

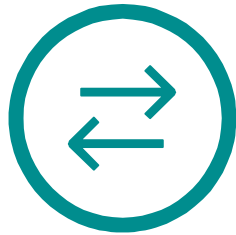


HM Revenue  
& Customs

# Customs Update

HMRC Customs and Border Design  
Stakeholder Engagement

# Overview



## Currently...

...businesses can move goods freely between the UK and the EU.



## In the event of a No Deal...

...business importing and exporting goods within the EU will have to comply with new rules.



# Approach to No Deal

## Day 1 easements

- Transitional Simplified Procedures
- Intermediaries' liability
- Guarantee relaxations
- Entry Summary Declarations for imports
- Exit Summary Declarations for Exports

## Day 1

- Declarations to be pre-logged electronically in advance
- Routine fiscal and other controls and checks undertaken away from the flow of traffic

## Long term

- UK Government is working on:
  - Automated solutions
  - Use of technology for smarter borders and sharing more data



# Approach to No Deal

## HMG objectives for the border

- Maintaining security
- Facilitating the flow of goods (including animals, food and plants) and people
- Protection of revenue and compliance with standards

## Day one easements include

- Transitional Simplified Procedures
- Intermediaries' liability
- Guarantee relaxations
- Entry Summary Declarations for imports



# Customs Declarations – No Deal Scenario

- Customs declarations required for UK-EU trade
- Businesses to decide how they want to manage the declarations process:

Appoint an intermediary



Use specific software



End-to-end service



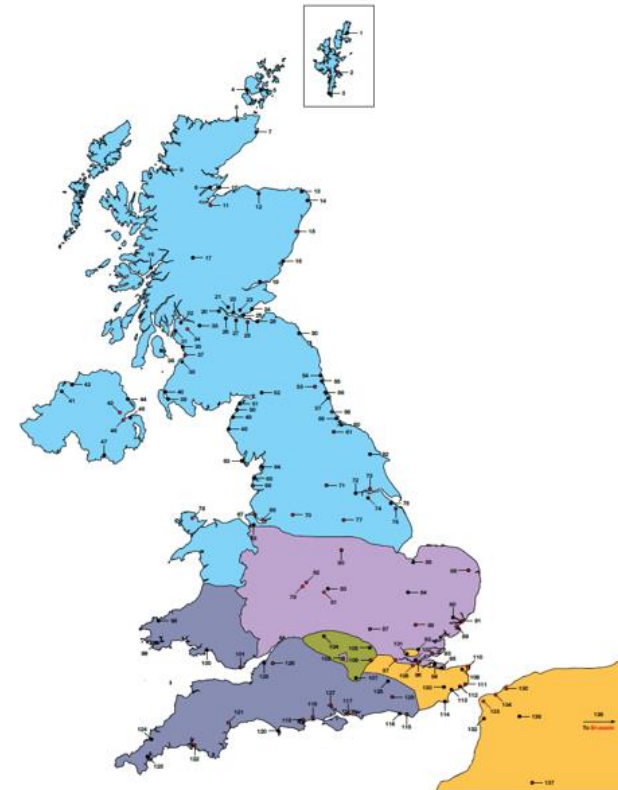
# Economic Operator Registration Identification

- To interact with UK Customs systems you will need an Economic Operator Registration Identification (EORI) number. This applies whether you are importing goods into the UK or exporting them from the UK.
- You can apply through GOV.UK – it should only take a few minutes
- If you already have a UK EORI number due to trade with RoW you do not need to apply again.
- If you also act as importer into or exporter from EU you will also need an EU EORI number. If you don't already have one you should request one from the EU country where you make your first declaration.



