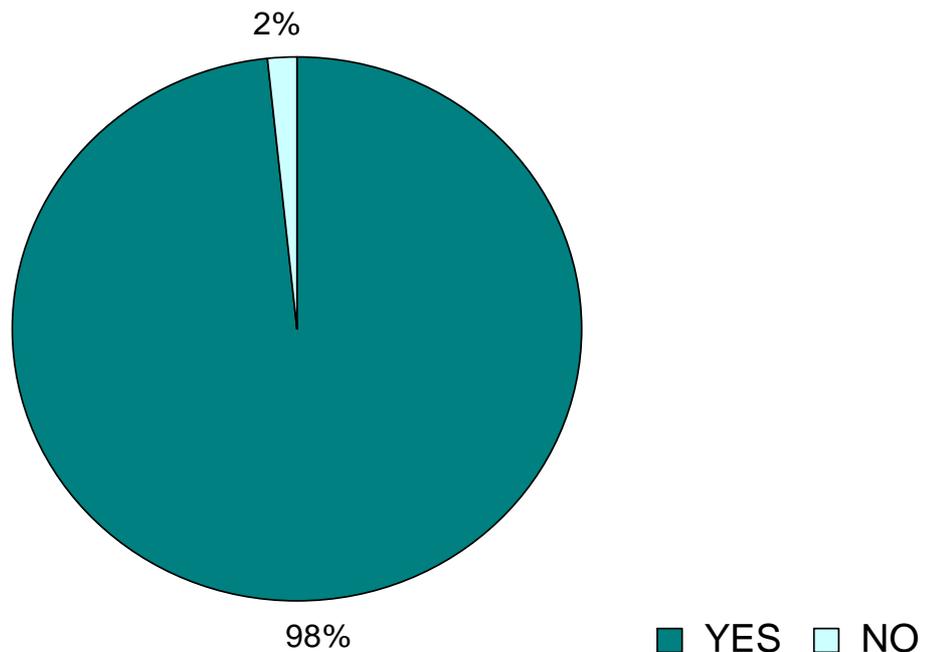
Of the 145 businesses that responded, 58 per cent reported that they do not participate in the ACS

- The most reported reason for not participating was that the respondent did not have any trade with ancillary costs (36 per cent)
- Just under a quarter of respondents who did not usually participate in the ACS reported 'Other' as the reason for not participating. In these cases, most respondents expanded further on this reason to state that their ancillary costs were negligible.

## 4.3 Views on the format of the proposed new ACS form

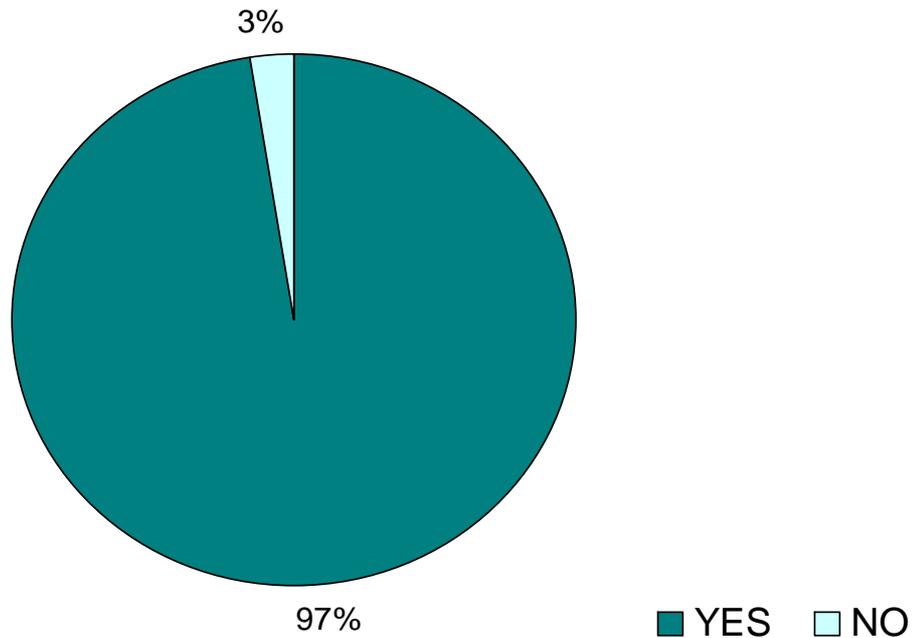
The questionnaire also asked businesses for their opinions on the layout of the proposed new ACS form and the updated instructions on the reverse (Annex B):

Figure 2 - Is the proposed new form an improvement on the previous?



