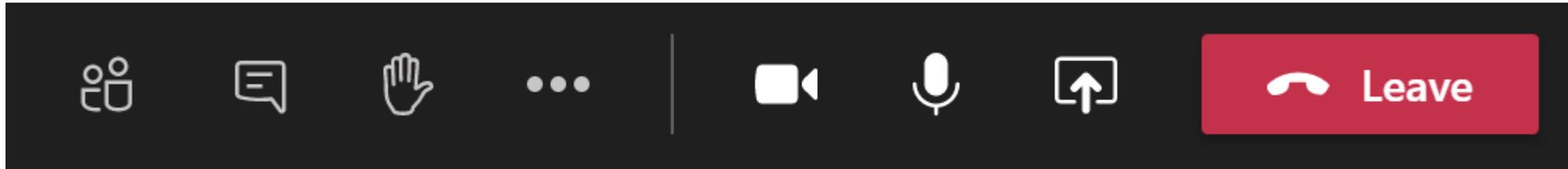


# Customs Webinar

15<sup>th</sup> December 2020



# To get the best out of today's call..



- Please **stay muted** to avoid background noise, so you'll need to unmute when you want to talk. We may mute people if we hear background noise
- We encourage participants to **keep webcams ON**, as we want to have an interactive session
- Please put **questions into chat** (conversation function)
- **Raise hand** if you'd like to intervene in discussion, and lower it once done
- There is a (phone) **dial in option** if you have connection problems
- The call **will be recorded**, but only shared with BCF members, not the public domain

# Presentation from

Ryan Diggory,  
Senior Policy Advisor-  
International Trade Infrastructure  
and Materials



Department for  
Business, Energy  
& Industrial Strategy

# Preparing for 1 January 2021

*focus on border and customs  
measures for BCF and ACA trade  
association members*

Ryan Diggory, Trade Policy Advisor

Chemicals sector team

Department for Business, Energy and Industrial  
Strategy

15 December 2020

  
HM Government  
UK TRANSITION



**UK'S  
NEW START  
LET'S GET  
GOING**

Sign up now on  
[gov.uk/transition](https://www.gov.uk/transition)

-  Check
-  Change
-  Go

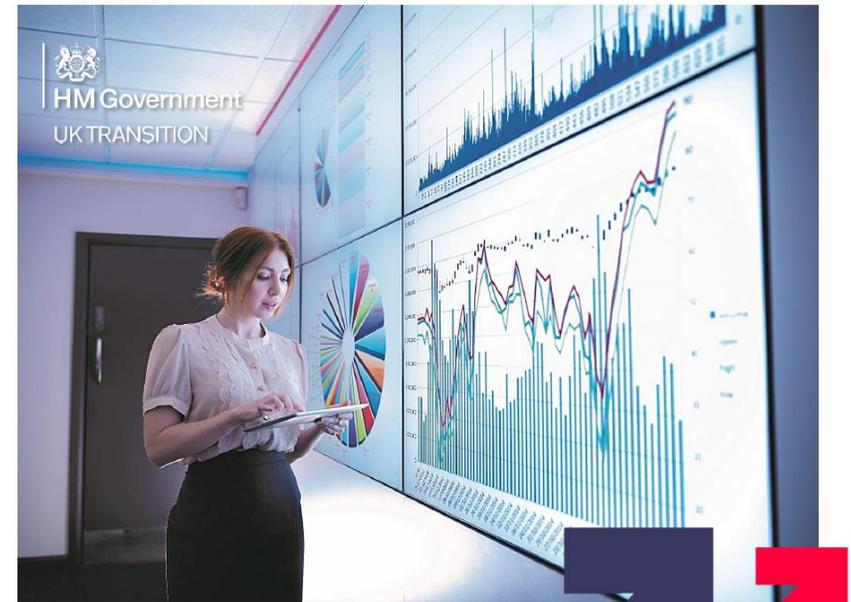
# State of play with UK Free Trade Agreement negotiations

<https://www.gov.uk/government/collections/the-uks-trade-agreements>



# Preparation resources for 1 January

- [BEIS Webinars - sectoral and policy-specific; including checklists](#) and Q&A in some areas
- HMRC compliance calls with High Volume Traders + trader letters + [customs declaration webinars](#)
- The [Border Operating Model](#)
- [Updates to rules governing moving goods from GB to or through NI](#) and [NI Customs Academy guidance](#)
- [EU technical guidance](#) and [further checklists](#) etc. on customs and tax issues



