

TRADING IN 2021 – POST TRANSITION PERIOD IMPORTS

9th December 2020

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Established in 1935, the Institute of Export & International Trade is the professional membership body representing and supporting the interests of everyone involved in importing, exporting and international trade.

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Tariffs, Trade and Customs

Tariffs on Imports into the UK

If there is no EU:UK Free Trade deal agreed the UK reverts to trading on WTO terms, what is referred to as 'Most Favoured Nation' (MFN) terms.

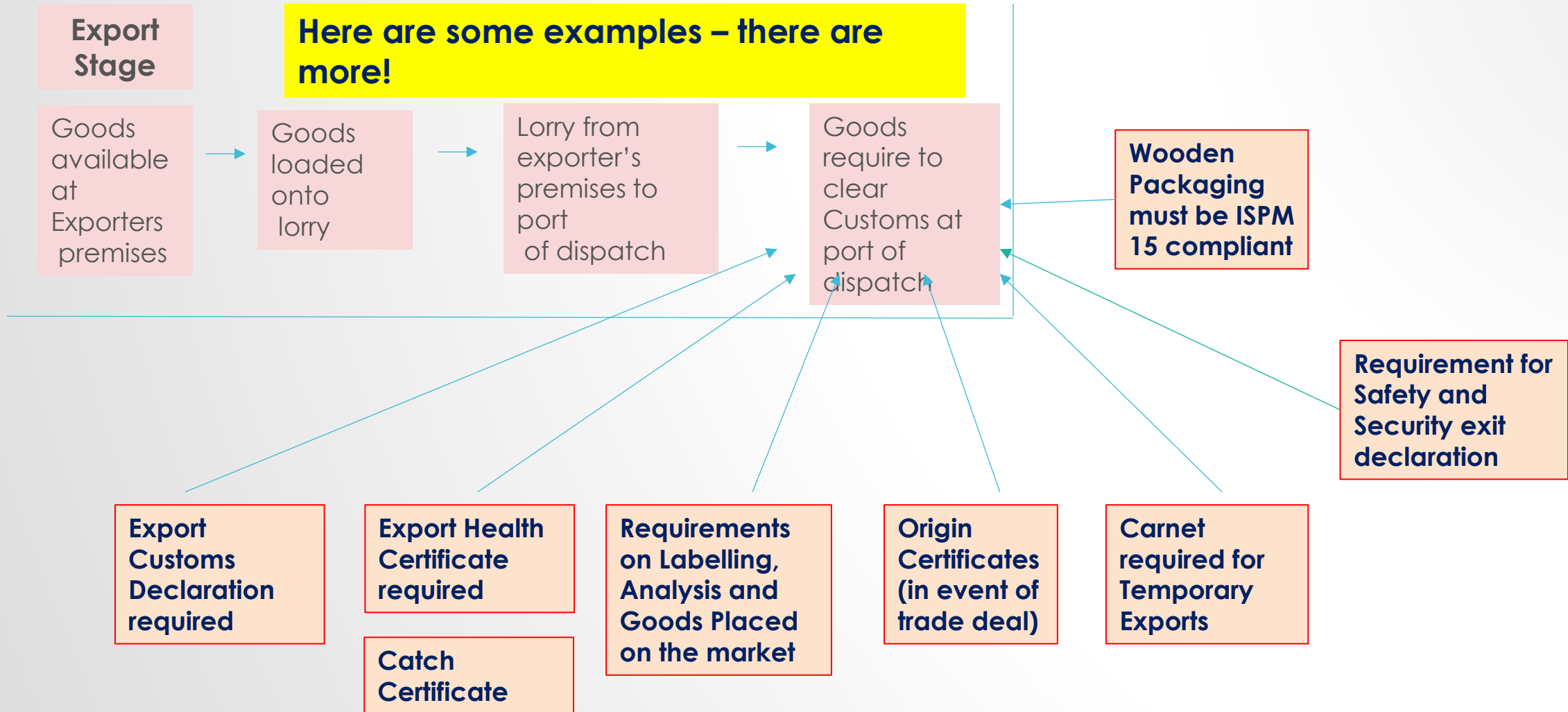
Tariffs may apply to goods imported from the European Union.

