



International Trade: Brexit update

Recorded on 20/10/2020

With:



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Key Dates – EU Exit

- UK – Left the EU on Friday 31st January 2020 at 2300 GMT
- Leading to an 11 Month Implementation Period...
- UK-EU Trading Relationship remains the same during the Implementation Period
- Which is due to end on 31st December 2020
- Priority - to negotiate an UK / EU FTA
- Deal or No-Deal Customs Declarations will apply

Trading Within the European Union



Within the European Union, most goods move freely without controls or tariffs



Buyers and sellers report their transactions monthly, via *Intrastat*



We don't need permission to import or export goods from or to other EU countries

What Changes After Brexit?

- All trade between the UK and EU will be subject to controls that didn't apply before.
- If we leave without a deal, we trade on WTO terms.
- When exporting goods, they will have to be declared in advance, and permission given for them to depart
- The buyer will have to declare the imports in their country and pay duties and taxes before they are released.
- When we import goods, there will be clearance requirements.

Agreeing Delivery Terms

Obligations & Division of Charges

- ✧ Short-hand to divide responsibilities and costs relating to the delivery of goods
- ✧ INCOTERMS - International Commercial Terms
- ✧ Key Issues
 - ✧ Export documentation
 - ✧ Loading
 - ✧ Export Customs (where appropriate)
 - ✧ Transportation
 - ✧ Insurance
 - ✧ Off-loading
 - ✧ Import Customs (non-EU)
 - ✧ Paying duties
 - ✧ Final delivery
- ✧ Incoterms ® 2020 is the latest version

INCOTERMS ® 2020

- Once agreed in the contract they tell the exporter (and buyer)
 - What charges they have to pay
 - Where the goods are legally delivered
 - Whether loss or damage at exporter's risk
 - A range of Incoterms, the two extremes are;
- EXW – everything buyer's responsibility
- DDP – everything the seller's responsibility
- There are 9 choices in between these extremes

Before Goods Can Leave the UK/EU HMRC must say OK

- This is why we have to submit export declarations to the HMRC computer
- Export statistics are also collected

How does HMRC know who we are?



Economic
Operator
Registered
Identification
Number = EORI !!

8 Key Pieces of Information

1. WHO - is the exporter/ importer, agent and customer/ seller
2. WHAT – is being declared
3. WHERE – is it coming from and going to
4. WHY - is it being exported/ imported
5. HOW - is it moving (air/sea/road)
6. HOW MUCH - What is its value
7. IS IT LEGAL - does it need a licence
8. IS IT PACKED - type/weight

GB Exports - What changes after EU Exit?

- There are no easements for Export declarations. However there are Simplified Procedures available.
- 1st January – June 30th 2021 Exports through Ro-Ro Ports an arrived declaration must be submitted before the goods have left the trader's premises.
- After the declaration is submitted the declarant will receive 'Permission to Progress' (P2P) or a specific routing in order to be checked.
- From January 2021 to the end of June 2021, if you are exporting excise duty suspended goods via locations without existing systems, you will need to manually confirm to HMRC that your goods have left the UK.

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GB Exports - What changes after EU Exit?

- While responsibility for customs border formalities rests with the traders, the haulier must ensure the driver is given all necessary customs documentation and other paperwork so they can be carried in the vehicle for the duration of the journey, and ensure the haulier is informed of their responsibilities re inspection points
- 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.

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At Import

How does HMRC know who to charge taxes to?



VAT Number !

Deferment Account !

Stage 1 – January 1 2021

From January 2021: Traders importing standard goods, covering everything from clothes to electronics, will need to prepare for basic customs requirements, such as keeping sufficient records of imported goods, and will have up to six months to complete customs declarations. While tariffs will need to be paid on all imports, payments can be deferred until the customs declaration has been made. There will be checks on **controlled goods** like alcohol and tobacco. Businesses will also need to consider how they account for **VAT** on imported goods. There will also be physical checks at the point of destination or other approved premises on all **high risk live animals and plants**

- ✱ Traders importing **standard goods** will need to prepare for basic customs requirements and will have up to six months to submit customs declarations to HMRC.
- ✱ While tariffs will need to be paid on all imports from Day One, payments can be deferred until the customs declaration has been made, giving traders time to adjust to the new requirements. Safety and Security declarations will not be required for six months for all goods. Traders will, however, need to consider some other processes, such as how they will account for import VAT.
- ✱ Traders moving **controlled goods** ... into GB will be required to complete a full customs declaration when the goods enter GB, in line with the requirements for goods moving into GB from the Rest of the World.