## BUSINESS ACTION CHECKLIST

**NEW RULES WILL AFFECT YOU  
FROM 1 JANUARY 2021**

 TIME IS RUNNING OUT, ACT NOW  
AT [GOV.UK/TRANSITION](http://GOV.UK/TRANSITION)

-  Check
-  Change
-  Go

# Tariffs on imports into the UK

UK priorities: all existing FTAs we can use as part of the EU Customs Union, plus US, Aus, NZ, CPTPP

Free Trade Agreements

e.g. duty suspension on 7601202010 (slabs and billets of unwrought aluminium alloy containing lithium): rate is 0% instead of 6%

Duty suspensions, autonomous Tariff Rate Quotas and Generalised Scheme of Preferences

Material from China, Russia, UAE etc. not subject to another measure

Currently the EU Common External Tariff;  
*from 1 January 2021, the UK Global Tariff (UK GT)*

# UK Global Tariff

The **UK Global Tariff** will apply to all goods you import from 1 January 2021 unless an exception applies, for example if the goods you're importing:

1. Are from a country that has a trade agreement with the UK
2. Are from a developing country that pays less or no duty because it's part of the Generalised Scheme of Preferences
3. Have a relief or tariff suspension that's operated by the UK.

[Find the right commodity code](#) and [check the rates](#)



# VAT

For imports into the UK, VAT registered traders who are eligible and choose to defer their supplementary declarations **must** use postponed VAT accounting. This means they will need to account for import VAT on their periodic VAT return. Have you seen how you can [make use of postponed VAT accounting?](#)

VAT registered traders not choosing to, or not eligible to defer their customs declarations will still be able to account for import VAT on their VAT return by using postponed VAT accounting. This applies to imports from all countries.

UK exporters Delivering Duty Paid to EU customers will need to be familiar with EU import customs rules (including the EU EORI requirement). For EU import procedures, the starting point for guidance is [here](#), and for EU tariffs [here](#).

Member States have different rules for collecting import VAT, which are summarised [here](#) (though some have provided more useful guides we can share). The refund process differs across member states too: [this page](#) is a starting point.

# Customs controls between GB and EU from January 2021



## 1 January

**Full EU import and export controls in place**  
**Full UK export controls in place**  
**Full UK import controls in place only for controlled goods**  
**Deferred declarations in place for standard goods**

## 1 April

1 January arrangements + full UK import controls in place for animals and products of animal origin, plus plants and plant products

<https://www.gov.uk/prepare-to-import-to-great-britain-from-january-2021>

## 1 July

**Full EU and UK controls in place for all goods**

# Staged import controls from the EU to GB



The staged approach announced by the UK Government allows traders (or their intermediary) to record in their own commercial records at the point of entry of goods into GB, and then follow this with a supplementary declaration which must be submitted to HMRC within six months of the point of import. The records kept must contain the following details:

- Customs procedure code
- Declaration unique consignment reference (a reference number that allows you to identify the consignment in your records)
- Purchase and, if available, the sales invoice numbers
- Date and time of entry in records – creating the tax point, which is used for working out VAT payments later
- Any temporary admission, warehousing or temporary storage stock account references, including warehouse approval numbers
- Written description of the goods – so they are easy to identify and to decide the correct commodity code to use
- Customs value
- Quantity of goods – for example, number of packages and items, net mass
- Details of licensing requirements and licence numbers
- Details of any supporting documents, including the serial numbers, where appropriate
- (If an agent making a declaration on behalf of someone else) details of the person being represented

# Staged import controls from the EU to GB



If the goods are being moved through a location without existing customs control systems, the GB EORI must accompany the goods.

By the time they need to submit the supplementary declaration they will need access to an authorisation for the Simplified Customs Declaration process and a Duty Deferment Account. Traders can choose to become authorised for the simplified process most appropriate to their business (either Entry in Declarants Records or Simplified Declaration Procedure) to submit their delayed supplementary declarations. After 30 June 2021 traders will need to follow the process set out in their authorisation.