# Roll-On/Roll-Off Ports

- Increased impact for **RoRo ports**, in particular
  - Short Straits and key East coast routes – volumes, frequency, flexibility
  - Just-in-time and just-in-sequence supply chains integrated between EU and UK
- Critical for trade, business continuity, local and national economies, continuity of critical goods such as food and medicines



# RoRo Model – key principle

## Day 1

- Declarations should be lodged electronically in advance
- Routine fiscal and other controls and checks undertaken away from the flow of traffic

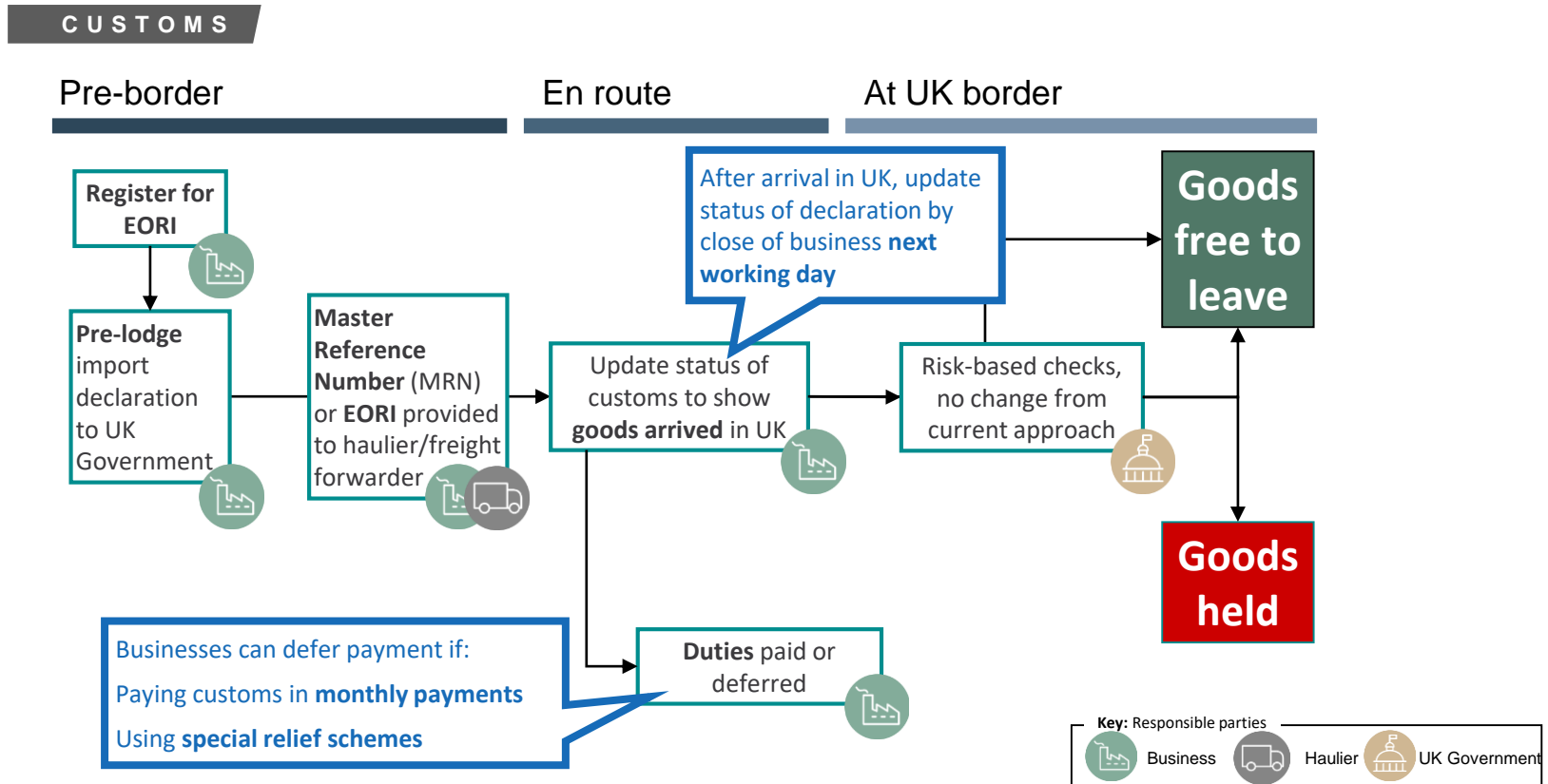
## Longer-term

- Longer term, UK government is working on automated solutions, use of technology for smarter borders and sharing more data





# Importing goods through RoRo borders on 'Day 1'



# Exports

- Have a valid EORI
- The export declaration also counts as an Exit Summary Declaration



