



**What will happen with VAT deferment at point of entry on EU imports? Currently no VAT due, but I have seen conflicting reports as to what will happen?**

In the event the UK leaves the EU without a deal, the government will introduce postponed accounting for import VAT on goods brought into the UK, from both EU and non-EU countries. This means that UK VAT registered businesses importing goods to the UK will be able to simultaneously declare and reclaim import VAT on their VAT returns, rather than paying import VAT on or soon after the time that the goods arrive at the UK border.

**There has been some confusion with our members about Duty deferment thinking it is effectively a direct debit, some are getting confused and not applying for Deferment Numbers thinking they can just pay by DD?**

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.

If you have customs duties, excise duties or import VAT to pay, you'll need to have a duty deferment account to import goods using either:

- transitional simplified procedures
- customs freight simplified procedures

You do not need a deferment account for your import VAT if you're accounting for it on your VAT Return.

Further information is available at: <https://www.gov.uk/guidance/customs-procedures-if-the-uk-leaves-the-eu-without-a-deal#dut-der>

**Which forms should be completed to apply for a duty deferment account without a CCG.**

Information on applying for a duty deferment account is available at: <https://www.gov.uk/government/publications/apply-to-defer-payment-of-customs-duties-import-vat-and-excise-duties>

**Please explain how a shipment that arrives in Calais but destined to Rotterdam. Will that require transit?**

Currently, goods that arrive in the EU from outside the EU can either be declared to free circulation in the EU member state of arrival and then travel in free circulation to the final EU member state of destination, or can be declared to a transit procedure on arrival in the first EU member state and travel

under the transit procedure to the final EU member state of destination, where the transit procedure is discharged and the goods declared to another customs procedure as appropriate. In the event of the UK leaving the EU without a deal it is expected that EU customs requirements and procedures in (what would then be) the remaining 27 EU member states in respect of imports from outside the EU27 would remain as they are now, but you are advised to check this with the appropriate tax/customs authorities in the EU.

#### **Will TSP cause issues for the collection of trade data for imports?**

In the event of the UK leaving the EU without a deal Intrastat will continue to be used to collect data on trade in goods between the EU and the UK.

#### **Are grants for software and customs training being made available again?**

The application period for Customs training and IT grants closed on 31/05/2019, and you can no longer apply for these grants. HMRC will continue to review the impact of these grants and its wider support and guidance offer for traders to help them adapt to future customs requirements.

#### **Do you have any recommendations for customs software?**

HMRC does not make recommendations in respect of third-party software providers.

#### **Does the EU EORI have to come from the first country of export?**

Businesses can obtain an EU EORI from any EU member state. For businesses that are established within the EU, they should request an EORI number from the member state in which they are established.

Those businesses not established in the EU should request an EORI number with the customs authority of the EU member state where they make their first declaration.

Normally, businesses should not hold more than one EORI at a time, as an EU EORI issued by any member state is currently valid across the entire union. However, to help businesses prepare for the UK's exit from the EU, businesses are able to apply for a UK EORI in addition to their existing EU EORI.

#### **What checks will be done on the driver of goods coming into the UK and will these be done before boarding, on board, on disembarkation?**

HMRC will prioritise flow at the border while maintaining security, and will continue to apply an automated, risk based approach to customs checks. This means any increase in the number of checks will be kept to a minimum.

HMRC's approach to compliance in the event of a no-deal scenario will focus on supporting businesses in meeting their obligations at the border. Any financial penalties applied will be reserved for those who are able to comply but who deliberately choose not to.

This would not change HMRC's commitment to promoting compliance and tackling avoidance and evasion to support a level and competitive playing field for law abiding UK businesses.

#### **Easement of CCG requirement for Deferment etc.**

- 1. How does this work with companies who already have a CCG in place? Will they be given 100% discount?**
- 2. If I applied today (not D1) would I need a guarantee?**

HMRC previously announced it will give importing businesses a period of grace to get a guarantee in place to cover any additional duties that they need to defer. HMRC's current approach is to deliver the no deal customs, VAT and excise arrangements for 31 October that were in place for 12 April. This means that our expectation is that the previously announced easements will be available to traders should the UK leave the EU without a deal in October for at least as long as previously announced.

After this, a duty deferment account will need to be backed by a guarantee but this will not need to be a CCG. Traders could instead go to their bank to guarantee their duty deferment account without the need for a CCG. HMRC previously announced it will provide 12 months' notice if the CCG requirement is to be reintroduced.

### **3. How does CHIEF correlate between TSP and guarantee status?**

Guarantee status can be checked by reference to the declarant's Deferment Account Number entered on the declaration/CHIEF.

### **4. Also the other procedures – does the same apply?**

For at least 12 months after exit, there will be suspension of the mandatory requirement for businesses to provide a guarantee in order to be authorised to declare goods for:

- inward processing procedure;
- outward processing procedure;
- temporary admission procedure;
- authorised use procedure;
- temporary storage; or
- to operate a customs warehouse.

**This relates to member in NI and Ireland. When they pick customers work up for processing but that work might go across the Irish border 3/4 times in the course of a day**

- We cannot provide specific advice - they may want to speak to an agent
- Inwards and outwards processing may be a good place to start
- A customs agent would be able to provide more specific answers

**Easements - and in particular using TSP and is it still, the case that users using TSP will be able to defer submitting supplementary declarations**

That is the case for standard goods but we will confirm in regards to controlled goods. HMRC's current approach is to deliver the no deal customs, VAT and excise arrangements for 31 October that were in place for 12 April. This means that our expectation is that the previously announced easements will be available to traders should the UK leave the EU without a deal in October for at least as long as previously announced.