Traders submitting a simplified frontier declaration to declare goods on arrival in the UK, rather than making a record into their own commercial records, will not be able to delay their supplementary declaration and payment of any customs duties by up to 6 months.

**Non-UK established traders must use a UK established agent with access to an authorisation for the Simplified Customs Declaration process for imports and a Duty Deferment Account.**

# Customs and border FAQs



## *Will importers need to have a duty deferment account and guarantee?*

- Businesses incurring duties will need to pay these to HMRC either by using their own duty deferment account (DDA), or through an intermediary. Duty Deferment Accounts allow traders to defer payments to HMRC which benefits cash flow.
- For businesses wishing to pay using their own DDA, the DDA will need to be in place in time for the initial supplementary declaration for imports of non-controlled goods, or at the point of import for controlled goods.
- HMRC has introduced new rules that will allow most businesses to use duty deferment without needing to obtain a Customs Comprehensive Guarantee (CCG). This easement will not apply to businesses that have a history of non-compliance or are insolvent: <https://www.gov.uk/guidance/check-if-you-can-get-a-guarantee-waiver-for-a-duty-deferment-account-in-great-britain>

# Customs and border FAQs



***How will UK VAT registered traders who defer their supplementary customs declarations***

***operate Postponed VAT Accounting? <https://www.gov.uk/guidance/check-when-you-can-account-for-import-vat-on-your-vat-return>***

- If a business defers their declaration, they will need to account for import VAT on their periodic VAT return which includes the date when they imported the goods. To do this they will need to estimate the import VAT due from the records of imports that they are required to keep. When they submit their deferred declaration, they will be able to adjust this estimate to precisely account for the import VAT due.
- The information they need at the point of paying will be on the Monthly postponed import VAT statement (MPIVS). It will show the amount of import VAT (postponed for the previous month) which they should include in their VAT Return. Further guidance on how to do this will be published in due course.
- Like the current (C79) import VAT certificate, this statement will provide the evidence needed to support the recovery of import VAT on the same VAT return (subject to the normal rules on input tax deduction).

# Exports from GB to the EU



<https://www.gov.uk/prepare-to-export-from-great-britain-from-january-2021>

Exporters of goods from GB should ensure they are familiar with using the [‘Check How to Export Goods’](#) tool which provides detailed information on duties and customs procedures for over 160 countries.

From January 2021 to the end of June 2021 for goods moving via locations without existing customs control systems, including RoRo listed locations and other non-inventory linked locations, a declaration must be submitted before the goods have left the trader’s premises. The declarant will then receive ‘Permission to Progress’ or a specific routing in order to be checked. For short sea journeys, safety and security export declarations will have to be submitted at least 2 hours pre-departure for both containerised and non-containerised imports.

All exports will require a Safety and Security (S&S) declaration from January 2021.