- 98 per cent of all respondents stated that they thought the proposed new form was an improvement on the previous form. A number of respondents qualified this opinion by stating that they thought the new form was much clearer than the previous and easier to understand.

**Figure 3 - Is the notes section on the reverse of the new ACS form helpful?**



- 97 per cent of all respondents stated that they thought that the instructions section on the reverse of the proposed new ACS form is helpful.

#### **4.4 Views on the proposed electronic submission of ACS data**

Businesses were asked if they would prefer / be more likely to complete the ACS as an electronic form:

- 70 per cent of respondents stated that they would be more likely to complete an ACS form that could be submitted online.

## **5. Costs**

### **5.1 Costs to Government:**

There are 4,104 companies selected each year to participate in the ACS. Companies that do not respond in the first two months are sent reminder letters. There are around 3,000 of these reminder letters sent.

For 2009/10:

The cost to produce and send out letters (including reminders) to companies was estimated as £2,222.

The staffing cost to administer the ACS (including cost of amenities) was estimated as £21,479.

The Total Cost to Government was estimated as **£23,701**.

### **5.2 Costs to Business:**

The response rate to the ACS is approximately 40%. From analysing the responses to the

questionnaire sent out as part of this review, the weighted average hourly pay rate <sup>7</sup> of those completing the ACS forms was estimated as £43 and the median time period taken to complete the form is 30 minutes.

Using these figures, the Total Cost to Business was estimated as **£35,303**.

A more detailed breakdown of the calculation of these costs is presented in Annex C.

## **6. ACS quinquennial review 2005**

A Number of recommendations were made in the 2005 quinquennial review of the ACS. This section details what actions progressed from the last review.

### **1. “Investigate the cost and availability of purchasing similar data independently”.**

It was found that the potential data suppliers from which the necessary data could be purchased were unable to supply the full range needed. In addition, the cost of purchasing such data was relatively expensive. As such, it was decided that the cost of buying data outweighed the benefits.

### **2. “Consider an alternative validity methodology for ACFs”.**

An alternative validity methodology was considered, but not implemented on the grounds that the current methodology was deemed fit-for-purpose .

### **3. “Determine the feasibility of creating an electronic version of the ACS”.**

This was investigated and the introduction of an online submission system was deemed not feasible. At the time of investigation costs for developing an online delivery system for a relatively small survey were prohibitive. HMRC has further questioned businesses about their views on online submission of ancillary cost data as part of this review as detailed in Section 4.4.

### **4. “Review the format of the ACS form”.**

A new form was created with clarity and simplicity in mind. This proposed new form was presented to businesses for them to comment on as part of this review. Almost all of the businesses that commented stated that they thought the new form was an improvement on the previous as detailed in Section 4.3.

### **5. “Target the collection of data for new EU countries”.**

This was done for Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia who joined the EU in 2004, and also for Bulgaria and Romania when they joined the EU in 2007.

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<sup>7</sup> Hourly pay rates are sourced from the 2009 Annual Survey of Hours and Earnings (ASHE)

**6. “Investigate standardising the ACFs for dispatch EXW and arrivals DDP delivery terms for all EU countries”.**

This was investigated and considered not necessary for implementation.

**7. Recommendations from this review**

**1. “Continue to conduct the ACS”.**

The ACS remains the most cost-effective solution for adjusting trade statistics with minimum burden on businesses.

**2. “Continue with the implementation of the new ‘enhanced’ ACS form”.**

The vast majority of users have expressed their satisfaction with the new ACS form as an improvement on the previous.

**3. “Investigate the feasibility of producing an online form for businesses to use to declare ancillary costs”.**

The majority of businesses participating in this review stated that the presence of an online form would be preferable and would make their participation in the ACS more likely. This would also help HMRC save on the costs of sending out paper forms and follow up paper reminders. An online form would also make the process of submitting data easier for businesses. With the possibility of the form containing some sort of validity checking the chances of businesses inputting invalid information should be reduced. These benefits will have to be considered with respect to the costs of developing a new system and HMRC priorities for developments.

## **ANNEX A**

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**VOLUNTARY SURVEY OF CONTRIBUTORS TO THE ANCILLARY COSTS SURVEY (ACS)**

Your Name: ..... Company Name  
 ..... Tel No. / Ext: .....

1. Do you usually participate in the ACS? Yes  No

**If you answered 'No' please go to Question 5.**

2. On average, how long does it take you to complete the ACS form?  
 (inc. time spent on information extraction from accounting systems &  
 data collation over and above normal accounting operations).  Minutes

3. Which position best describes that of the person responsible for completing the ACS form?

Director	<input type="checkbox"/>	Senior Manager	<input type="checkbox"/>	Middle Manager	<input type="checkbox"/>
Junior Manager	<input type="checkbox"/>	Clerical	<input type="checkbox"/>		

4. Do you have any difficulties in completing the ACS form; or completing it within the two month timescale?

Yes  No

**If yes, please describe the difficulties.**  
 .....  
 .....

.....  
.....

