

Brexit: EU Imports & Exports in 2021

Course book



...market leaders for business training

Course book

This document contains the text of the PowerPoint displays that are used during the presentation of the course

Brexit: EU Imports & Exports in 2021

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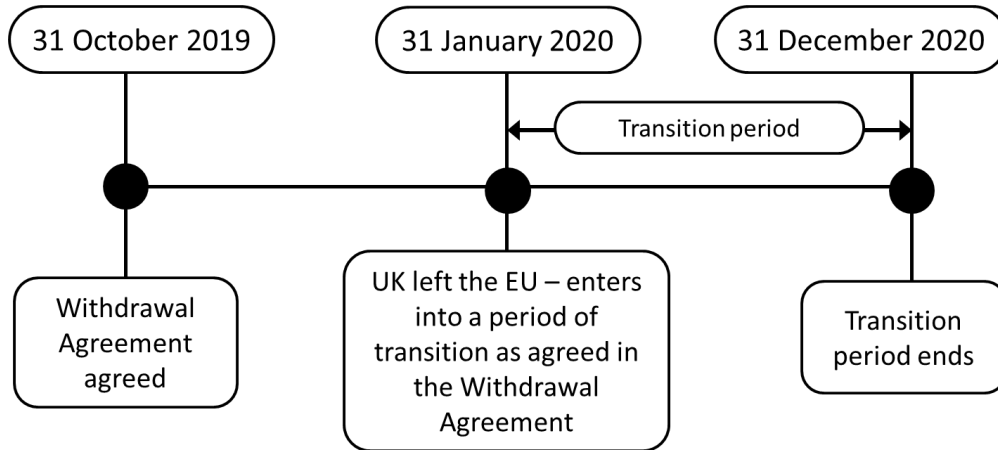
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Session 1: Introduction to imports and exports

The Brexit transition period



Current trade definitions

- **EU acquisitions**
 - Movement of goods from an EU country to the UK
- **EU sales**
 - Movement of goods from UK to an EU country
- **Imports**
 - Movement of goods from outside EU to the UK
- **Export**
 - Movement of goods from the UK to a country outside EU



Definitions in 2021

- EU sales become **exports**
- EU acquisitions become **imports**

The new border with the EU in 2021

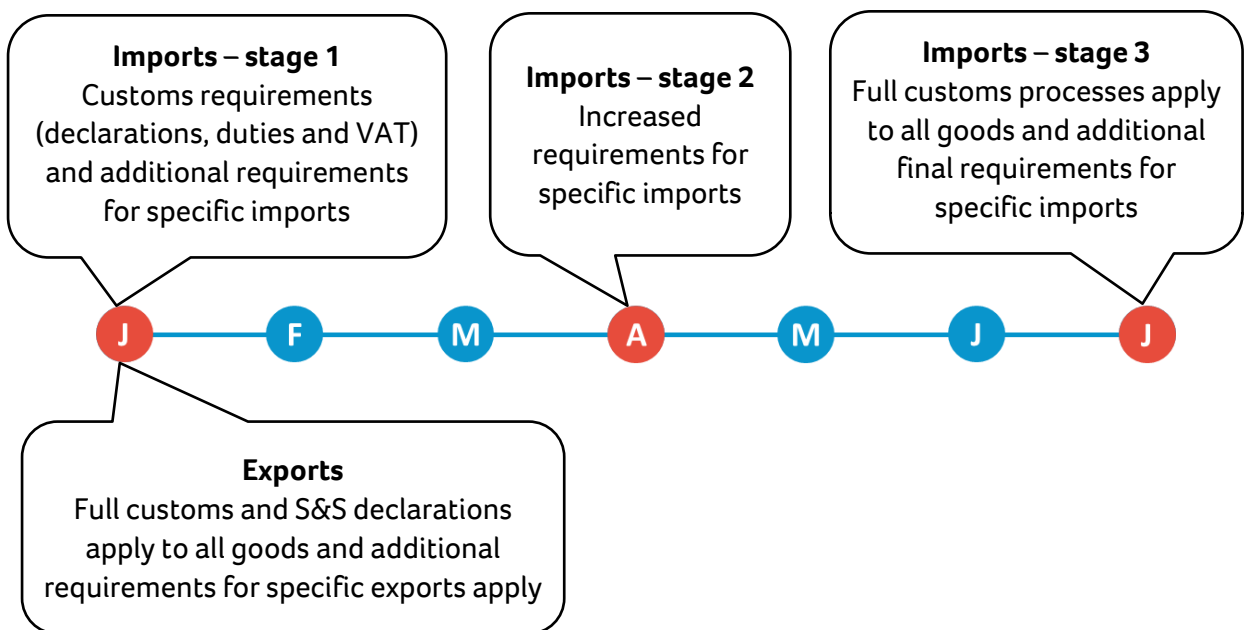
- Trade of goods with EU will be similar to current treatment with the rest of the world (ROW)
- **Exports** - full border controls immediately for goods moving from GB to EU from 1 January 2021
- **Imports** - full border controls on goods moving from EU to GB implemented in **3 stages** up until July 2021
- Separate rules for goods moving from GB to Northern Ireland



Moving goods between GB and the EU – what’s changing?

- Some ‘core processes’ will apply to all goods movements – this is known as the ‘Core Model’
 - Customs declarations
 - Customs duties
 - VAT
 - Safety & Security (S&S) declarations
- There are ‘additional processes’ that only affect certain goods

The Border Operating Model - 3 stages





The core processes explained

- **Customs declarations**
- Customs duties
- VAT
- Safety & Security (S&S) declarations

- Official document that lists and gives details of goods that are being imported or exported
- Completion of UK Customs declarations for imports and EU declarations for exports
- Required from 1 January 2021 - with deferral in some circumstances

- Customs declarations
- **Customs duties**
- VAT
- Safety & Security (S&S) declarations

- Payment of duties required from 1 January 2021 under new UK Global Tariff
- Deferral options available
- Importer required to determine origin, classification and customs value of goods

- Customs declarations
- Customs duties
- **VAT**
- Safety & Security (S&S) declarations

- VAT treatment for imports and exports same as for ROW
- Postponed VAT accounting options for imports



The core processes explained

- Customs declarations
- Customs duties
- VAT
- **Safety & Security (S&S) declarations**

- Maintain standards
- Collects information of goods moving between GB and EU - what, how often and why?
- Entry Summary Declaration (importing) from July 2021
- Exit Summary Declaration (exporting) from January 2021

Core Model – additional requirements

- Additional requirements will only affect movement of specific types of goods
- Examples of additional requirements
 - Special certification
 - Specific entry locations
 - Additional border checks
- Some occur before and some after core processes
- Further requirements apply to controlled and prohibited goods



Key planning points...

- Review existing contract terms
 - Incoterms important to establish responsibility for customs procedures
- Review existing trade agreements to determine what contracts are affected by the changes
- Review/check existing authorisations and relationships with intermediaries
- Consider internal resources and any training needs
 - Staff
 - IT/systems
 - Are grants available?

Will you use customs intermediaries?

- Customs procedures complex and easy for mistakes to be made
- Mistakes can lead to:
 - Delays in goods entering circulation or them being confiscated
 - Additional costs and lost revenue
- Who can help?
 - Customs agents and brokers
 - Freight forwarders
 - Shipping companies
 - Fast parcel operators e.g. couriers
 - Specific industry specialists e.g. pharmaceuticals



Benefits of using an intermediary...