Stage 2

- From April 2021: All products of **animal origin** (POAO) – for example meat, pet food, honey, milk or egg products – and **all regulated plants and plant products** will also require pre-notification and the relevant health documentation.

Stage 3

- From July 2021: Traders moving **all goods** will have to make declarations at the point of importation and pay relevant tariffs. **Full Safety and Security declarations** will be required, while for SPS commodities there will be an increase in physical checks and the taking of samples: checks for animals, plants and their products will now take place at GB Border Control Posts.

Postponed VAT Accounting (PVA)

- ✿ The Chancellor announced the reintroduction of VAT suspension in his March budget
- ✿ The easement had previously been withdrawn
- ✿ At the end of the transition period the UK will leave the EU VAT regime meaning imports from the EU would become subject to 20% UK import VAT for the first time. This VAT would be due for payment before the goods were permitted to clear UK customs.

- ✿ Importers using CHIEF and opting to use Postponed VAT Accounting (PVA) will need to subscribe to CDS in order to
 - ✿ Receive their online Monthly Postponed Import VAT Statement(MPIVS).
 - ✿ Practical details of how to subscribe to this service will be released as soon as they are available.
 - ✿ Although this subscription is connected to CDS it will only provide the importer with access to their MPIVS and should not be used for any other purposes.

Introduction: NI-GB Trade



DRIVER COLLECTS GOODS FROM TRADER AND
CREATES A GOODS MOVEMENT REFERENCE
(GMR)

ONE GMR PER CONSIGNMENT



DRIVER MUST ONLY PROCEED TO PORT
ONCE GMR IS CONFIRMED AND CORRECT

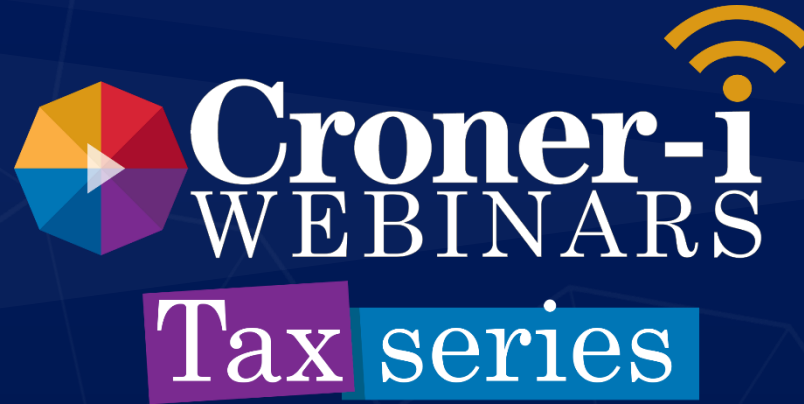
Introduction: NI-GB Trade



DRIVER PRESENTS GMR TO FERRY OPERATOR
GVMS UPLOADS THE GMR TO HMRC
INVALID GMR = NOT AUTHORIZED TO SHIP



SHIP LOADED = ALL GMR'S UPLOADED TO HMRC
SAILING TIME USED TO NOTIFY CARRIERS WHAT
CONSIGNMENTS ARE CLEAR TO PROCEED AND
WHAT NEEDS CHECKED AT ARRIVAL



Any questions?

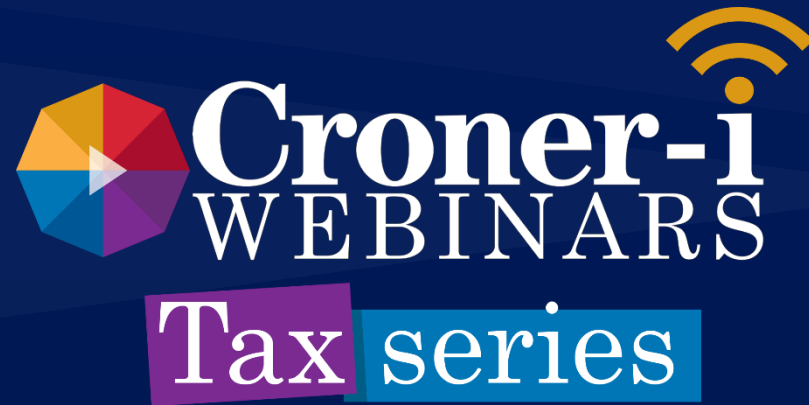
Please let us have your questions using the questions box on your screen and we will do our best to answer them.



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