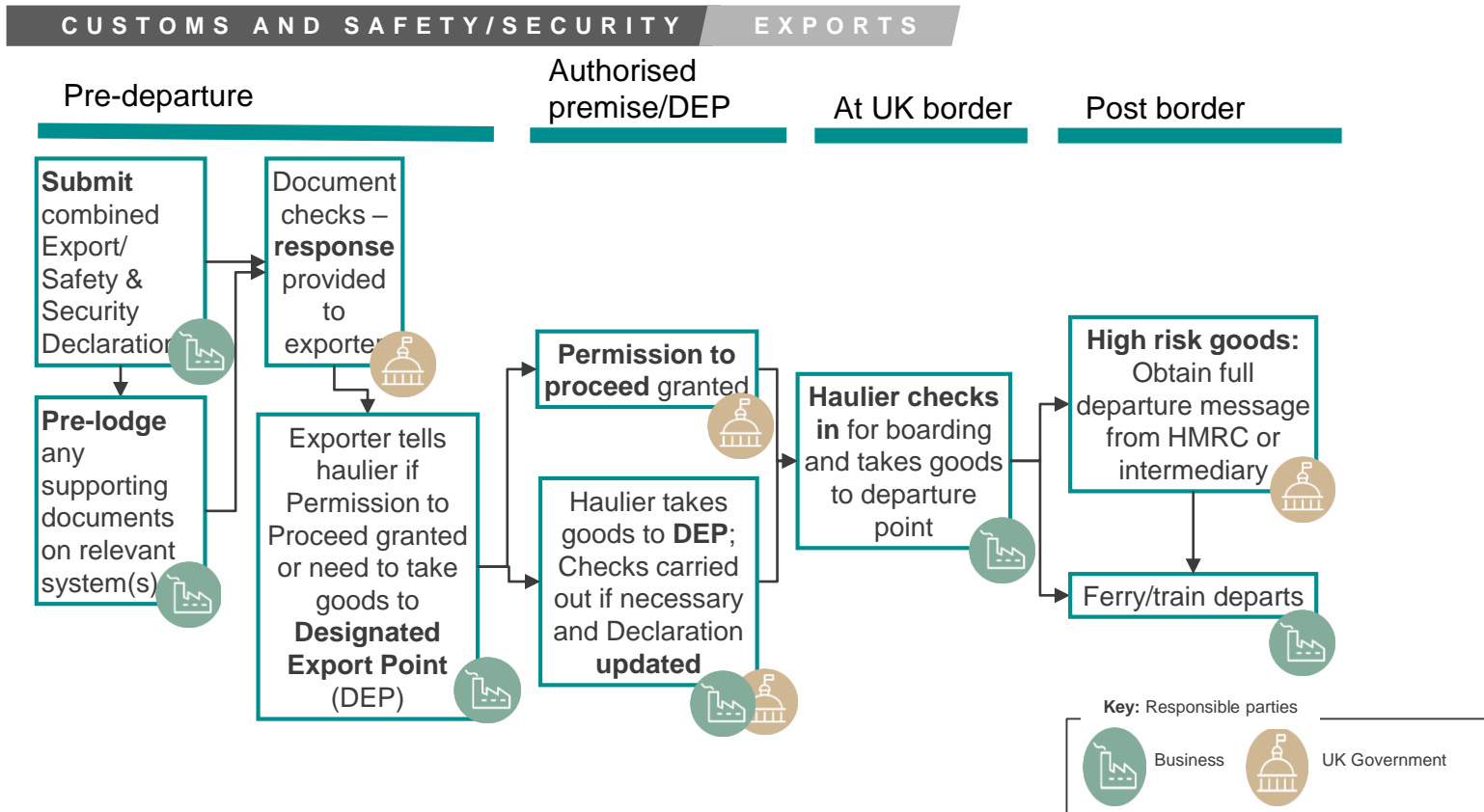
- S&S information required on export will continue to be provided as part of the export customs declaration



- It is expected that the EU will require an ENS for UK to EU imports



# Exporting goods through RoRo borders on 'Day 1'



# Entry summary declarations for exports (Safety & Security)



- Entry Summary Declarations (ENS) will be phased in over a 6 month period for goods arriving in the UK from the EU
- Gives carriers and hauliers more time to prepare for their obligations

- ENS is expected for goods being exported from the UK to the EU (See Europa Website for EU Country details)
- S&S information required on export will continue to be provided as part of the export customs declaration



# Transitional Simplified Procedures (TSPs)

- Transitional Simplified Procedures will make importing goods easier for the initial period after the UK leaves the EU.
- Traders registered for TSP will not need to make full customs declarations at the border and will be able to defer paying their customs duties.