# Goods through border locations without systems January 2021

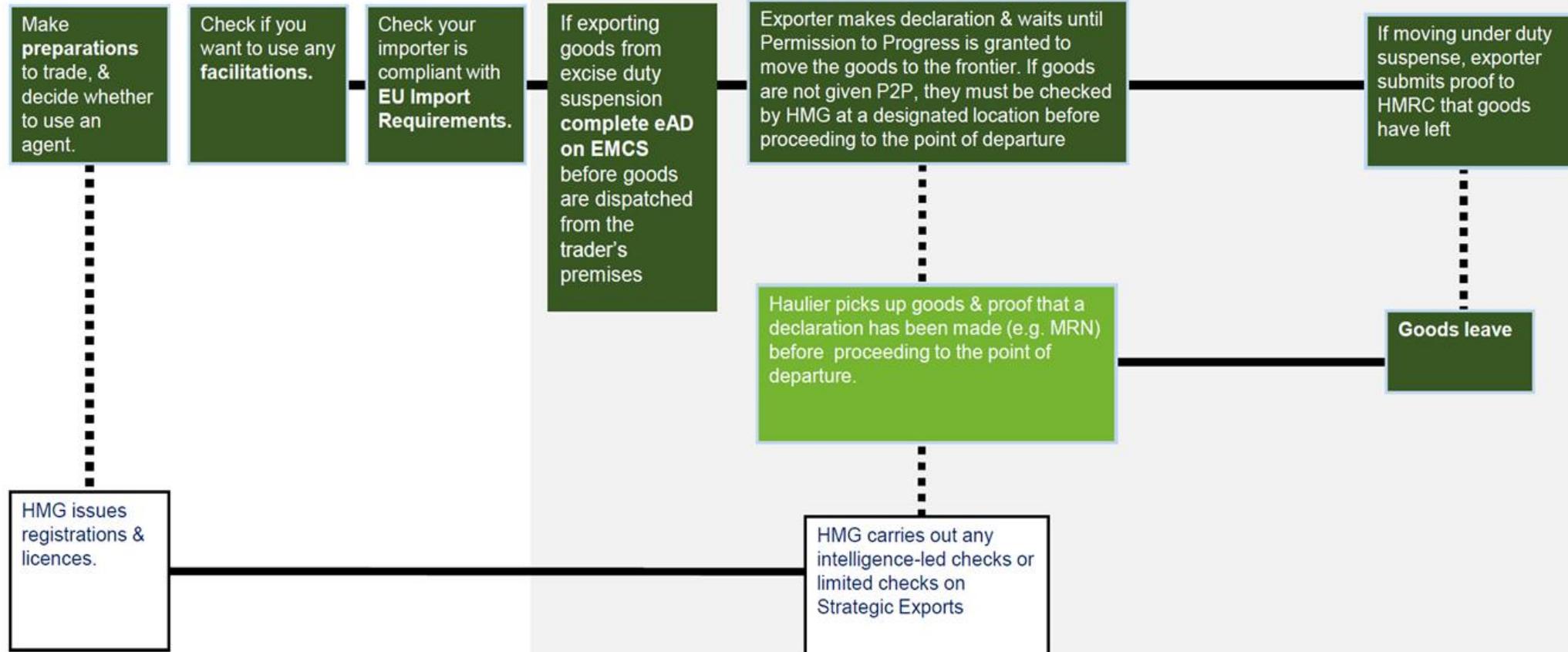
## Pre-Export Steps

These are the steps that must be completed ahead of attempting the export process. They involve getting any registrations or licenses needed, checking compliance & deciding whether to use facilitations.

## Core Export Process

These are the key steps that need to be taken to export a good. To complete them you will need an **GB EORI**, your **commodity code** and **the value of your goods**

If exporting excise goods there are special procedures to follow



**Key:** Process Step

Interactions

Exporter

Authority

Haulier



# Border Locations with Existing Systems January to July 2021 / Border Locations with Inventory Linked Systems after July 2021