- Peace of mind in knowing an expert is handling the process
- Single point of contact – not dealing with individual agencies
- Saves time and resources
- Reduces delays and overpayments
- But remember...
 - Important to understand the key elements of the process
 - You are ultimately responsible for things being handled correctly
 - You need to assist your agent and know what you should be checking

Where can you find an agent?

HMRC provide a list of customs agents and fast parcel operators...

www.gov.uk/guidance/list-of-customs-agents-and-fast-parcel-operators

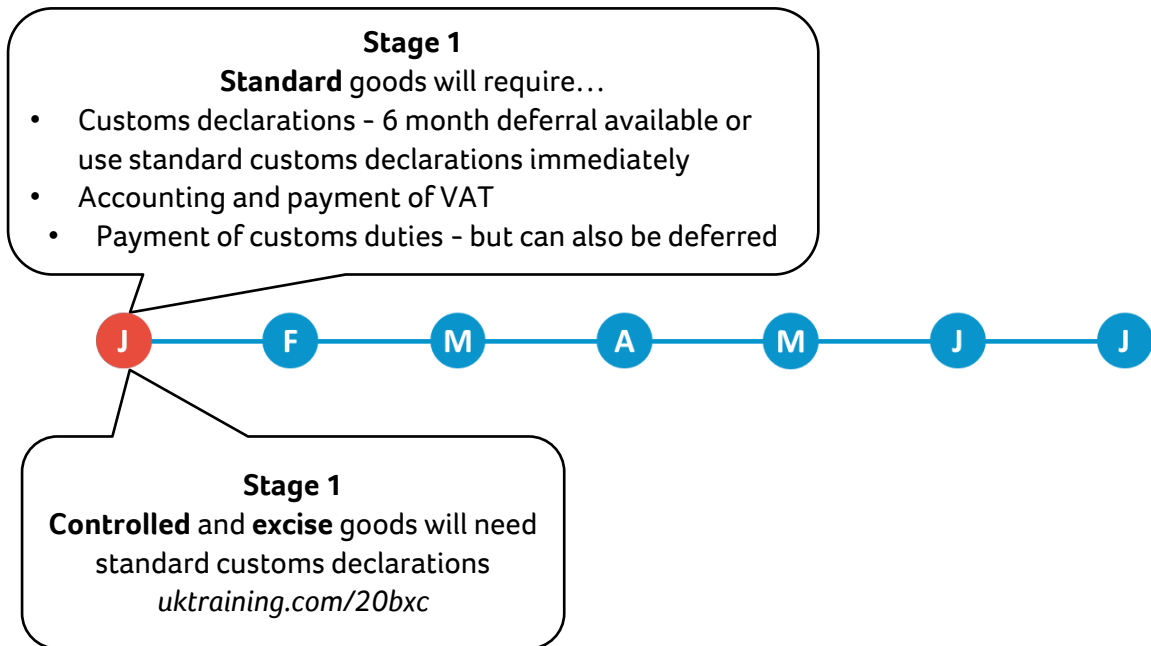


Session 2: Importing goods from the EU in 2021 – Customs procedures

Importing goods from the EU in 2021

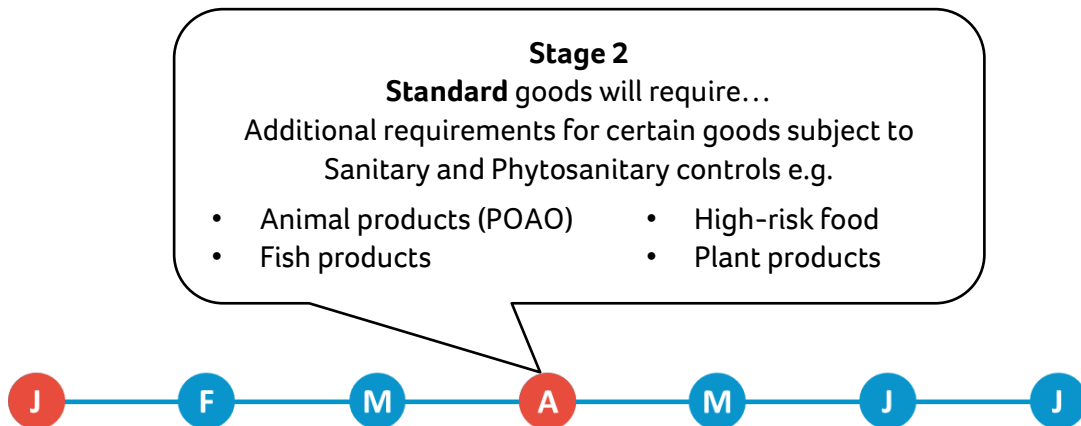
Goods entering the UK from the EU become **imports**

Import – The New Border Model: January 2021

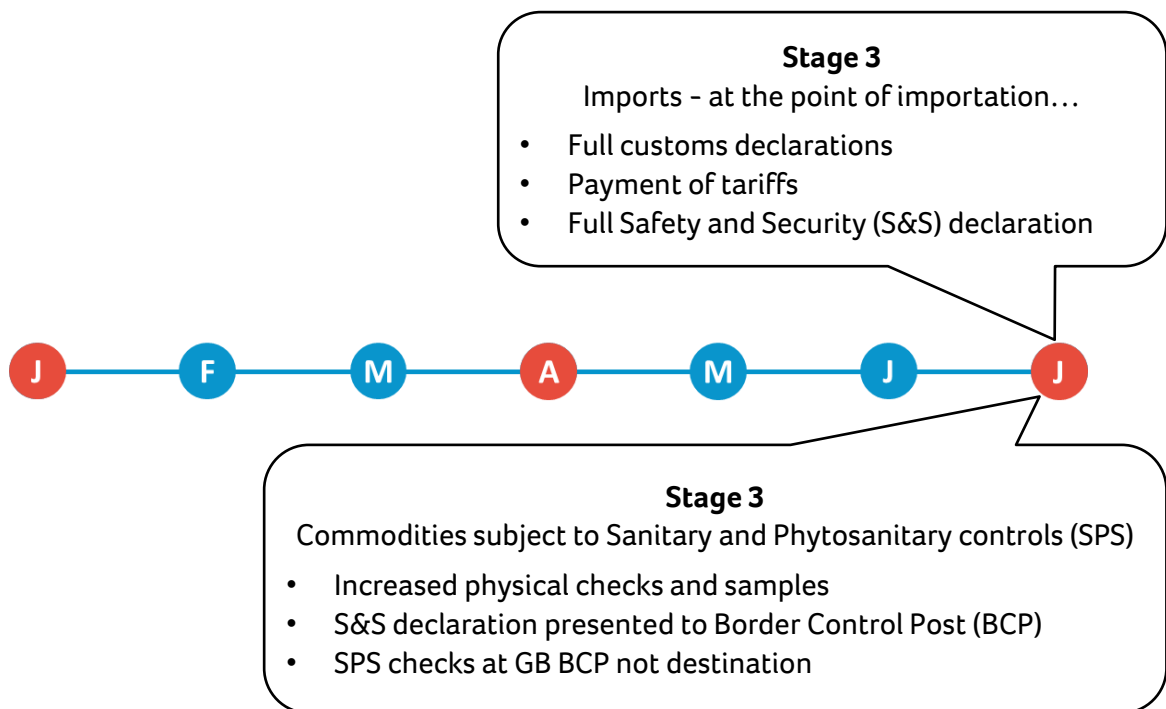




Import - The New Border Model: April 2021



Import - The New Border Model: July 2021





Preparing to import - steps to take

- **Does new guidance apply?**
- Determine how to make customs declarations
- Do special rules apply to your goods?
- Obtain or check your EORI number
- Check rate of duty payable
- Check the rate of VAT due

Different guidance is available for some countries and goods received by post

Does new guidance apply?

