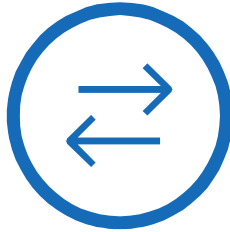


Customs processes for freight at the border

Margaret Whitby

HM Revenue & Customs

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.

Declarations will be required.

HMRC is committed to helping businesses understand these changes and actions they need to take to ensure that they remain compliant and can continue trading in the event of a No Deal EU Exit.

Approach to No Deal

Day 1

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

Day 1 easements

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

Long term

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

HMRC

Imports into the UK

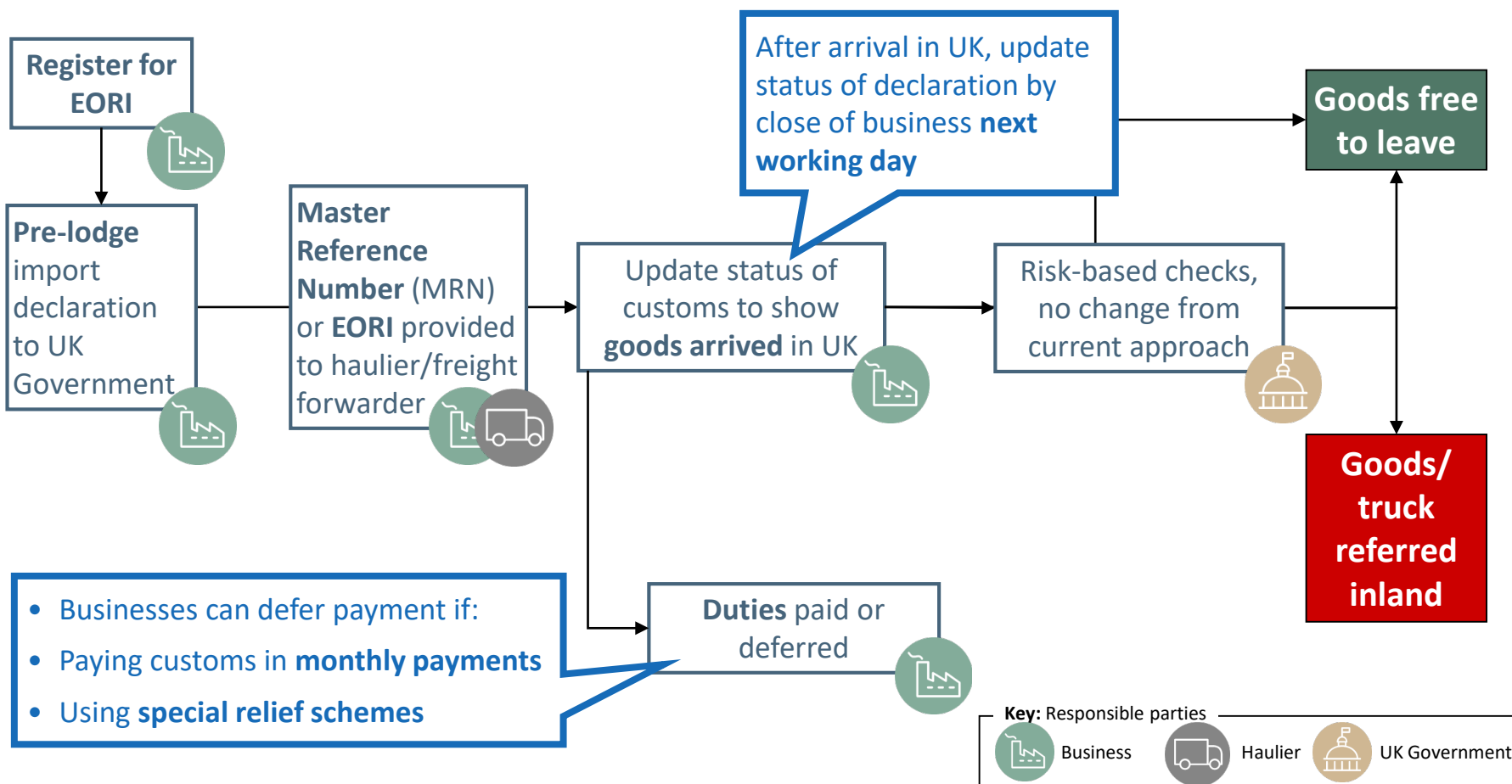
Importing to the UK through RoRo borders on Day 1