## Pre-Export Steps

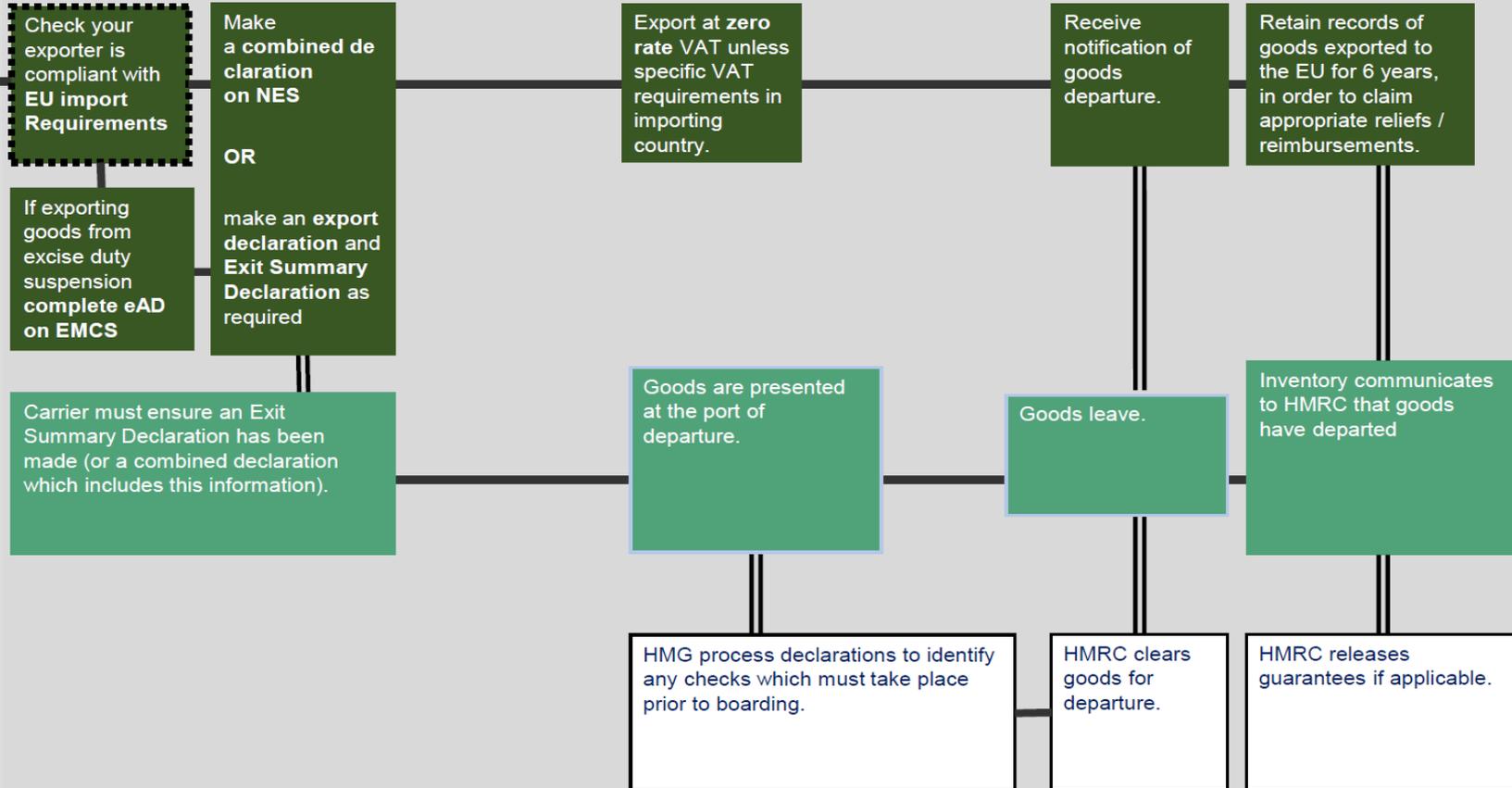
These are the steps that must be completed ahead of attempting the export process. They involve getting any registrations or licenses needed, checking compliance and deciding whether to use facilitations.



## Core Export Process

These are the key steps that need to be taken to export a good. To complete them you will need an **GB EORI**, your **commodity code** and the **value of your goods**.

If exporting excise goods there are special procedures to follow.



**Key:** Process Step — Interactions == Exporter ■ Authority □ Carrier ■

# Road freight for exports

## [Full guidance for hauliers](#)



[Kent Access Pass](#) : In addition to evidence of UK export procedures having been carried out, hauliers will need either an EU import document with a barcode (for example from an import declaration or Transit Accompanying Document) or ATA/TIR carnets.

From July 2021 at locations using the Goods Vehicle Movement Service (GVMS), hauliers will need GVMS to link export declaration references together into one single Goods Movement Reference (GMR). The driver will be required to present the GMR at the port or terminal of exit. The GB exporter must complete the UK export procedures comprising, at minimum, a combined customs and safety and security declaration. Once this has been done, the exporter will be given permission to progress (P2P). Once the exporter has P2P, having completed any additional documentary checks requested by the National Clearance Hub, the driver can collect and take the goods to the GB port or terminal of departure.



## ***What is Goods Vehicle Movement Service (GVMS) and when will it be used from?***

- To achieve full customs control on goods, at locations with limited space or infrastructure, the government will introduce the Goods Vehicle Movement Service (GVMS) to support the Pre-Lodgement model for both imports and exports and to facilitate transit movements.
- Under this model, goods arriving will be required to have submitted relevant customs declarations in advance of boarding at the port of departure.
- It will be used for Transit movements and some Northern Ireland trade from 1 January 2021.
- The GVMS will support the Pre-Lodgement model for both imports and exports in GB from July 2021. HMG will be introducing border controls at the end of the transition period in stages. This means that the GVMS will not be required for imports or exports between the EU and GB until 1 July 2021 when full customs controls need to be in place.