- New processes apply to imports from
 - EU
 - Switzerland
 - Norway
 - Iceland
 - Liechtenstein
- Separate guidance for goods moved in and out of NI (*see later*)
- Goods received by post - Notice 144



Preparing to import - steps to take

- Does new guidance apply?
 - **Determine how to make customs declarations**
 - Do special rules apply to your goods?
 - Obtain or check your EORI number
 - Check rate of duty payable
 - Check the rate of VAT due
- Same rules as currently apply to ROW
 - Decide if you will get do this yourself or use an intermediary

Customs declarations

- The main options under the New Border Model are...
 - Deferred Declarations – available until July 2021
 - Standard import procedures
 - Simplified Declaration
 - Transit arrangements
- They can be complex - will you use intermediary?
 - Remember you are still responsible for information on declaration
- Most declarations are submitted electronically via **CHIEF** - Customs Handling of Import and Export Freight system



Preparing to import - steps to take

- Does new guidance apply?
- Determine how to make customs declarations
- **Do special rules apply to your goods?**
- Obtain or check your EORI number
- Check rate of duty payable
- Check the rate of VAT due

- What import licences or certificates are needed?
www.uktraining.com/20bwj
Check labelling and marketing standards for food, plant seeds and manufactured goods
www.uktraining.com/20bwk
- Check MHRA post transition rules
www.uktraining.com/20bxy

Licences and certificates

- Only applies to certain goods e.g.
 - Animals, plants and agricultural products
 - Sanitary and Phytosanitary products
 - Wood and wood products
 - Medicines, tissues and cells for human application
 - Chemicals and waste
 - Guns and other weapons
- Might also need to pay an inspection fee on certain products



Preparing to import - steps to take

- Does new guidance apply?
- Determine how to make customs declarations
- Do special rules apply to your goods?
- **Obtain or check your EORI number**
- Check rate of duty payable
- Check the rate of VAT due

Easy process via Government Portal

www.uktraining.com/20bwm

EORI number

- You need a GB EORI number to move goods between the UK, EU and non-EU countries
- Apply in advance – it takes about a week to register
- You may already have one if you have previously traded with the EU
- You don't usually need one if you only provide services or move goods between NI and Ireland

The screenshot shows the HM Revenue & Customs website interface for the EORI application form. The header includes the HMRC logo and navigation links for Home, Contact HMRC, and Help. The main heading is 'Application for an Economic Operator Registration and Identification (EORI) number - Imports form'. Below this, there is a section for 'Indicates required information' and a list of conditions that must be confirmed before completing the form. A checkbox is provided for the user to agree that their application meets these criteria. Further down, there is a section titled 'Section 1 - Details of who requires an EORI number' which contains several text input fields for business details: Business name, Trading name, Address line 1, Address line 2, Town/City, Postcode (with a note for non-UK postcodes), and Country.



Getting an EORI number

- You will need
 - VAT number and date of registration
 - NI number if sole trader/individual
 - UTR
 - Business start date and SIC code
 - Government Gateway ID and password
- There is a separate EORI team to assist - www.uktraining.com/20bwq

Preparing to import - steps to take

- Does new guidance apply?
- Determine how to make customs declarations
- Do special rules apply to your goods?
- Obtain or check your EORI number
- **Check rate of duty payable**
- Check the rate of VAT due

You will need a commodity code or description of goods



Checking UK trade tariffs

- The rate of duty will be determined by the UK Global Trade Tariff (UKGT) from 1 January 2021- www.uktraining.com/20bwn
- Applies to all goods unless there is an exception
- Typical exceptions include
 - Goods from developing countries or those which are part of the Generalised Scheme of Preferences - www.uktraining.com/20bwr
 - Goods from countries with trade agreement with UK - www.uktraining.com/20bws
 - Goods with a relief or tariff suspension UK - www.uktraining.com/20bwt



Search for your goods

You can search using:

- A commodity code
- The product description
- A combination of these

In most cases, rates in the UKGT have been set at the 8 digit commodity code level. If you have a 10 digit commodity code, use the first 8 digits to search for your product.

This tool illustrates the UKGT's applied rates only. It does not cover other import duties or measures, including anti-dumping, countervailing or safeguards duties, or any other form of restrictions on imports.



Show 25 commodities

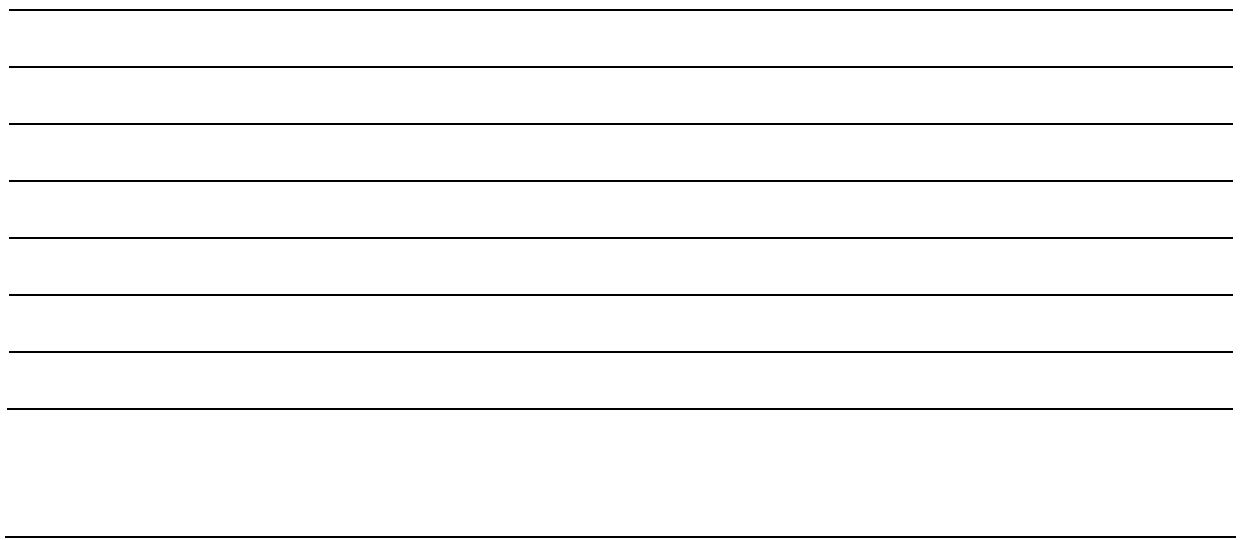
If you need help finding your commodity code you can use the [trade tariff tool](#).