**To be eligible, traders must:**



Be established in the UK



Have the intention to  
import goods into the UK  
from the EU



Have an Economic  
Operator Registration  
Identification (EORI)  
number



# TSP declaration process



## Controlled goods the Trader:

- Submits a simplified frontier declaration
- Ensures all necessary certificates and licences are available.
- Submit a supplementary declaration by the forth working day of the month

## Standard goods the Trader:

- Makes a declaration directly in their commercial records prior to goods arriving at the UK Border.
- Updates records with date and approx. time goods arrive in UK
- Submits a supplementary declaration by the forth working day of the following month



# Duty deferment

In practice, this is a direct debit mandate



It allows HMRC to take a monthly payment of duties 15 days after supplementary declaration is made



Guarantees are required in order to defer duty to make monthly payments



## Day 1 easements

- Traders will not be required to meet the Customs Comprehensive Guarantee (CCG) criteria when obtaining guarantees.
- Traders can still apply for a CCG, as those with Authorised Economic Operator C status can seek a reduction in the level of guarantee



# Special procedures – Day 1

## Day 1 easements

Traders will not be required to meet the CCG criteria nor provide a financial guarantee for:



Inward processing



Outward processing



Temporary admission



Authorised use  
(end use)



Customs warehousing



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**Traders still need to meet criteria for the special procedure**



# How does the Common Transit Convention (CTC) work?



CTC allows movement of goods - under duty suspension



UK has been invited to accede to CTC

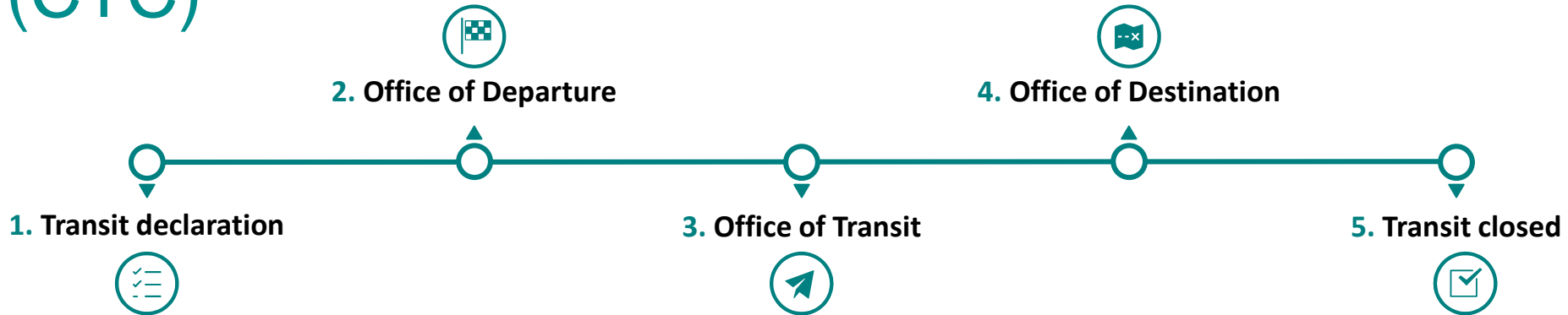


The requirements to use CTC will remain unchanged

Traders will need to have a Transit Accompanying Document (TAD) scanned at the point of entry into the UK or other new customs territory.



