

# Brexit

## UK Information

## Helping Reduce the Impact on your Supply Chain

On the 24th of December the EU and UK negotiators reached an agreement on a new partnership which started on the 1<sup>st</sup> of January 2021. The **EU-UK Trade and Cooperation Agreement** covers all areas of the relationship between the UK and the EU, including:

- Trade in goods and services
- A level playing field for state support for business
- Fisheries
- Aviation and road transport
- Social security policy
- UK participation in EU programmes
- Internal security



The agreement, often referred to as the Trade Deal, confirms the new requirements that came into operation for all businesses trading goods between the UK and the EU from the 1<sup>st</sup> of January 2021.

- No taxes on goods (tariffs / Duty) or limits on the amount that can be traded (quotas) between the UK and the EU.
- Only those goods which can be defined as UK or EU origin will benefit from the zero duty rates.
- The rules of origin for goods defined in the agreement can be found by following the links below.
- If goods do not meet the rules then duty may be applied.
- New checks have been introduced at borders, for example safety and security declarations and Food and Plant health checks.
- Customs declarations are needed for all shipments at both origin and destination on all shipments moving between the UK and the EU.
- Changes to VAT regulations (further information on this topic can be found on page 3).

Northern Ireland remains aligned to the EU customs rules, and trade between mainland Great Britain and Northern Ireland is not subject to different rules. Agility's customs approvals and UK and EUs infrastructure can streamline the customs clearance and supporting processes for all of our customers. Businesses must be prepared for the new procedures at ports as well as customs declarations. If documentation is incomplete or inaccurate, it could lead to disruption.

## EXPORTS

- For your shipments to the EU, an export declaration will need to be completed before the shipment departs.
- Duty and taxes will not be payable on your products when they are imported into the EU, so long as they meet the rules of origin in the agreement.
- You must make a declaration on your invoice or commercial paperwork confirming the origin of the goods.
- Products which do not meet the rules of origin may be subject to the payment of duty.

You can review the Export procedures available here:

[Export goods from the UK: step by step - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/export-goods-from-the-uk-step-by-step)

## IMPORTS

### Customs Clearance

For any goods you import from the EU an import declaration will need to be completed. The UK government has announced a phased approach to the implementation of import customs clearances. Customs declarations can be made at the border on arrival of the goods. Alternatively, from the 1<sup>st</sup> of January 2021, for standard goods, (excluding some high risk goods like alcohol, tobacco where there will be checks at the border) customs approved importers may defer making a customs declaration for all cleared goods up to 30<sup>th</sup> June 2021.

Duty will not be imposed on goods imported from the EU so long as they meet the rules of origin in the agreement.

Irrespective of your customs approval status Agility are qualified to manage the customs and supporting processes on your behalf. The customs clearance process is dependent on your trader status and it is important that you communicate your needs to Agility prior to the importation of your goods. You can review the import procedures available and monitor any further new developments during 2021 via the following links:

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

[Import goods into the UK: step by step - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/import-goods-into-the-uk-step-by-step)

From the 1st of July 2021, either a full customs declaration or a simplified declaration will be needed on all goods on arrival at the border.

Intrastat declarations must continue to be submitted for all exports and imports with the EU, assuming you currently do so.

Import customs clearance from non-EU Origins will continue as usual on arrival at the border and duty will be payable at the border point, or deferred subject to your customs approved status.

## Rules of Origin for Goods

Any product that cannot be declared as originating in an EU country may be subject to the payment of duty based on the new UK Global Tariff which came into force on the 1st of January 2021.

Businesses can check by following this link the most important provisions which businesses need to understand and comply with, in order to ensure that they pay zero tariffs when trading with the EU. This applies to both businesses that wish to export goods to the EU at zero tariffs, as well as businesses who wish to import goods from EU at zero tariffs.

[Rules of origin for goods moving between the UK and EU - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/rules-of-origin-for-goods-moving-between-the-uk-and-eu)

## Duty & Taxes

The government has published a new UK customs tariff. This outlines the duty and tax rates payable on ALL goods imported into the UK from ANY origin, including the EU. The below link can be used to reference your commodity codes and the duty and taxes payable:

<https://www.gov.uk/trade-tariff?step-by-step-nav=1ddb4c89-1fe9-4ad0-b561-c1b0158e6bc5>

## VAT Payment

VAT will be charged on all imported goods regardless of the country of origin, (EU and non-EU). There is a change that will take effect from the 1st of January 2021 as UK VAT registered companies will need to account for VAT in their VAT return. This is called VAT Deferred accounting.

<https://www.gov.uk/guidance/check-when-you-can-account-for-import-vat-on-your-vat-return>

## To prepare your business, you will need to take the following steps:

1. Get an **EORI Number** (Economic Registration and Identification).  
You will need an EORI number to be able to trade with the EU after the end of the transitional period. If you are a business without a UK EORI number, you should apply immediately via <https://www.gov.uk/eori> in order to commercially trade with the EU.
2. Have you agreed **Incoterms** with your customers?  
This will help identify who has responsibility for payment of transport costs associated with the shipment and duty and taxes.
3. Can you accurately **describe your goods** and correctly classify them for customs purposes?  
<https://www.gov.uk/guidance/finding-commodity-codes-for-imports-or-exports>
4. Ensure invoices, packing lists and any other **documents** required are available for each shipment:

## Minimum details for an invoice and packing list:

- Your company details – name and address
- Your VAT number
- Your EORI Number
- Your customer's details – name and address
- Your customer's VAT number
- Incoterms (terms of sale agreed with the customer)
- Detailed description of the goods
- Customs commodity code for the goods
- Quantity of goods
- Declaration of Country of origin of the goods
- Commercial value of the goods and currency
- Packing details, including number and type of pieces; gross and net weights; piece dimensions and / or volume.

Check with the seller that they can provide commercial invoices that meet UK import requirements

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

The key to minimising any potential delays to your shipment will be to work with your local Agility office so that we can assist your business. It is also important to ensure that complete and accurate paperwork is provided to your local Agility office. This will allow our customer service teams to check that there is sufficient information available to us to ensure a smooth customs declaration process at both departure and arrival.

Agility has been monitoring the situation closely, and has set up a team of customs specialists throughout Europe who will continue to work with various trade bodies on the potential impact of Brexit. We are working to ensure minimal disruption to your business based on how the rules and regulations may change.

With Agility's existing infrastructure, skills and capabilities, we are well-positioned to support your trade between the UK and the EU. Contact an Agility expert today with any questions!



**Contact an Agility Expert:**

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**For regular updates visit:**

[www.agility.com/brexit](http://www.agility.com/brexit)