Commodity	Description	Common External Tariff	UK Global Tariff	Change
3004 90 00	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, put up in measured doses "incl. those for transdermal administration" or in forms or packings for retail sale (excl. containing antibiotics, hormones or steroids used as hormones, alkaloids, provitamins, vitamins, their derivatives or antimalarial active principles)	0.0%	0.0%	No change

Showing 1 to 1 of 1 commodities



New service is accessed here - www.uktraining.com/20bvw





Duty Deferment Account (DDA)

- Useful for regular importers – delays payment of import duties and import VAT and allows quicker release of goods
- Single monthly payment through direct debit
- You will need to provide financial guarantees from your bank or insurance provider
- To set up a DDA you should apply for a Deferment Account Number (DAN) for use on import declarations
- You can authorise an agent to use your DAN using form C1207N

DDA required for traders that choose to make deferred declarations

Preparing to import - steps to take

- Does new guidance apply?
- Determine how to make customs declarations
- Do special rules apply to your goods?
- Obtain or check your EORI number
- Check rate of duty payable
- **Check the rate of VAT due**

- Standard rate
- Reduced rate
- Zero rate

www.uktraining.com/20bwo

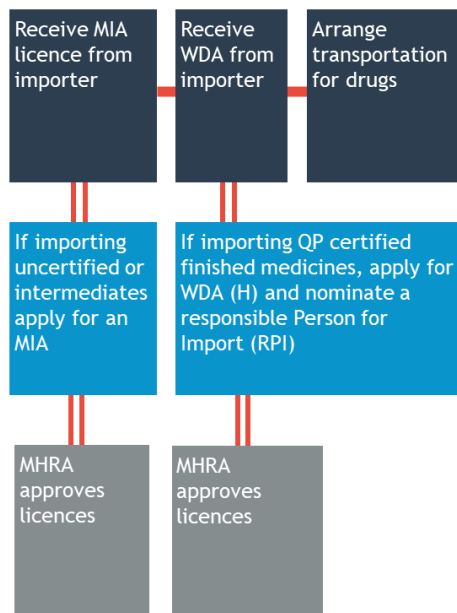


VAT rates

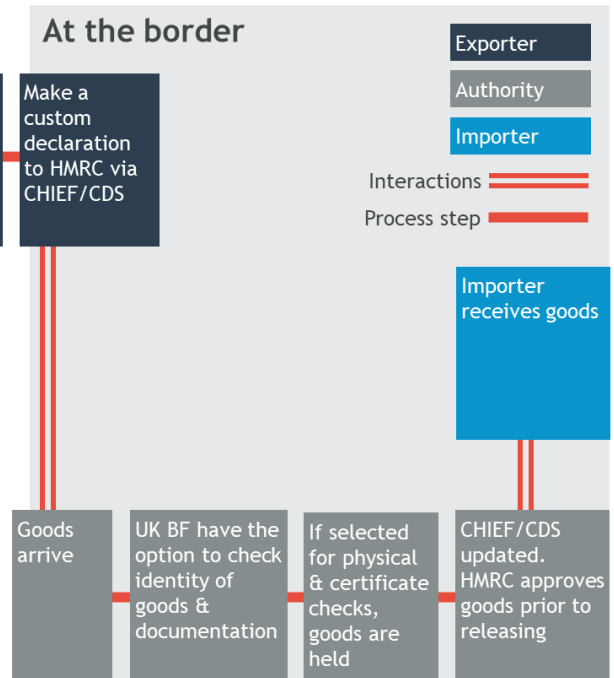
- Most imports will be subject to the standard rate of VAT
- VAT Notice 700 provides a list of goods subject to zero, exempt and reduced rates of VAT
- VAT rates applicable to specific goods can be accessed via the UK Global Tariff
- Remember – zero and reduced rates are not consistent across EU member states

Importing medicines post 1 January 2021

Pre-import steps



At the border





Customs declarations

Import procedures available from 1 January 2021

The main options for importing are...

- **Deferred Declarations**
 - Available between 1 January – 30 June 2021 - for standard goods under stage 1
- **Standard import procedures**
 - Full customs declaration
- **Simplified Declaration procedures**
 - For some controlled goods to reduce processing requirements
- **Transit arrangements**
 - Moving goods through multiple territories

Deferred declarations

Deferred declarations - January to July 2021

- Deferred declarations enable you to delay making a full customs declaration and paying customs duties for up to 6 months
- You need to...
 - Record the goods in your own records - www.uktraining.com/20bww
 - Do not need advanced authorisation
 - Account for VAT on your VAT return if VAT registered
 - Make a supplementary declaration within 6 months - www.uktraining.com/20bwx
 - Ensure you have a Duty Deferment Account (DDA)
- You do not need to make an Entry Summary Declaration (S&S declaration for imports)



What details need to be entered in your records?

- Record commodity code - www.uktraining.com/20bxf
- Customs procedure code - www.uktraining.com/20bxg
- Declaration unique consignment reference
- Purchase and sales invoice
- Date and time of entry - for VAT
- Any Free Zone, temporary admissions warehousing or storage account references
- Written description of the goods
- Customs value
- Quantity e.g. number of packages
- Details of licensing requirements and numbers
- Supporting documents
- Details of person representing if an intermediary

Making a Supplementary Declaration

- Once you have made an entry in your records, you must make a Supplementary Declaration to CHIEF within 6 months
- Contains a lot of the details you will already have entered into your own records...
 - A customs procedure code
 - A commodity code
 - Your declaration unique consignment reference consignee and consignor
 - Type, amount and packaging of your goods
 - Transport methods and costs
 - Currencies and valuation methods
 - Certificates and licences



Full import declarations

Making a full import declaration

- Full import declarations required from July 2021 for all standard goods but can be made from January
- Most imports are eligible for Customs Freight Simplified Procedures (CFSP)
 - Streamlined process for clearance
 - Covers authorisations, removal, release, reporting and audit
 - Two types of CFSP
 - Simplified Declaration Procedure (SDP)
 - Entry in the Declarant's records (EIDR)
- Must be authorised for CFSP - YOU need to plan for this and use form C&E 48

Making a full import declaration

- Before submission
 - Make an Entry Summary Declaration (S&S)
 - Present goods immediately to Customs on arrival
- Submit declaration within 90 days of presenting goods to Customs
 - Can make declaration up to 30 days before arrival
- Submit electronically via CHIEF



Details included on a full import declaration

- Key details...
 - Customs Procedure Code
 - Commodity Code
 - Declaration unique consignment reference
- Also required...
 - Declaration Unique Consignment Ref
 - Departure point and destination
 - Consignee and consignor
 - Type, amount and packaging of goods
 - Transport method
 - Currencies and valuation method
 - Certificates and licenses

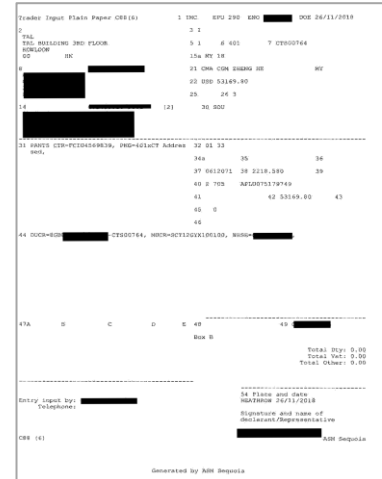
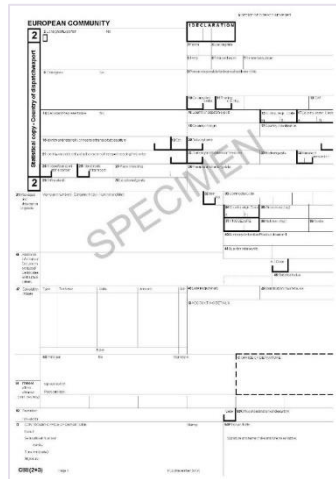
Import declarations

- Importer must always insist on a copy of import declaration
- On receipt importer **must** check
 - Entry has correct importer EORI number
 - Customs Procedure Code (CPC)
 - Country of Despatch
 - Origin of the Goods
 - Appropriate 10 digit import tariff code (commodity code)
 - Correct values
 - Amount of Import Duty
 - Amount of Import VAT
 - Has preference been applied if applicable

Single Administrative Document (SAD) – form C88

- The document used to lodge customs entries
- Can be completed in hard copy or more likely in electronic form

Full size forms – see [appendix 3](#)





Customs entry E2 acceptance

- When customs entry has been accepted by HMRC, you or your agent will receive an E2
- It shows the 'Route' allocated, the value for duty calculation and duty and VAT due

Route 0	Awaiting a response from another government system before the route is determined.
Route 1	Requiring the supporting documentation to be examined.
Route 2	Requiring goods and documents to be examined.
Route 3	Which implies automatic clearance after a short period of time during which the documentation must be submitted and Customs have the opportunity to examine it.
Route 6	CFSP. Paperless declaration with the entry being given immediate clearance, ie zero time out.