# Transit and the Common Transit Convention (CTC)



1. The transit declaration is completed (including guarantee) using NCTS (the New Customs Transit System)
2. The goods are presented at the Office of Departure (or Authorised Consignor) and the Transit Accompanying Document (TAD) is printed off presented to the haulier and then the goods are released into transit.
3. At every border crossing into a new customs territory, the TAD and goods are presented at the Office of Transit (OoT functions can only be performed by Customs Officials).
4. At the final destination the goods and TAD are presented at the Office of Destination (or Authorised Consignee).
5. The transit movement is closed, the goods must be declared to another customs regime eg free circulation, temporary storage and the guarantee is released.

**The goods are tracked and messages are sent from the various offices using NCTS during the journey.**



# Transit guarantees

- To make transit movements a trader needs to provide a guarantee for the customs duties suspended during the movement
- To hold a CCG, a business needs to:



Satisfy HMRC's  
customs/compliance checks



Obtain a guarantee from an  
approved financial institution

- An individual guarantee can include a guarantor undertaking from a bank or financial institution and a cash deposit.
- The guarantee requirements are set by the Common Transit Convention.



# Simplified transit procedures

- Under the CTC, traders can apply for authorisation to use simplified transit procedures.
- The main types of authorisation are:



**Authorised Consignor Status** allows traders to declare goods to transit at their premises rather than an Office of Departure. Traders applying for this need to have a CCG.



**Authorised Consignee Status** allows traders to end transit movements at their premises rather than an Office of Destination. Traders applying for this generally need a temporary storage facility.

**HMRC is working to enable traders to be authorised as quickly as possible.**



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# ATA Carnets



- Are an internationally agreed method of moving certain goods between customs territories temporarily.



- Will become an option for moving goods into and out of the EU on a temporary basis (i.e. a time-bound period).



- Using an ATA Carnet (or a temporary admission declaration) will become BAU for moving goods temporarily between the UK-EU.



- If goods are only going to the EU, once inside the EU then the Carnet will not be required again (it will remain a single customs territory) after it has been stamped out of the UK and into the EU.



- If goods are moving to other customs territories they need stamping in and out



# Empty trucks

## Entering/leaving the UK

- For UK customs purposes there will be no requirement to make a customs declaration for empty lorries.

## Packaging

- Where an otherwise empty lorry contains some packaging no customs declaration will be required and the lorry will be treated as empty.
- This applies to:



Empty containers and  
pallets



Equipment for controlling the  
temperature inside the  
container



Internal partition, shelves  
and similar for stowing  
goods



# Merchandise in Baggage (MIB) imports

**For travellers carrying MIB worth less than the £900 and 1000 kilograms oral declaration limit\*...**

## Declarations

Pre-lodge a simple declaration alongside paying the tax and duty.

## Ports with a red channel

Travellers will use an electronic form available on GOV.UK up to 5 days before coming into UK.

## Ports without a red channel

These ports are legally defined as RoRo listed locations and Eurostar terminals.

**For travellers carrying MIB worth more than the £900 oral declaration limit\*...**

## Declarations

Pre-lodge a full customs declaration with.

## Receipt

Traveller will be given receipt to evidence customs declaration and tax payment.

## Excise duty and controlled goods

Traveller will need to pre-lodge a full customs declaration irrespective of whether goods are above or below £900.

\*Limits apply per vehicle.



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# Merchandise in Baggage (MIB) exports

**Merchandise in baggage are commercial goods (for trade or business use) where:**

- A commercial transport operator does not carry them for you.
- You've travelled to or from the UK carrying goods in your baggage or in a small motor vehicle.

All below guidance holds irrespective of which port they are leaving UK from:

## For travellers carrying MIB...

### Worth...

Less than the £900 and 1000kg oral declaration limit\*

### Not classified as...

Controlled goods and not subject to license

... make a simplified online declaration up to 5 working days before departing UK.

## For travellers carrying MIB...

### Worth...

More than the £900 or 1000kg oral declaration limit\*

### Or are classified as...

Controlled goods or subject to license

... follow the standard customs export declaration process.



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\*Limits apply per vehicle.



# VAT - Overview

- If the UK leaves the EU without a deal, the government's aim will be to keep VAT processes as close as possible to now
- However, there will be some changes that will affect businesses
- We have taken steps to mitigate the impact of changes where we can
- We want to help businesses understand what they need to do, and help them to do it, so they can continue trading smoothly



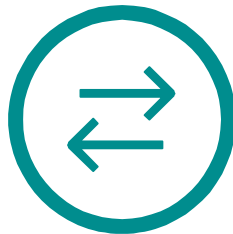
# VAT - What's changing?