Under MFN terms these would be the same tariffs that the UK would apply to tariffs from all WTO members (outside of a trade deal between the UK and the Third Country)

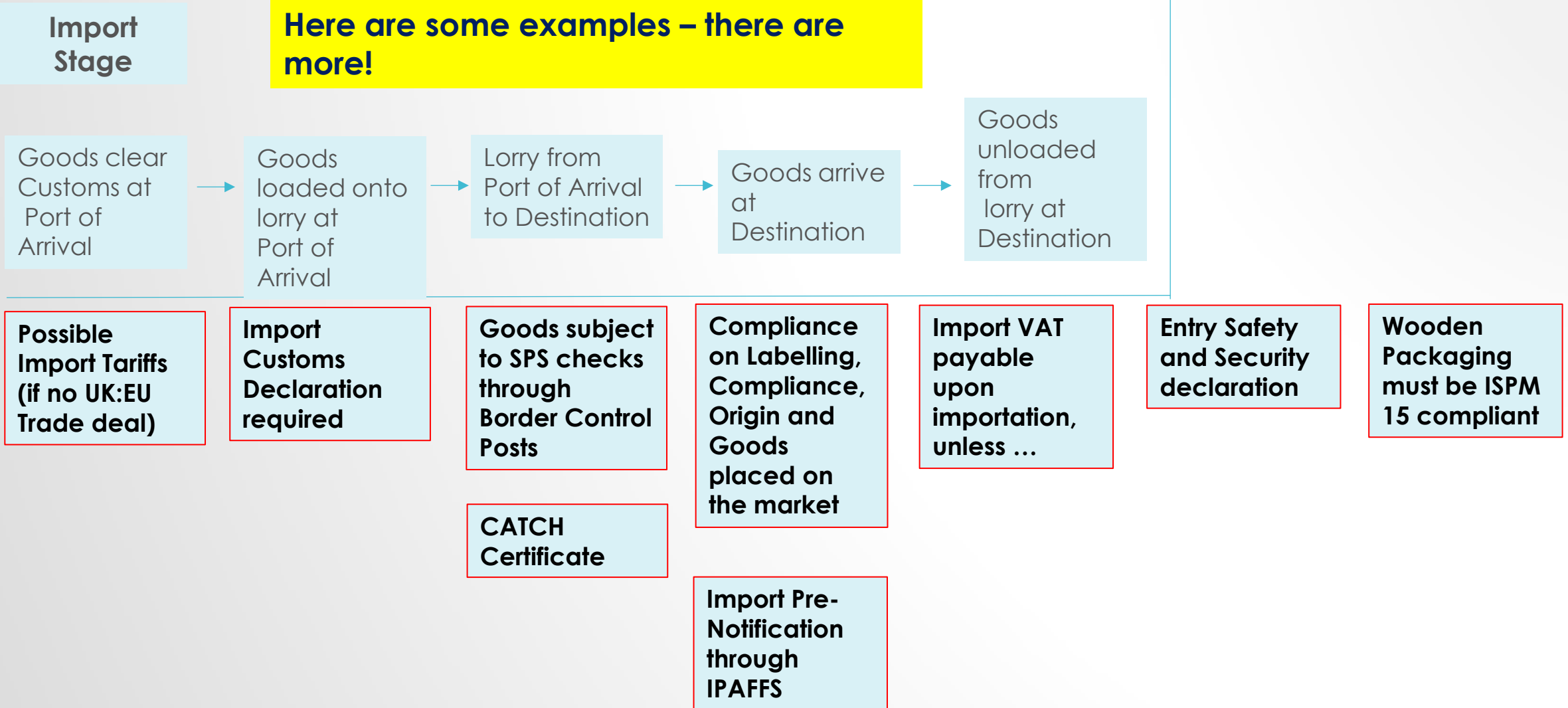
The UK Government has announced a new UK Global Import Tariff to apply from the 1st January 2021

This tariff could be subject to change, especially if there is no free trade agreement between the UK and the EU