## *What customs IT platform will be in place at the end of the transition period?*

- In consultation with customs intermediaries, we have decided to continue to dual run CHIEF and [CDS](#) beyond December 2020. Dual running protects the integrity of the customs platform.
- HMRC is focused on ensuring traders use the right platform in time for December 2020. We are developing the following migration journeys to guide this work:
  - onboarding new GB traders to CHIEF
  - onboarding NI traders onto CDS
  - NI to RoW Exports remain on CHIEF until the supply chain is ready.
  - GB to EU/RoW Exports remain on CHIEF until the supply chain is ready.

# Customs and border FAQs



## ***Do you accept there will be delays and disruption?***

- The Government is working to have systems in place to support a smooth functioning border by December 2020. The most important factor in avoiding delays will be traders being ready themselves. Traders can start getting ready by checking guidance on gov.uk website and by considering how they will make customs declarations, for example, whether to use a third party such as a customs agent to make customs declarations or buy software to make declarations directly.

## ***How are you improving support to businesses and online guidance?***

- Updating GOV.UK and re-wording pages where feedback received on lack of clarity/detail
- New Transition Traders Online Forum with FAQs: [More info here.](#)
- New online chat service which traders can use to speak to an advisor about import and export queries: [More info here.](#)
- NI Customs Academy guidance - <https://www.nicustomstradeacademy.co.uk/>

# Customs facilitations



[EU guidance on 'special procedures'](#)



- [Common Transit Convention](#) – for trade across multiple borders
- [Simplified declarations](#)
- [AEO status](#)
- [Inward Processing Relief](#) and [Outward Processing Relief](#)
- [Customs Warehousing](#)
- [Temporary Admission](#) and [Returned Goods Relief](#)
- [Duty Deferment Account](#)

# Customs and border issues

## *Have you.....*



- Found the [right commodity code](#) for your goods and learned how to [how to value your imports for customs duty?](#)
- Decided whether to use [staged import declarations?](#)
- Applied for a duty deferment account and [checked whether you can use a guarantee waiver?](#)
- Seen how you can [make use of postponed VAT accounting?](#)
- Checked the [UK Global Tariff rates?](#)
- Checked your INCOTERMS and any responsibilities you might have to interact with EU customs or tax authorities?
- Checked that your forwarder is ready to handle declarations for you?
- Signed up to HMRC's [Trader Support Service](#) if you send goods from GB to NI?

# Northern Ireland Protocol

<https://www.gov.uk/government/collections/moving-goods-into-out-of-or-through-northern-ireland-from-1-january-2021> / [NIP Command Paper](#)

- 1. Moving goods from Northern Ireland to Great Britain should take place as it does now** – there will be no declarations, tariffs, new regulatory or customs checks for Northern Ireland businesses to place almost all goods on the UK market.
- 2. Changes for goods moving from Great Britain to Northern Ireland will be kept to an absolute minimum** - first thing to do is sign up to the [Trader Support Service](#). For all goods, an entry summary (safety and security) declaration must be submitted before the goods arrive and further declaration will need to be made when the goods arrive. [The 'at risk' principle](#) will apply to determine tariff treatment.
- 3. Trade in goods between Northern Ireland and Ireland, and between Northern Ireland and EU Member States, will continue unaffected**, with no change at the border, no new paperwork, and no tariffs or regulatory checks.

# Other changes from 1 January

## *Have you.....*



- Checked whether you need to [take action to keep personal data flowing from the EU to the UK?](#)
- Checked how to maintain [EU](#), [GB](#) and [Northern Ireland](#) market access for CE-marked goods?
- Checked whether you have any new responsibilities for [moving notified waste between the UK and EU?](#)
- Seen if you would need to [take action to protect your intellectual property in the EU?](#)
- Applied to be a [licenced sponsor](#) to recruit from the EU and overseas?
- Made yourself aware of [changes impacting how you can provide services to EU/EEA countries?](#)
- ...and changes impacting [business travel more generally?](#)

# Questions



**TIME IS RUNNING OUT**

[VISIT GOV.UK/TRANSITION](https://www.gov.uk/transition)