## ❖ In a no deal scenario, postponed accounting will be introduced for imports from the EU and Rest of World

- Business will not need to register to use postponed accounting.
- Provide VAT registration number on their customs declaration
- An online monthly statement will show the VAT that's been postponed.
- This provides the evidence to declare/ recover import VAT on your VAT return
- Postponed accounting won't be available for postal goods of £135 or less
- Postponed accounting won't be available for non-VAT registered businesses



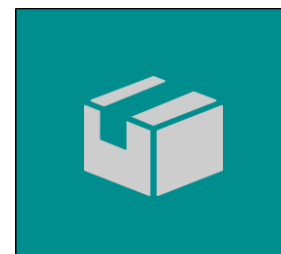
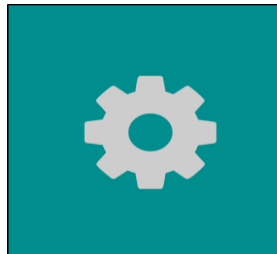
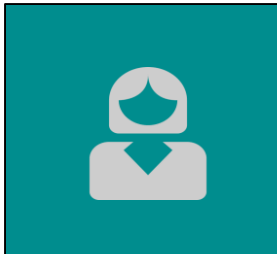
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# VAT - What's changing?

❖ In a no deal scenario, postponed accounting will be introduced for imports from the EU and Rest of World

- HMRC are working with stakeholders to help businesses be compliant and parcel operators adjust to the new processes
- HMRC updated GOV.UK with more guidance on the service and rules around VAT
- The [parcels service is now available](#) for non-UK businesses to register online



# VAT - For action

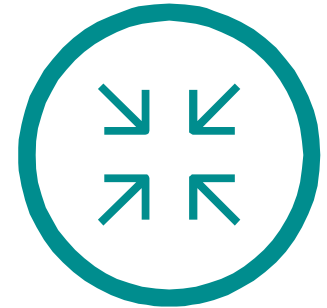
- If you currently use Mini One Stop Shop or the EU VAT refund system please prepare your businesses by reading the [guidance on IT systems on GOV.UK](#)
- Review VAT rules in member states where you do business. The European Commission has [recently published guidance](#).
- If you have suppliers based overseas who will be sending goods to you, [alert them to the guidance on Low Value goods](#).
- Familiarise yourselves with the statutory instruments which you can read on GOV.UK or Legislation.gov.uk
- If you want to understand how postponed accounting will operate, please sign up for alerts to guidance updates on GOV.UK



# Excise - What's changing in 'no deal' - Imports

RoW rules will apply to imports of excise goods from the EU

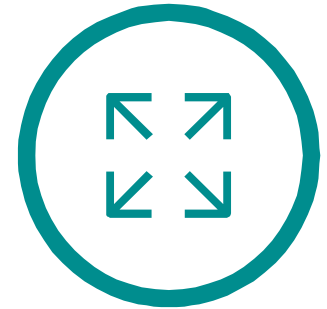
What this means



- UK businesses will need to make an import declaration and:
  - account for the excise duty at the border; or
  - enter to the goods to the excise warehousing regime via EMCS (Excise Movement Control System)
- UK businesses can use Customs procedures for EU goods, e.g. Customs Warehousing, Transit etc. This will increase the volumes of goods at risk under customs control
- Businesses can continue to use EMCS to move goods in duty suspense in the UK from the port to a registered warehouse
- The Registered Excise Dealers and Shippers system (REDs) will be obsolete and shut down



# Excise - What's changing in 'no deal' - Exports



RoW rules will apply to exports of excise goods to the EU

What this means

- Businesses will need to make an export declaration at the point of exit from the UK
- Businesses can continue to use EMCS to move goods under duty suspension in the UK from a registered warehouse to the port/airport of departure
- EMCS will be restricted to movements within the UK
- Businesses will be able to claim Excise Duty Drawback on goods not consumed in UK (will include exports to the EU)
- Businesses will need to make an import declaration on entry of the goods into the EU