Exports to GB – what is different from January 2021



Imports into GB –what is different from January 2021



UK Border Operating Model

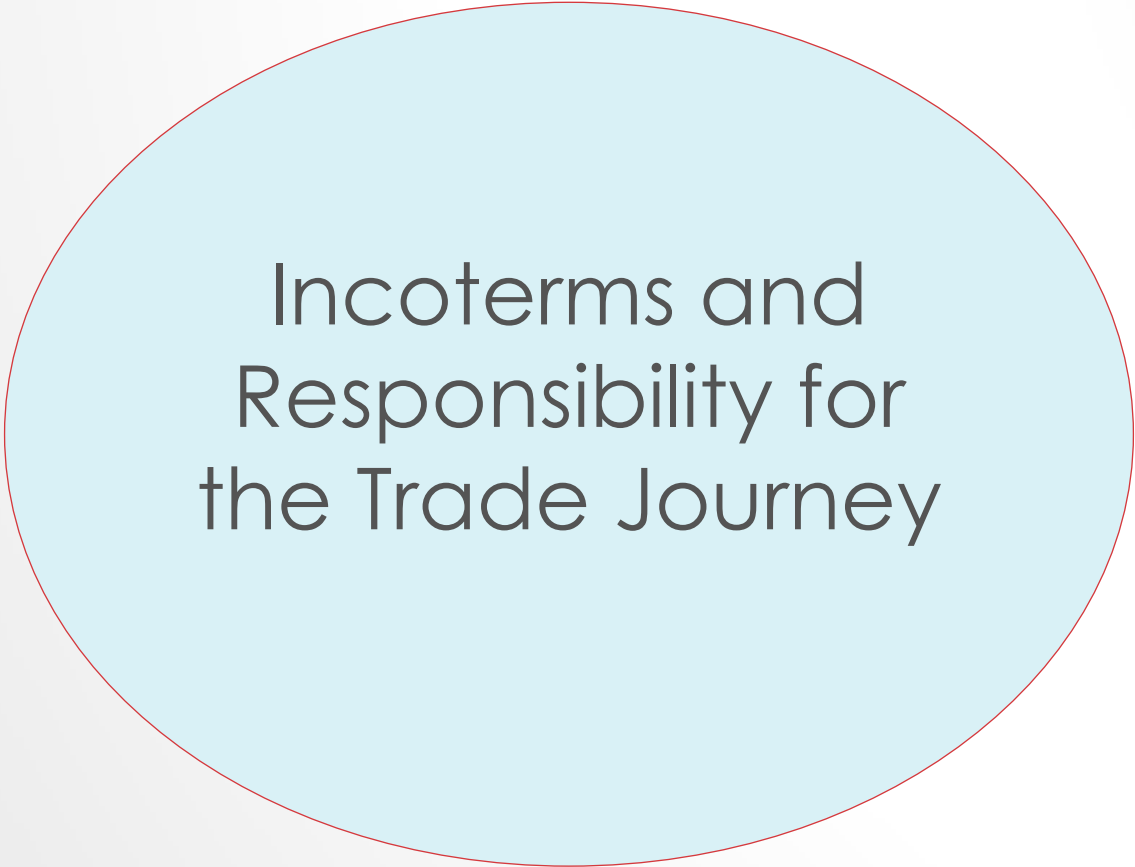
-Three stage import control procedures from 1 January 2021

Stage One from 1st January	<ul style="list-style-type: none"> • Declarations on Standard Goods can be deferred for up to six months from date of import • Main benefit of this may be to defer payment if import duty is payable • Achieved by a process called EIDR (Entry into Declarants Records) • Controlled goods (excise, military) will require full declarations • Imports of live animals and high risk plants require full certification and pre-notification, with inspection of point of destination 		
Stage Two from 1st April	<ul style="list-style-type: none"> • Products of Animal Origin require full certification and pre-notification • Inspection for products of animal origin at point of destination 		
Stage Three from 1st July	Full import controls (see below)		
<ul style="list-style-type: none"> • Full customs declarations will be required for all goods 	<ul style="list-style-type: none"> • Relevant tariffs must be paid 	<ul style="list-style-type: none"> • Full Safety and Security declarations will be required 	
<ul style="list-style-type: none"> • SPS products will have an increase in physical checks and samples taken 	<ul style="list-style-type: none"> • Checks for animals, plants and their products will now take place at GB Border Control Posts and not at destination 	<ul style="list-style-type: none"> • If the deferral process is used businesses – or their agent - must be approved for CFSP (Customs Freight Simplified Procedures) to make the full customs declaration 	