Full size form – see [appendix 4](#)

GBP

IMPORT ENTRY ACCEPTANCE ADVICE

Entry: 290 11/2018 FSD version 01
Route 0 at 290 status 00

at 09:09 on 26/11/2018 for CBS202 page 1

ENTRY ACCEPTANCE DETAILS

Entry accepted 26/11/2018 at 09:09
 Declarant ID [REDACTED] Submitting TURK [REDACTED]
 Declarant reference CBS2014

CONSIGNMENT DETAILS

Mode UCR [REDACTED] cat
 Consigne [REDACTED]
 Market UCR [REDACTED] Inventory system CBS1
 Location G000 Total Packages 401

ENTRY VALUE DETAILS

Amount from Currency at Exchange Rate
 Invoice total 41178.99 USD 1.7312

ENTRY REVENUE TOTALS

Tax Type	Total Amount GBP	Tax Type	Total Amount GBP
Total deferred revenue	0.00		
Total immediate revenue	0.00		
Total revenue payable	0.00		

ITEM DETAILS

Item	Item Price	VAT value	Excise value
Item 1	5316.80	0.00	41178.99
	Customs value	0.00	Licence value
	Excise value	0.00	

GBP

END OF REPORT IMPORT ENTRY ACCEPTANCE ADVICE

GBP

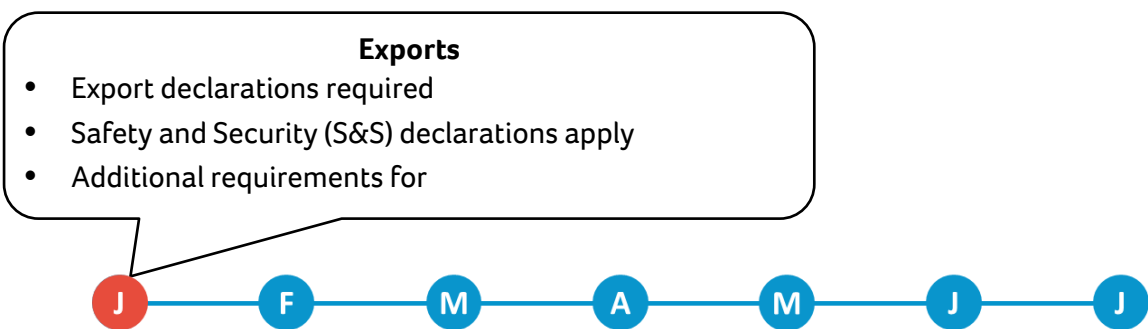


Session 3: Exporting goods to the EU in 2021 – Customs procedures

Exporting goods to the EU in 2021

Goods leaving the UK for the EU become **exports**

The Border Operating Model – Exports



Exporting goods to the EU from 1 January 2021

- All goods leaving the UK become exports and you will need to make customs declarations
- Normal procedure is to submit full export declaration
 - Details goods in shipment
- If authorised you can use simplified procedures
- If not making full export declaration, you must submit S&S declaration - Exit Summary declaration (EXS)
 - Useful for perishable goods



Exporting goods – the core model

- Core model processes
 - **Export preparations**
 - UK Customs Declarations
 - UK Safety and Security Declarations (S&S)
 - EU S&S and Customs requirements
- Supplementary processes
 - Facilitations
 - SMART freight system

- GB EORI Number
- Customs intermediary with access to S&S GB System and CHIEF
- Check new rules for your types of goods
- Help - a new tool is available to check duties and procedures
www.uktraining.com/20bx

Exporting goods – the core model

- Core model processes
 - Export preparations
 - **UK Customs Declarations**
 - UK Safety and Security Declarations (S&S)
 - EU S&S and Customs requirements
- Supplementary processes
 - Facilitations
 - SMART freight system



UK customs declarations - exports

- Most exporters use an intermediary to make declarations
 - Declarant still responsible for accuracy of information
- Otherwise use the National Export System (NES) or commercial software
- Customs declarations require...
 - GB EORI number
 - Commodity code of goods
 - Value of goods
- If required by CPC then need to give statistical value - cost of goods to purchaser

Are simplifications available?

- Simplified Declaration procedures are available
 - Simplified customs declaration or
 - Entry in own records
- Authorisation is required
- Enables faster clearance of goods
- Declare goods using pre-shipment advice (PSA)
- Full Supplementary Declaration submitted within 4 weeks



Groupage – a practical consideration...

- Groupage...
 - Mixed load of consignments of different exporters goods in one vehicle, *or*
 - Multiple product lines in one single consignment
- Intermediary must ensure each individual consignment needs to meet all customs requirements of the New Border Operating Model
- If there are issues with any element of the groupage load, there could be delays or compliance action
- The same applies for importers

Exporting goods – the core model

- Core model processes
 - Export preparations
 - UK Customs Declarations
 - **UK Safety and Security Declarations (S&S)**
 - EU S&S and Customs requirements
- Supplementary processes
 - Facilitations
 - SMART freight system



UK Safety and Security (S & S) declarations

- Required for all exports from **January 2021**
- Also known as Exit Summary declaration
- Requirement can be met by combined fiscal and S&S export declaration
- Standalone Exit Summary declaration may be needed where customs declaration is not submitted pre-departure

Information on a UK S&S declaration

- Data required includes
 - Consignor and consigned
 - Description of goods
 - Routing (country by country)
 - Location of goods and customs office of departure
- It can be amended after initial submission if certain information changes
- Important that declaration is submitted with the most accurate information available at the time



When do you present the S&S declaration?

Timing of presentation is dependent on the method of transport

Air	30 minutes before departure from an airport
Eurotunnel	1 hour before departure
Short sea journeys	2 hours before leaving the port
Rail	2 hours before the goods leave territory
Containerised cargo	24 hours before the goods are loaded

Exporting goods – the core model

- Core model processes
 - Export preparations
 - UK Customs Declarations
 - UK Safety and Security Declarations (S&S)
 - **EU S&S and Customs requirements**
- Supplementary processes
 - Facilitations
 - SMART freight system

Annex B – The border with the EU



When do you require EU S&S certificates?