# What's changing in 'no deal' – Excise Systems

- Changes to EMCS
  - Switch off EMCS messaging to EU
  - Restrict movements to EU
- Impact on excise customers who don't currently import or export to Rest of World
  - Businesses will need an EORI number
  - Importers will need access to a Registered Consignor
  - More legislation planned in **October**



# Northern Ireland

- No customs tariffs on goods moving from Ireland to Northern Ireland
- No requirement to complete declarations or other formalities for import or export of **most goods**
- No corresponding UK Government checks or inspections on imports or exports at or near the border
- Individuals who buy tax-paid goods in Ireland will not need to pay further tax and duties when returning to Northern Ireland
- Only apply a small number of measures on **certain goods**:
  - VAT
  - Excise
  - Licenced





# Key actions for businesses

Businesses who trade with the UK need to act now to ensure that they are prepared in the event of a No Deal EU exit.



Apply for an **EORI number (UK & EU)**

Consider registering for **TSP** if you are established in the UK.



Confirm you can complete each **data field** in the declaration.



Agree responsibilities with your **customs agent and logistics provider** for each part of the process and update your contracts to reflect this.

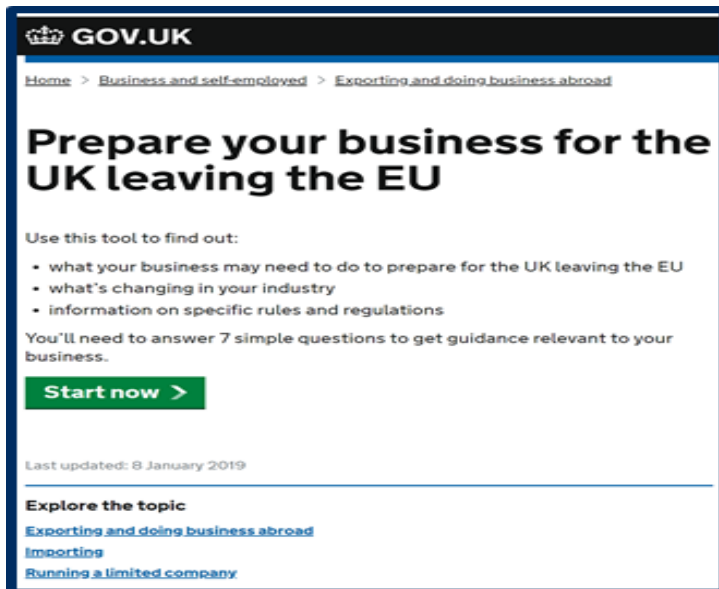


Identify **software** for submitting documents, if you do not use a customs agent.



# More 'no deal' guidance is coming soon

- The full range of information on customs, VAT and excise after EU Exit, and more technical guidance for stakeholders, will be on GOV.UK and other comms channels



The screenshot shows a GOV.UK page with the following content:

- Logo: GOV.UK
- Breadcrumbs: Home > Business and self-employed > Exporting and doing business abroad
- Section title: **Prepare your business for the UK leaving the EU**
- Text: Use this tool to find out:
- List:
  - what your business may need to do to prepare for the UK leaving the EU
  - what's changing in your industry
  - information on specific rules and regulations
- Text: You'll need to answer 7 simple questions to get guidance relevant to your business.
- Button: **Start now >**
- Text: Last updated: 8 January 2019
- Section: **Explore the topic**
- Links:
  - [Exporting and doing business abroad](#)
  - [Importing](#)
  - [Running a limited company](#)



The graphic features the HM Government logo and the title: **Partnership pack: preparing for changes at the UK border after a 'no deal' EU Exit**. Below the text is a large, colorful illustration of multiple overlapping arrows pointing to the right, symbolizing forward movement and preparation.





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Contact details for HMRC Stakeholder team:

[externalstakeholders.customs@hmrc.gsi.gov.uk](mailto:externalstakeholders.customs@hmrc.gsi.gov.uk)

For technical questions

[negotiationstechnical.customs@hmrc.gov.uk](mailto:negotiationstechnical.customs@hmrc.gov.uk)

Thank you