



October 2020

Brexit Glossary UK

Term	Full name / Description	Detail	Reference
CFSP	Customs Freight Simplified Procedures	Customs freight simplified procedures are a way to access simplified declaration processes, but HMRC must authorise you to use these.	www.gov.uk/government/publications/notice-760-customs-freight-simplified-procedures-cfsp
CHIEF	Customs Handling of Import and Export Freight	CHIEF is HMRC's computer system. Export and import declarations are submitted to CHIEF via third party software. CHIEF calculates the duty and VAT payable based on the information in the declaration.	www.gov.uk/guidance/customs-declarations-for-goods-brought-into-the-eu
Commodity Code	A code which is used to classify products for export and import declarations. Also commonly referred to as a tariff heading. The commodity codes form a part of export and import declarations.	All exports are classified for statistical purposes, even though no duty is payable in the UK on exports. Every imported product is classified under a code which combined with other criteria determines the rate of duty payable. The classification of products for customs purposes must be accurate. It is an offence to underpay duty by using the incorrect commodity code. Consignments of different products must be classified under appropriate commodity codes. Commodity codes can be obtained online from the Trade Tariff website.	www.gov.uk/guidance/finding-commodity-codes-for-imports-or-exports
Country of Origin	Goods traded with the EU may have an origin that is different from the country of export. This can influence the rate of duty payable.	There are 2 main categories of origin in the rules: <ul style="list-style-type: none"> • goods wholly obtained or produced in a single country, • goods whose production involved materials from more than one country Rules of origin are complex when work has been carried out on imported products before selling on, or components from different countries are assembled into new products.	www.gov.uk/guidance/rules-of-origin
CPC	Customs Procedure Code. CPCs are an important element of the export and import declarations.	The customs procedure codes identify either the customs or excise regimes (or both) which goods are being entered into and removed from (where this applies). There are many different CPCs and it is important to use the right one.	www.gov.uk/government/publications/uk-trade-tariff-customs-procedure-codes
Customs Duty	Also referred to as duty	Many products carry a % rate of duty, which is usually calculated on the purchase price of the goods plus transport costs (although other valuation methods are also used). Duty is payable to HMRC. The rate of duty is determined by the commodity code, country of origin and other criteria which apply at the time of import.	

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DAN	See Deferment Account		
Declaration	Also referred to as a customs clearance or an entry.	After the end of the transitional period, customs declarations will be required for all trade movements to / from the UK and the EU. The format of these is likely to be the same as declarations for trade with non-EU countries.	www.gov.uk/guidance/customs-declarations-for-goods-brought-into-the-eu?step-by-step-nav=db1149f5-f60a-4d02-be0c-9c9db2828665
Deferment Account	Also referred to as a DAN.	A duty deferment account allows you to pay your customs duties, import VAT and excise duties monthly by direct debit, rather than having to pay immediately each time you clear your goods through customs. A bank guarantee is required. Alternatively, an agent may agree to use their deferment account on an importer's behalf.	www.gov.uk/guidance/setting-up-an-account-to-defer-duty-payments-when-you-import-goods
Direct Representation	A type of representation used by an agent on a customs declaration on a trader's behalf	A trader (the principal) may appoint an agent to act on their behalf and submit import declarations. Under direct representation, the representative acts in the principal's name. The principal is solely liable for the customs debt. Agents require written confirmation of direct representation when agreed with the principal.	www.gov.uk/guidance/customs-debt-liability#types-of-representation
Duty	See Customs Duty		
EC	European Commission	The European Commission is conducting Brexit negotiations with the UK on behalf of the other 27 EU member states.	
EEA	European Economic Area	The EEA includes EU countries and also Iceland, Liechtenstein and Norway. It allows them to be part of the EU's single market. Switzerland is neither an EU nor EEA member but is part of the single market - this means Swiss nationals have the same rights to live and work in the UK as other EEA nationals.	www.gov.uk/government/publications/uk-trade-tariff-customs-procedure-codes
EORI Number	Economic Operators Registration and Identification number	You'll need an EORI number that starts with GB to export and import goods with the EU after the end of the transitional period. If you already have an EORI number that starts with GB, you can continue to use it. It will be 12 digits long. If you're registered for VAT it will include your VAT registration number. You do not need an EORI number if you'll only move goods between Northern Ireland and Ireland. It takes 5 to 10 minutes to apply for an EORI number. You'll get it either: straight away; or: within 5 working days (if HMRC needs to make more checks). If you'll be transacting directly with EU customs then you'll need an EU EORI number. Get this from the customs authority in the EU country you first conduct trade with or that you request a customs decision from.	www.gov.uk/eori
EU	European Union	The European Union (EU) is an economic and political union of 27 countries, now that the UK has left. It operates an internal (or single) market which allows free movement of goods, capital, services and people between member states.	www.gov.uk/eu-eea

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EU 27	The 27 members of the EU after the UK leaves	After the UK leaves the EU, it will have 27 members: Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden	www.gov.uk/eu-eea
EU EORI	European Union Economic Operators Registration and Identification number	If you'll be transacting directly with EU customs then you'll need an EU EORI number. Get this from the customs authority in the EU country you first conduct trade with or that you request a customs decision from.	www.gov.uk/eori
Excise Duty	Another level of duty that applies to particular products (e.g. alcohol, tobacco)	See customs duty above.	
Import VAT		It is likely that VAT rules on imports from the EU after the end of the transitional period will be the same as those in place for non-EU imports. VAT registered traders will not need to pay VAT at importation on shipments from any origin. The import VAT will be paid through the regular VAT return.	www.gov.uk/guidance/check-when-you-can-account-for-import-vat-on-your-vat-return
Most Favoured Nation		See WTO rules	
Tariff Heading	A type of representation used by an agent on a customs declaration on a trader's behalf	Commodity codes and rates of duty can be obtained for free online using the trade tariff site.	www.gov.uk/trade-tariff
WTO Rules	See Customs Duty	If there is no trade agreement between the UK and another country after Brexit, you will have to trade with that country under World Trade Organization (WTO) rules. WTO rules state that the same trading terms must be applied to all countries, unless there is a trade agreement between 2 or more countries. This is known as Most Favoured Nation treatment. Most Favoured Nation means that the UK cannot offer better trading terms to one country over another, unless it has a trade agreement that allows it to do so.	www.gov.uk/guidance/trading-under-wto-rules



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