

UK Brexit Newsletter



November 2020

Welcome to our Brexit newsletter. There will be new rules for trade, travel and living in the UK and EU from 1 January 2021. Our aim is to provide you with information to help you manage the change as smoothly as possible. For advice, please get in touch with us on **0161 761 5231.**

Preparing for the End of the Transition Period

Many businesses who trade with the EU are no doubt watching the Brexit negotiations closely.

Whether or not there is a free trade agreement, many of the administrative changes for trade and travel are already known and it is important you plan ahead for these.

The actions people and business owners need to take vary based on their circumstances. They include:

- Making sure you are ready to travel to Europe from 1 January 2021, for example by getting comprehensive travel insurance, ensuring your passport is valid, and checking your roaming policy with your mobile phone provider.
- If you want to travel to Europe with your pet from 1 January 2021, contact your vet at least 4 months before you travel.
- Making sure your business is ready to export or import from/to the EU, for example by getting an EU EORI number or registering with the relevant Customs Authority.

We will keep you informed over the next few months of the changes and recommended actions you need to take.

The Border with the European Union

The Government produced guidance in July 2020 outlining the implementation of Border controls in three stages for importing and exporting goods.

This document outlines the processes for moving goods between GB and the EU from 1 January 2021 onwards, including processes to be introduced in April 2021 and July 2021.

Import and export controls are generally reserved, but the areas of food safety, the protection of human, animal and plant health, and the environment, are devolved to the governments of Wales and Scotland. This may lead to some differences in precise requirements and enforcement bodies.

From January 2021: Traders importing standard goods will need to prepare for basic customs requirements, such as keeping records of imported goods. Traders will also need to consider how they account for and pay VAT on imported goods. Traders will then have up to six months to complete customs declarations. While tariffs will be payable where due on relevant goods, payments can be deferred until the customs declaration has been made.

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From April 2021: All products of animal origin (POAO) and all regulated plants and plant products will require pre-notification and the relevant health documentation. Any physical checks will continue to be conducted at the point of destination until July 2021.

From July 2021: Traders moving any goods will have to make full customs declarations at the point of importation and pay relevant tariffs. Full Safety and Security declarations will be required. The EU has said it will not replicate the UK's phased plan, so declarations will be needed for exports from 1 January 2021.

Exporters can also use the new 'check duties and customs procedures for export goods' tool on [gov.uk](https://www.gov.uk) to identify what additional paperwork, tariffs and quotas are applicable.

Businesses can also apply to HMRC for an advance ruling on the commodity code that should be used for their goods and the origin of their goods.

UK Tariffs from 1 January 2021

From 1 January 2021, the UK will apply a UK-specific tariff to imported goods.

This UK Global Tariff (UKGT) will replace the EU's Common External Tariff, which applies until 31 December 2020.



The UKGT will apply to all goods imported into the UK unless:

- an exception applies, such as a relief or tariff suspension;
- the goods come from countries that are part of the Generalised Scheme of Preferences;
- the country you are importing from has a trade agreement with the UK.

It only shows the tariffs that will be applied to goods at the border when they are imported into the UK.

It does not cover:

- other import duties, such as VAT;
- the precise details of trade remedy measures, such as anti-dumping, countervailing and safeguards.

VAT changes:

VAT will be levied on consignments of EU goods exceeding £135 in value following the same rates and structures as are applied for the Rest of the World imports. VAT-registered importers will be able to use postponed VAT accounting and different rules will apply to consignments valued less than £135.

Moving Goods Between Great Britain and Northern Ireland

If you move goods between Great Britain and Northern Ireland the Trader Support Service will guide you through any changes due to the implementation of the Northern Ireland Protocol.

The Northern Ireland Protocol comes into force on 1 January 2021. There will be changes to the way goods move between Great Britain and Northern Ireland.

You may want to sign up for the free Trader Support Service which:

- will help if you move goods between Great Britain and Northern Ireland, or bring goods into Northern Ireland from outside the UK;
- is free to use and will guide you through any changes to the way goods move between Great Britain and Northern Ireland;
- can complete declarations on your behalf.

It can help if you:

- are moving the goods yourself;
- act on behalf of someone;
- send parcels between Great Britain and Northern Ireland, or bring parcels into Northern Ireland from outside the UK.

Government Grant for Customs Training Funding

HMRC has extended the deadline for customs training funding.

Applications are open until 30 June 2021 (or until all funding is allocated).

The funding can be used towards helping businesses train staff in making customs declarations.

The funding is open to businesses that are established in or have a branch in the UK when the grant is paid to you, and for those that have not previously failed to meet tax obligations.

To apply for the grants, your business must either complete customs declarations for yourself or someone

else (or intend to in the future) and you must import from or export to the EU.

The grant will give you up to 100% of the cost of training for your employees, up to a limit of £1,500 per trainee.

Other Grants if Your Business Completes Customs Declarations

If your business completes customs declarations, you can apply for 3 grants to help your business complete customs declarations for recruitment, training and IT improvements.

You can apply to get funding for:

- training that helps your business to complete customs declarations and processes (see above);
- hiring new staff to help your business complete customs declarations;
- IT improvements to help your business complete customs declarations more efficiently.

Your business must:

- have been established in the UK for at least 12 months before the submission of your application and when the grant is paid;
- not have previously failed to meet its tax obligations.

In addition, your businesses must meet one of the descriptions below:

- complete or intend to complete customs declarations on behalf of your clients;



- be an importer or exporter and complete or intend to complete declarations internally for your own goods;
- be an organisation which recruits, trains and places apprentices in businesses to undertake customs declarations.

Prepping for Customs Declarations

Importers and exporters will need to complete customs declarations next year, regardless of whether the UK agrees a free trade deal with the EU.

To complete declarations you will need to:

- have a GB economic Operator Registration and Identification number (EORI number);

- decide if you will use a customs intermediary.

If you choose to complete the Customs declarations yourself you will need to:

- have access to the relevant IT systems to complete declarations;
- know the customs value and commodity code for goods traded;
- consider simplifications and facilitations such as customs freight simplified procedures (CFSPs), warehousing, inward processing, and transit.

Travelling to the EU

Travel to the EU, Switzerland, Norway, Iceland or Liechtenstein will change from 1 January 2021.

European trips will need more planning and the Government has outlined things you may need to do before you travel to include:

- check your passport is current;
- get travel insurance that covers your healthcare also;
- check you have the right driving documents;
- organise pet travel - contact your vet at least 4 months before you go.

There are more things to do if you are travelling for business:

- for example, going to meetings and conferences, providing services (even with a charity), and touring art or music.

See: <https://www.gov.uk/transition>

Please contact the team for help or advice on **0161 761 5231** or email theteam@horsfield-smith.co.uk.