- Certificates or licences are needed for certain goods
 - Food and feed, live animals, endangered species, drugs and chemicals
- You will need to apply for certificates in advance and time limits may differ between EU member states
 - Check Commission guidance
- EU authorities require pre-notification of arrival of some goods
- Some goods may be subject to additional checks
 - E.g. High risk foods not of animal origin

Exporting goods – the core model

- Core model processes
 - Export preparations
 - UK Customs Declarations
 - UK Safety and Security Declarations (S&S)
 - EU S&S and Customs requirements
- Supplementary processes
 - **Facilitations**
 - SMART freight system



Facilitations – transit movements

- UK negotiated membership of Common Transit Convention (CTC)
- Allows some customs processes away from border
- Traders can make customs declarations and pay import duty when goods arrive at final destination
- Before movement can start an export declaration will need to be submitted along with **transit declaration**
- **Most efficient way is to become an authorised consignor**

Transit declaration needs

- Details of planned journey
- Guarantee reference number or waiver
- Local reference number and possibly master ref number

Authorised consignor or consignee status

- An authorised consignor is a person authorised to carry out transit operations without presenting the goods at the customs office of departure
- Allows the authorised consignor/consignee to start or end movement of goods at their own premises
 - E.g. warehouse or temporary storage facility
- Can apply for authorisation online
- You will need a customs comprehensive guarantee as well as a...
 - EORI number
 - VAT number



Exporting goods – the core model

- Core model processes
 - Export preparations
 - UK Customs Declarations
 - UK Safety and Security Declarations (S&S)
 - EU S&S and Customs requirements
- Supplementary processes
 - Facilitations
 - **SMART freight system**

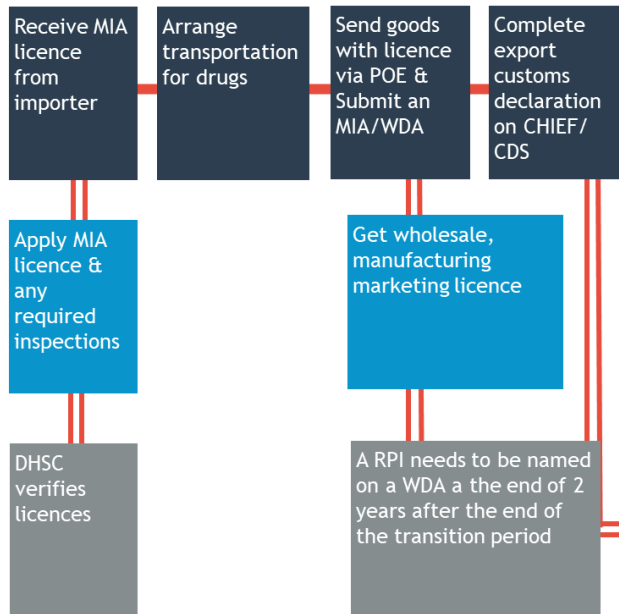
SMART freight system

- System for RORO freight industry
- Designed to help hauliers and HGV drivers understand documentation
- Intended to incorporate a web based portal
- Information to include
 - VRN
 - Destination
 - Time/date of travel
 - Consignment details
 - Declaration of appropriate documentation

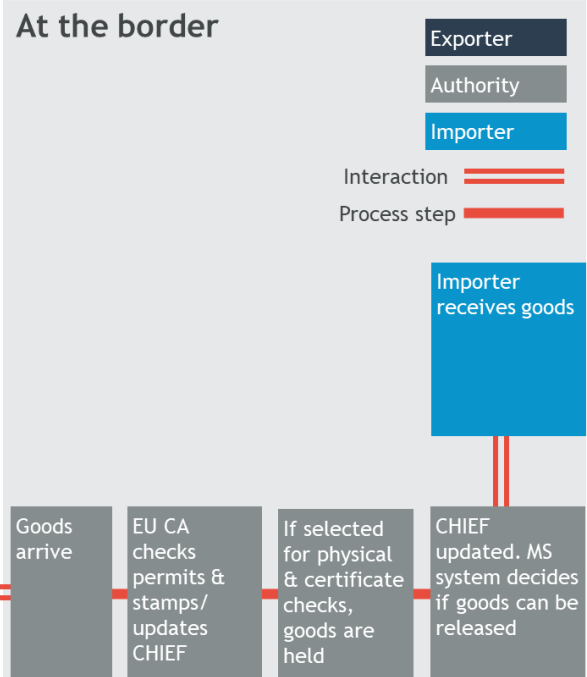


Exporting medicines post 1 January 2021

Pre-export steps



At the border





Session 4: Importing goods from the EU in 2021 – VAT treatment

Recap – goods between the UK and EU from January 2021

- EU sales become **exports**
 - EU acquisitions become **imports**
-
-
-

EU acquisitions – what is the current VAT treatment?

- They are **zero-rated** by supplier in the other member state
 - You account for VAT on your VAT return – known as acquisition tax
 - VAT rate is the same as if you had bought in the UK
 - VAT can usually be reclaimed
-
-
-
-

Importing goods – what are the current VAT rules?

- Import VAT is charged by HMRC, not the supplier
 - Import VAT is charged at 20% or at the rate appropriate to the goods
 - It is charged on the value of the goods including customs duty and incidental costs
 - Import VAT is due at the point of entry but can be deferred – goods not released until done
 - Import VAT reclaimed as input tax on box 4 of your VAT return
 - Form C79 required as proof of payment of import VAT
 - Supplier invoice also required
-
-
-
-
-



Importing goods from 1 January 2021 – how do you account for VAT?

- Instead of paying import VAT on arrival VAT registered businesses can account for import VAT on their VAT return
- This is called **postponed VAT accounting**
- Applies to goods from anywhere in the world – not just EU
- VAT is declared as an output and input on the same VAT return
 - Avoids the need to pay and reclaim VAT
 - Normal rules for VAT recovery apply

When can you use postponed VAT accounting?

- You do not need to be authorised to use postponed VAT accounting
- Goods imported must be for your use
- On your customs declaration...
 - You must include your EORI number
 - You must include your VAT number if needed
- You **must** account for import VAT on your VAT return if you defer submitting your supplementary declaration



When can't you use postponed VAT accounting?

You can't account for import VAT on your VAT return...

- If authorised to use simplified declarations *and*
- You complete simplified frontier declaration before 1 January 2021



Session 5: Exporting goods to the EU in 2021 – VAT treatment

EU sales - what is the current VAT treatment?

- EU sales are zero rated subject to the following:
 - Customer must be VAT-registered in another EU country
 - Goods must move from the UK to another EU country within 3 months of the invoice date
- If the conditions are not met, UK VAT is charged
- Exports to countries outside the EU are also zero rated subject to two conditions...
 - Goods leave EU within 3 months of the time of supply
 - Retain evidence of export

Exports to the EU from 1 January 2021 – what is the VAT treatment?

- From January 2021 sales to EU countries become exports – direct or indirect
- UK VAT registered businesses zero rate these supplies subject to the following...
 - The goods leave the UK within three months of the time of supply
 - Evidence of export is retained
- The time of supply for exports is the earlier of...
 - Goods sent or collected
 - Full payment is received
- Import VAT and duty will be due when goods arrive in the EU



What is the difference between direct and indirect exports?

- Direct exports...
 - The complete export is under the control of the supplier or agent acting on the supplier's behalf
- Indirect exports...
 - The overseas customer or agent collects or arranges for the collection of the goods from the supplier and then takes them outside the UK
- Unlike direct exports, indirect exports cannot be zero-rated if the customer has a business establishment in the UK
 - Principal place of business e.g. head office

Sales to non-registered customers in the EU – what are the current rules?

- This is known as a 'distance sale'
- A VAT registered supplier in an EU member state sells goods and arranges delivery to a non-registered customer in another member state
- If you are below the distance selling threshold for the other member state you charge the appropriate rate of VAT in your own country
- If you exceed the distance selling threshold you must register for VAT in the customer's country and charge the local rate of VAT



How does distance selling change from 1 January 2021?