**Go to Question 6.**

5. Please tick the main reasons why you prefer not to contribute to the ACS?

The ACS is too time consuming       Difficult to collect the information   
No trade with ancillary costs       Other

If you selected 'Other', please specify

.....  
.....  
.....  
.....  
.....

**Please see the proposed format of the new ACS form and compare it with the old form (both attached).**

6. Is the proposed new form an improvement on the previous?

Yes       No

Comments:

.....  
.....  
.....  
.....  
.....  
.....

7. Is the notes section on the reverse of the new ACS form helpful?

Yes       No

If you have answered 'No' to the above question please give reasons below.

.....  
.....  
.....  
.....  
.....  
.....



## **ANNEX B**



### Notes on the completion of Ancillary cost survey: Intra community trade forms

Detailed advice on how to complete this form and on Intrastat can be found in Notice 60 *The Intrastat Guide*, go to [www.uktradeinfo.com](http://www.uktradeinfo.com)

<b>Trader</b>	Enter your UK VAT number. The three digit Branch ID should be completed if you are providing data on a Branch basis.
<b>Agent</b>	This field should be completed only if an agent is completing this form on behalf of the trader.
<b>Period (MM/YY)</b>	The period is the month and year to which the declaration refers, for example, 11/09 for November 2009.
<b>Commodity Code</b>	You must classify goods using the appropriate code from the current Intrastat Classification Nomenclature (ICN), available online, go to <a href="http://www.uktradeinfo.com">www.uktradeinfo.com</a> if you need advice, contact the Tariff Classification Helpline on <b>01702 366077</b> .
<b>Value (£ sterling)</b>	Show the value, as used for VAT purposes, in £s sterling rounded up to the nearest pound.
<b>Delivery terms</b>	See Notice 60 Paragraph 4.4, Appendix E.
<b>Net Mass (kg)</b>	If required, should be shown in kilograms rounded up to the next whole kilogram.
<b>Supplementary units</b>	Complete this box only when the current ICN indicates that supplementary unit information is required.
<b>Country of consignment</b>	You will find a complete list of Countries and Country Codes in Notice 60 Appendix B, or go to <a href="http://www.uktradeinfo.com">www.uktradeinfo.com</a>

#### Information to complete the Ancillary cost (£ sterling) box

The Ancillary cost is the cost incurred in the movement of goods, including freight and insurance charges. For each line declared on the form indicate the cost involved according to the transaction's delivery term.

**EXW** State the costs incurred in moving the goods for the total journey from your supplier's premises to your premises, which are not included in the Value (£ sterling) box.

**FOB** State the costs incurred in moving the goods from the EU port/airport to your premises, which are not included in the Value (£ sterling) box.

**CIF** State the costs incurred in moving the goods from the UK port/airport to your premises, which are not included in the Value (£ sterling) box.

**DDU/DDP** There will be no Ancillary Costs incurred.

**If you need further help and advice on completing the Ancillary Cost Survey: Intra community trade form, contact:**

HMRC Customer Services - Trade Statistics on **01702 366252**  
**01702 366420**  
**01702 366195**

Or email us on [team.survey@hmrc.gsi.gov.uk](mailto:team.survey@hmrc.gsi.gov.uk)

## **ANNEX C**

# ACS Cost Calculations

## Cost to Department (2009/2010)

No. of ACS letters sent out per year	4,104
Reminder letters sent	3,061

7,165

Total number of sheets sent out (based on 2 sheets/letter) 14,330

£

Cost to produce letters 72

Cost to send letters 2,150

**Total cost to produce and send letters** **2,222**

**Total staff cost (including cost of amenities)** **21,479**

**TOTAL COST TO HMRC**

**£23,701**

## Cost to Business (2009/2010)

2009/2010 Response rate 40%

**Responses in 2009/2010 given above response rate** 1,642

\* Average hourly pay rate and expenses 2009/10

£

\*\*\*%

Weighting

Director 88 8

Senior Manager 69 12

Middle Manager 47 31

Junior Manager 36 13

Clerical 23 36

**Hourly pay rate to complete ACS based on weighted average** 43

**Median of time taken for employees to complete ACS (hours)** 0.5

**TOTAL COST TO BUSINESS**

**£35,303**

\* Hourly pay rates are sourced from the Annual Survey of Hours and Earnings (ASHE)

\*\* '% Weighting' is the proportion of times the corresponding job position was reported as being responsible for completing the ACS.