CUSTOMS

Pre-border

En route

At UK border



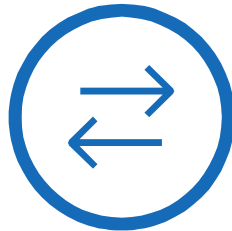
Transitional Simplified Procedures (TSPs)

- 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.**

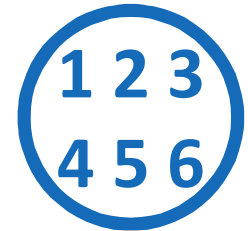
To be eligible, traders must:



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 and ensures all necessary certificates and licences are available.
- The reference number for this declaration is given to the haulier as proof that required customs formalities have been done.
- On arrival in the UK, the trader updates the declaration to “arrived” before the end of the working day following the crossing.
- This is followed by a supplementary declaration **by the fourth working day of the month** following the arrival of the goods in the UK.
- If the trader is already using this process, they can choose to use it for standard goods as well.

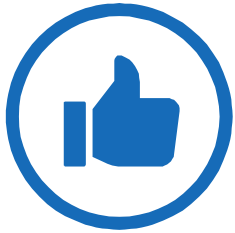
TSP declaration process

Standard goods

- The trader makes a declaration directly in their commercial records.
- The trader will provide the haulier with their EORI number as proof the goods are subject to a TSP process.
- This is followed by a supplementary declaration by the fourth working day of the month following the arrival of the goods in the UK.
- For the first six months supplementary declarations will not be due until the fourth working day in May 2020



Entry summary declarations for imports (Safety & Security)



- the UK will phase in the requirement for entry summary declarations (ENS) on all goods arriving from the EU over 6 months.
- We are taking this approach to give carriers and hauliers more time to prepare for their obligations.
- The legal requirement to submit an ENS for goods arriving from the EU will come into force in Spring 2020. HMRC will work with businesses to get them ready.

Duty deferment

Current rules

- Traders must have a duty deferment account to use TSP or an agent's Customs Freight Simplified Procedure (CFSP) authorisation:



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 choose to apply for a CCG, as those with Authorised Economic Operator C status can seek a reduction in the level of guarantee required to defer duty.

Special procedures – Day 1

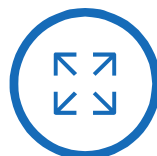
Current rules: EU rules require a customs comprehensive guarantee (CCG) to obtain a full authorisation for a special procedure.

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 (a.k.a. end use)



Customs warehousing

Traders still need to meet criteria for the special procedure.

This policy will be monitored, and traders will be given 12 months' notice of changes.

HMRC

Exports from the UK

Exporting from the UK through RoRo borders on Day 1

CUSTOMS AND SAFETY/SECURITY

EXPORTS

Pre-departure

Submit combined Export/ Safety & Security Declaration



Pre-lodge any supporting documents on relevant system(s)



Document checks – **response** provided to exporter



Exporter tells haulier if Permission to Proceed granted or need to take goods to **Designated Export Point (DEP)**



Authorised premise/DEP

Permission to proceed granted



Haulier takes goods to **DEP**; Checks carried out if necessary and Declaration **updated**



At UK border

Haulier checks in for boarding and takes goods to departure point



Post border

High risk goods: Obtain full departure message from HMRC or intermediary



Ferry/train departs



Exporter to ensure that the relevant EU member state import, safety and security declarations and any other necessary documents have been made / pre-lodged – and the MRN for that declaration is provided to the haulier to present at check-in at the UK border.

Key: Responsible parties



Business



UK Government

Entry summary declarations for exports (Safety & Security)



Safety & security / ENS information required on export from the UK will continue to be provided as part of the export customs declaration.