- Distance selling thresholds and rules no longer applicable for UK businesses (only apply to EU members)
- From 1 January 2021 distance sales from the UK to the EU – the customer will be liable to import VAT and customs duties (possibly at the border)
- An Import One Stop Shop (IOSS) will be available to non-EU businesses from 1 July 2021

What is the Import One Stop Shop (IOSS)?

- Available for sales of goods to EU consumers with value less than €150
- Requires UK business to register in a member state
- How the IOSS works...
 - No import VAT or customs duty payable by customer
 - UK seller charges and collects VAT at point of sale
 - Declares and pays to appropriate member state via IOSS



VAT administrative forms from January 2021...

- EC Sales lists
 - The EC Sales list will **not** be required for sales of goods from GB to the EU from 1 January 2021
- Intrastat
 - Intrastat forms continue to be required for movements of goods between GB and EU after 1 January 2021
 - Subject to thresholds for arrivals (£1.5m) / dispatches (£250K)
 - Box 8 and 9 of the UK VAT return will still need to be completed and reconciled to the relevant Intrastat forms

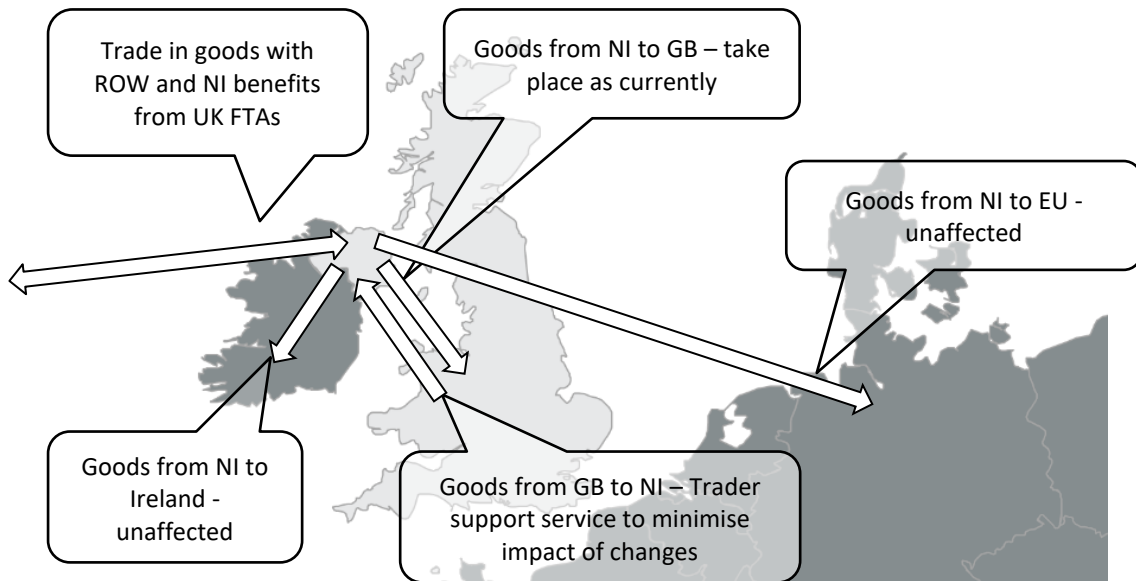


Session 6: The Northern Ireland Protocol

The Protocol

- Not codified as a permanent solution
- Designed to provide a solution to avoiding a hard border with Ireland
- UK Government to establish Trader Support service
 - Guide traders through import processes, digital import and safety and security declarations

Protocol - Overview





Example...

What will happen to goods moving from GB to NI destined for the Republic of Ireland or EU?



NEW COURSE - Northern Ireland Trade and VAT after Brexit
Go to www.uktraining.com/nit



Appendix 1: Links to key documents

Document	Quick links
The Border with the EU - Importing and exporting goods	www.uktraining.com/20bwa
How to import goods from the EU into GB from January 2021	www.uktraining.com/20bwb
How to export goods from the GB into EU from January 2021	www.uktraining.com/20bwc
Moving goods under the NI Protocol	www.uktraining.com/20bwd
VAT Notice 702 Imports	www.uktraining.com/20bwe
UK Tariffs from 1 January 2021	www.uktraining.com/20bwf
VAT Notice 703 Exports	www.uktraining.com/20bwg
VAT Notice 714 Place of supply of services	www.uktraining.com/20bwh

Appendix 2: Glossary

Authorised Consignor / Consignee	“Authorised consignor/consignee status enables a trader to start/end movement of goods under transit at their own premises. To apply for authorised consignor status requires a customs comprehensive guarantee. To apply for authorised consignee status requires an approved temporary storage facility.”
Authorised Economic Operator (AEO)	AEO status is an internationally recognised quality mark that provides quicker access to some simplified customs procedures and, in some cases, the right to fast-track shipments through some customs and safety and security procedures.
Carrier	A carrier is considered in this document to be an individual or commercial company that is legally authorised to transport cargo from one place to another. This includes the movement of goods by different modes of transport (land, rail, water or air).
CDS	The Customs Declaration Service (CDS) HMRC’s new declaration platform.
CHIEF	The Customs Handling of Import and Export Freight (CHIEF) system processes declarations.
Commodity Code	Commodity codes classify goods for import and export. Knowing the correct commodity code for goods is required for filling in declarations and other paperwork. The Trade Tariff Tool can be used to find commodity codes.
Common Transit Convention (CTC)	The CTC is used for moving goods between the EU member states, the EFTA countries (Iceland, Norway, Liechtenstein and Switzerland) as well as Turkey, Macedonia and Serbia. The UK is set to remain in the Common Transit Convention (CTC) after Brexit, ensuring simplified cross-border trade for UK businesses exporting their goods.
Community System Providers (CSPs)	Community Systems Providers (CSPs) are commercial entities that directly interface with HMRC frontier systems including Customs Handling Import & Export Freight (CHIEF). A list of commercial contacts for CSPs can be found here .
Core Export Process	The core export process refers to the minimum requirements for moving all goods from the UK into the EU from July 2021 onwards, assuming an Australia style future relationship.
Core Import Process	The core import process refers to the minimum requirements for moving all goods into the UK from the EU from July 2021 onwards, assuming an Australia style future relationship.



Customs Comprehensive Guarantee (CCG)	A Customs Comprehensive Guarantee is a type of guarantee that can be used to cover multiple customs debts arising from one or more customs procedures. In order to use a CCG, a business needs to be authorised by HMRC and provide a guarantee, generally in the form of an undertaking from an approved financial institution. More information can be found here .
Customs intermediary	Most traders hire a person or business to deal with customs on their behalf. Options for intermediaries include: freight forwarders, customs agents, brokers or fast parcel operators. More information can be found here and a list of customs agents can be found here .
Declarant	The declarant is the person with responsibility for the import. They must ensure the goods are legitimate, correctly valued and declared.
Duty deferment	Duty deferment allows the payment of charges due to be deferred. This includes for import VAT, customs duties, excise duties and some other charges. More information is available here .
EORI number	An Economic Operators Registration and Identification number is required for all businesses moving goods into or out of the UK. Further information, including a link to apply for an EORI number is available here
Exporter	The exporter is the business responsible for exporting goods from the UK.
Haulier	A haulier is considered in this document to be a person or company employed in the transport of goods or materials by road.
Importer	The importer is the business responsible for importing goods into the UK.
Incoterms	International Commercial Terms, published by the International Chamber of Commerce, are used to define the legal responsibilities on the buyer and seller in international transactions.
Postponed VAT accounting	Businesses registered for VAT in the UK are able to account for import VAT on their VAT Return. This means accounting for import VAT on the VAT Return instead of paying when the goods arrive at the UK border.
Pre-lodgement model	An alternative for ports that may not have the space and infrastructure to operate temporary storage. Border locations receiving goods that are moving into the UK from the EU will be able to choose to use a pre-lodgement model, where goods arriving will be required to have submitted a customs declaration in advance of boarding on the EU side. HMRC are developing a new IT platform to support the pre-lodgement model. However, its use will not be mandatory and the choice between using a Temporary Storage and a pre-lodgement model will be a commercial decision for operators.



