Croner-i WEBINARS Tax series 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

WHO - is the exporter/ importer, agent and customer/ seller
 WHAT - is being declared
 WHERE - is it coming from and going to
 WHY - is it being exported/ imported
 HOW - is it moving (air/sea/road)
 HOW MUCH - What is its value
 IS IT LEGAL - does it need a licence
 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.
- Ist 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 prenotification 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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