UK: SANITARY AND PHYTOSANITARY (SPS) CONTROLS FROM 1ST JANUARY 2021

Live Animals	Animal Products	Fish	Shellfish and their Products	Plants and Plant Products
<p>There will also be identify and physical checks at the point of destination or other approved premises on all high-risk live animals (cows, pigs and sheep) and plants.</p> <p>Documentary checks will be carried out remotely. At this stage they will not need to enter GB through a Border Control Post.</p>		<p>All imports of live animals and high-risk plants and plant products will require pre-notification and health documentation.</p>		<p>Imports of high-risk animal by-products (ABP) will also need pre-notification.</p>
<p>Pre-Notification</p>	<p>Importers provide advance notice of a consignment's arrival into GB. Import notification through IPAFFS (Import of Products, Animals, Food and Feed System) providing details of consignment, such as country of origin, place of destination, specific species/product and details for importer, exporter and transporter.</p>			
<p>Health Certificate</p>	<p>Accompanies the consignment during its journey. The exporter must obtain this Certificate from country of origin's competent authority</p>			
<p>Identity Check</p>	<p>Visual inspection of consignment to verify its content and labelling corresponds to information in accompanying documentation</p>			
<p>Physical Check</p>	<p>To verify goods are compliant with the SPS import requirements for GB; includes, as appropriate, checks on consignment's packaging, means of transport and labelling. Temperature sampling for analysis, laboratory testing or diagnosis may also be required</p>			



Pre-authorisation is required by Defra/APHA of Category 1 material, Category 2 material and meat-and-bone meal or animal fat derived from Category 1 and Category 2 materials prior to any imports taking place



Incoterms and Responsibility for the Trade Journey

INCOTERMS DETERMINE RESPONSIBILITIES FOR EU EXPORTER AND GB IMPORTER

The following are examples of Incoterms regularly used for GB to EU Trade. There are however other viable Incoterms

<p>EXW (EX Works) <i>Maximum responsibility for GB buyer</i></p>		<p>FCA (Free Carrier) <i>EU exporter is responsible for loading of goods and is the declarant of record in the EU</i></p>
<p>DDP (Delivered Duty Paid) <i>Maximum responsibility for EU exporter with UK EORI and UK VAT number. EU exporter is responsible for any import duties and import VAT</i></p>		<p>DAP (Delivered at Place) <i>European supplier is responsible as the declarant of record in the EU. GB supplier responsible for import declaration</i></p>

Exporters must maintain full Proof of Export files with C88 (Single Administrative Document), Transport Document and full trail of Commercial Documents

Responsibility for customs declaration and paperwork

**Responsibility depends on the Incoterms (International Commercial Terms) agreed.
The trader however is ultimately liable.**

There are 11 sets of Incoterms determining responsibilities for transportation, customs declaration, paperwork, licenses and in some cases insurance of goods in transit.

- **ExWorks** places the onus on the overseas buyer
 - they are responsible for both Customs declarations and the Customs paperwork (declarant of record)
- **DDP (Delivered Duty Paid)** places the onus on the UK exporter
 - with responsibility for both Customs declarations, paperwork, and any import tariffs (declarant of record)

Selecting
correct
Commodity
Code and
correct
Customs
Procedures
Code

Declaring
correct
valuation of
goods, and
correct
consignee

Declarant of
Record

VAT
Implications

Maintaining
Proof of
Export /
Import

Licenses

Requirement
for separate
Safety and
Security
declarations
(by haulier?)

VAT – Trade with EU and the Rest of the World from 2021

An EU exporter will have to apply the same VAT zero-rating processes as they do for the Rest of the World
-whereby exports are zero rated for VAT (subject to proof of export)

A UK importer of record will be able to use Postponed VAT Accounting from 1st January 2021 applicable for EU and Rest of World trade
-Note, if selling on DDP terms then the EU exporter will require a UK EORI number and UK VAT number