Safety & Security (S&S) Declarations	Also known as an Entry Summary Declaration when importing into the UK and an Exit Summary Declaration when exporting to the EU, S&S declarations provide advanced data on consignments to customs authorities for risk analysis.
Temporary Storage	Temporary storage is when goods imported from outside the UK are temporarily stored under customs control before they are placed under a special procedure, released to free circulation or exported outside the UK.
Trade Tariff Tool	The Trade Tariff Tool can be used to look up commodity codes, duty and VAT rates.



Appendix 3: C88

EUROPEAN COMMUNITY					A OFFICE OF DISPATCH/EXPORT	
2 Statistical copy - Country of dispatch/export	2 Consignor/Exporter		No		1 DECLARATION	
	3 Forms		4 Loading lists			
	5 Items		6 Total packages		7 Reference number	
	8 Consignee		No		9 Person responsible for financial settlement No	
	14 Declarant/Representative		No		10 Country first destin.	
					11 Trading country	
					13 CAP	
					15 C disp./exp. Code	
					17 Country destin. Code	
					16 Country of origin	
				17 Country of destination		
18 Identity and nationality of means of transport at departure		19 Ctr.		20 Delivery terms		
21 Identity and nationality of active means of transport crossing the border		22 Currency and total amount invoiced		23 Exchange rate		
				24 Nature of transaction		
25 Mode of transport at the border		26 Inland mode of transport		27 Place of loading		
				28 Financial and banking data		
29 Office of exit		30 Location of goods				
31 Packages and description of goods		32 Item No		33 Commodity Code		
				34 Country origin Code		
				35 Gross mass (kg)		
				37 PROCEDURE		
				38 Net mass (kg)		
				39 Quota		
				40 Summary declaration/Previous document		
44 Additional information/ Documents produced/ Certificates and authorisations				41 Supplementary units		
				A.I. Code		
				46 Statistical value		
47 Calculation of taxes		Type	Tax base	Rate	Amount	MP
		Total:				
				48 Deferred payment		49 Identification of warehouse
				B ACCOUNTING DETAILS		
50 Principal		No		Signature:		C OFFICE OF DEPARTURE
51 Intended offices of transit (and country)		represented by		Place and date:		
52 Guarantee not valid for				Code		53 Office of destination (and country)
D CONTROL BY OFFICE OF DEPARTURE				Stamp:		54 Place and date:
Result:						Signature and name of declarant/representative:
Seals affixed: Number:						
identity:						
Time limit (date):						
Signature:						

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Page 1

PCU (November 2019)



A OFFICE OF DISPATCH/EXPORT

EUROPEAN COMMUNITY

1 DECLARATION

3 2 Consignor/Exporter No

3 Forms **4** Loading lists

5 Items **6** Total packages **7** Reference number

8 Consignee No

9 Person responsible for financial settlement No

10 Country first destin. **11** Trading country **13** CAP

14 Declarant/Representative No

15 Country of dispatch/export **16** C. disp./exp. Code **17** Country/destin. Code

16 Country of origin **17** Country of destination

18 Identity and nationality of means of transport at departure **19** Ctr. **20** Delivery terms

21 Identity and nationality of active means of transport crossing the border **22** Currency and total amount invoiced **23** Exchange rate **24** Nature of transaction

25 Mode of transport at the border **26** Inland mode of transport **27** Place of loading **28** Financial and banking data

3 **29** Office of exit **30** Location of goods

31 Packages and description of goods

Marks and numbers - Container No(s) - Number and kind

32 Item No

33 Commodity Code

34 Country origin Code **35** Gross mass (kg)

37 PROCEDURE **38** Net mass (kg) **39** Quota

40 Summary declaration/Previous document

41 Supplementary units

44 Additional information/ Documents produced/ Certificates and authorisations

A.I. Code

46 Statistical value

47 Calculation of taxes

Type	Tax base	Rate	Amount	MP
Total:				

48 Deferred payment **49** Identification of warehouse

B ACCOUNTING DETAILS

50 Principal No Signature:

C OFFICE OF DEPARTURE

51 Intended offices of transit (and country) represented by Place and date:

52 Guarantee not valid for Code **53** Office of destination (and country)

D CONTROL BY OFFICE OF DEPARTURE Stamp: **54** Place and date: Signature and name of declarant/representative:

C 88 (2+3) Page 2 PCU (November 2019)



C88 Plain Paper

```

Trader Input Plain Paper C88(6)          1 INC.      EPU 290  ENO ██████████ DOE 26/11/2018
2                                          3 1
TAL                                       5 1      6 401      7 CT800764
TAL BUILDING 3RD FLOOR.
ROWLOW
00      HK                               15a MY 18
8 ██████████ ██████████                21 CHA CGM ZHENG HE      NY
██████████                               22 USD 53169.80
██████████                               25      26 9
14 ██████████ ██████████ [2]          30 SDU
██████████

-----
31 WANTS CTR=FCI04569819, PRG=401xCT Address 32 01 33
    34a      35      36
    37 0612071 38 2218.580      39
    40 8 705      APL0075178740
    41      42 53169.80      43
    45 0
    46

44 DOCR=IGM ██████████ -CT800764, MOCR=9CT12GYX100100, NISS=██████████

-----
47A      B      C      D      E 48      49 0 ██████████
                               Box B
                               Total Qty: 0.00
                               Total Vat: 0.00
                               Total Other: 0.00

-----
Entry Input by: ██████████
Telephone: ██████████

34 Place and date
HEATHROW 26/11/2018

Signature and name of
declarant/Representative
████████████████████ ASH Sequoia

C88 (6)

Generated by ASH Sequoia

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Appendix 4: E2 Acceptance

```

GBP                                                                                               GBP
CHIEF                IMPORT ENTRY ACCEPTANCE ADVICE                at 09:09
DTI-E2                Entry: 290-██████████11/2018 SFD version 01    on 26/11/2018
                    Route 6 at 290 status 00                        for CNSXSE
                                                                page 1
-----
ENTRY ACCEPTANCE DETAILS

Entry accepted       26/11/2018 at 09:08                Office 290
Declarant Id        GE ██████████                      Submitting TURN ██████████
Declarant reference CTS00764

CONSIGNMENT DETAILS

Decln UCR           ██████████64                        part
Consignee          GE ██████████
Master UCR          SCT12GYX100100                                Inventory system CNS1
Location           GB900                                Total Packages 401

ENTRY VALUE DETAILS

Invoice total              Amount from Currency at Exchange Rate
                          41178.59          USD          1.2912

ENTRY REVENUE TOTALS

Tax Type  Total Amount MOP    Tax Type  Total Amount MOP

Total deferred revenue 0.00
Total immediate revenue 0.00
Total revenue payable  0.00

ITEM DETAILS

Item 1
Item Price          53169.80          VAT value          0.00
Customs value       0.00          Licence value      41178.59
Stat value          0.00

GBP                                                                                               GBP
END OF REPORT IMPORT ENTRY ACCEPTANCE ADVICE
    
```

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