## Is there any intention to change import tariffs for finished petroleum products from Europe into the UK and if so - what is the change?

- If the UK leaves the EU without a deal, the UK will implement a temporary tariff. **This will be temporary, applying for up to 12 months while a full consultation and review on a permanent approach is undertaken.**
- This is a balanced tariff policy which aims to minimise costs to business and mitigate price impacts on consumers, while also supporting UK producers as far as possible. It mitigates significant adjustment costs for certain agricultural sectors, supports sectors exposed to unfair global competition, maintains our commitments to developing countries, and supports the strategically important automotive sector.
- Businesses can find more information about our temporary tariff regime [here](#).

## Trade Remedies

### Trade remedies - what are the impacts, what is the body they can go to in advance of 31 October?

- The WTO allows its members to provide a safety net to protect domestic industries against injury caused by unfair trading practices, such as dumping and subsidies, and unforeseen surges in imports. This safety net usually takes the form of an increase of duty on imports of specific products following an investigation. These are known as trade remedies measures.
- The Government has put in place the necessary measures to be able to operate a trade remedies function by the time the UK leaves the EU.
- Trade remedies are currently an EU competence. Investigations, decisions and monitoring of trade remedy measures are performed by the European Commission on behalf of all EU member states.
- We are establishing a UK Trade Remedies Authority (TRA) to operate our trade remedies system, ensuring the UK can continue to provide a safety net to domestic industries after leaving the EU.
- Specifically, the TRA will be responsible for making an assessment in a case for a trade remedies measure, based on the evidence available. It will then make impartial recommendations to Ministers.
- The TRA's impartiality is vital. Decisions on trade remedies cases can have material impacts on markets. We therefore need to create an independent and objective investigation process that businesses will have full confidence in.
- That is why we are setting up this function as a non-departmental public body – to ensure that the TRA is independent of the Department for International Trade.

## Continuity of existing EU trade agreements post-Brexit

### What is the nature of the continuity agreements? Are they to continue with the EU on a paper free/ minimum basis?

- The Government is seeking to replicate the effects of existing trade agreements which the UK participates in as a member of the EU, as far as possible.

- Securing continuity will be a strong foundation to build on our trading relationship with these countries.
- The text of continuity agreements signed are all available to download on GOV.UK.

<https://www.gov.uk/guidance/uk-trade-agreements-with-non-eu-countries-in-a-no-deal-brexithtrade-agreements-that-have-been-signed>

**Do the DIT have a list of the bespoke changes made to some TACs? I.e. do they have a list available of agreements where we will have to make changes to current processes?**

- The text of agreements signed, together with Explanatory Memoranda and Parliamentary Reports, which explain any significant changes from existing terms, are all available on GOV.UK.

<https://www.gov.uk/guidance/uk-trade-agreements-with-non-eu-countries-in-a-no-deal-brexithtrade-agreements-that-have-been-signed>

#### Rules of Origin (ROO)

**Is particularly important that all the ANNEXES are published of all the agreements so traders can look at the Rules of Origin. Can you confirm that this is being done and also will the ROO follow the EU's PEM where ever possible?**

- Each new agreement will specify the rules of origin which will need to be met to qualify for preferences. Our aim continues to be to replicate the effects of existing EU agreements as far as possible, so that disruption to business is minimised.
- The text of signed agreements and annexes are published on GOV.UK

<https://www.gov.uk/guidance/uk-trade-agreements-with-non-eu-countries-in-a-no-deal-brexithtrade-agreements-that-have-been-signed>

**In relation to the rules of origin, will EU components in the new UK agreements be classed as being wholly produced?**

**AND**

**In relation to the rules of origin, will EU components in the new UK agreements be classed as being wholly produced? So, after the 31st October will companies immediately have to administer documentation for non EU membership?**

- We are preparing for all possible scenarios to maintain our trading relationships. The Government is seeking to bring into force bilateral agreements from exit day, or as soon as possible thereafter.
- When the UK leaves the EU, the origin designation of our exports will shift from 'EU' originating to 'UK' originating status. If suitable amendments are not made, this shift could impact on the ability of some exporters to meet the relevant rules of origin contained in existing EU Free Trade Agreements (FTA's).

- The rules of origin in all UK continuity agreements seek to enable business to operate, as much as possible, through their established value and supply chains, and this is particularly important where integration with EU content is significant. Our approach includes using standard RoO mechanisms, such as cumulation, to remain as closely aligned with the status quo as we possibly can.
- The UK has successfully achieved rules of origin arrangements to this effect in the bilateral trade agreements it has signed to date, providing maximum continuity in trade with existing FTA partners for UK businesses on day one of exit.
- Where continuity agreements are in place, updated certificates of origin will be available immediately after the UK has left the EU from your usual provider, for example chambers of commerce. Certificates will look very similar to those currently in use, though will show the UK as the place of origin rather than the EU.

### Tariff Rate Quotas (TRQs)

#### **How are the revised UK only TRQ amounts determined and where are they published?**

- The Government is laying before Parliament for each continuity agreement a report setting out any significant trade-related changes made.
- These reports include details of changes to the TRQs and how they were determined. They also include an indication of the impacts associated with changes to the TRQs. However, we would not expect there to be substantial business impacts from changes to TRQs.