We expect that the EU will require a safety & security declaration for imports to the EU, reflecting current rest of the world process.



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

- Further details at:
 - <https://www.gov.uk/government/publications/notice-3001-special-procedures-for-the-union-customs-code/annex-c>

HMRC

Common Transit Convention (CTC)

How does the Common Transit Convention (CTC) work?



The **CTC allows movement of goods - under duty suspense** - between the 28 EU Member States and the European Free Trade Association countries (Iceland, Norway, Switzerland and Liechtenstein) plus Turkey, Republic of North Macedonia and Serbia.

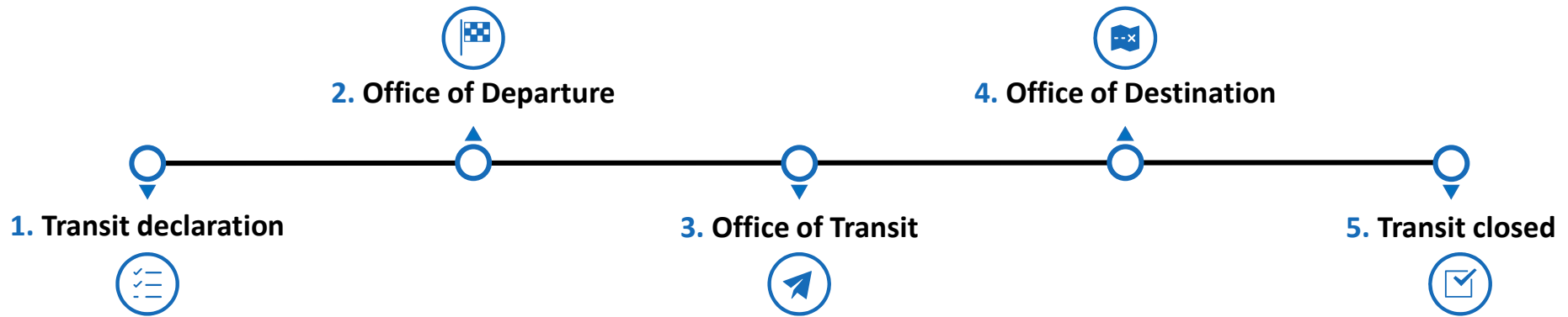


UK has been invited to accede to CTC as a separate contracting party when EU laws cease to apply to the UK (letter of invitation was December 2018).



The requirements to use CTC will remain unchanged. However, as the UK will be outside the EU Customs territory, **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. This can be an individual guarantee for a single movement or a Customs Comprehensive Guarantee (CCG) for multiple movements.
- 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.
- Guarantees can take several weeks to set up, so traders should contact their bank or insurer about this as soon as possible.
- 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.



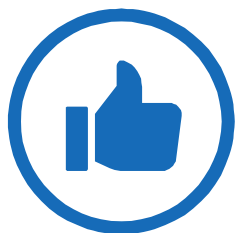
Authorised Consignee Status allows traders to end transit movements at their premises rather than an Office of Destination. Traders applying for this generally need a temporary storage facility.

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

HMRC VAT

VAT – What 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. They will make the appropriate entry and provide their VAT registration number on their customs declaration
- An online monthly statement will show the VAT that's been postponed. This will provide 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

VAT – What's changing

For parcels sent by overseas businesses, Low Value Consignment Relief will be abolished, and an online service will collect VAT from businesses for parcels up to £135



- We are working with stakeholders to help businesses be compliant and parcel operators adjust to the new processes
- We've updated the EU Exit Partnership Pack with more guidance on the service and rules around VAT
- **The parcels service is now available for** non-UK businesses to register online

VAT – What's changing

We expect EU member states will apply Rest of World rules to the UK for exports and other EU VAT processes



- For exports, businesses no longer need to complete EC sales lists, but will need to review the rules in individual member states that apply for import VAT
- The UK would stop having access to certain EU VAT IT systems – but a new UK VAT registration number checker will be available
- For tour operators that use the EU 'TOMS' scheme, our aim is to keep rules as close as possible to now

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

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.

Contact details for HMRC Stakeholder team:

Any questions

