



Department for  
Business, Energy  
& Industrial Strategy

# Importing & Exporting in a potential no-deal exit

11<sup>th</sup> April 2019



Department for  
Business, Energy  
& Industrial Strategy

# We are here to share information to help you prepare for Exit

## Who we are

We are from the Department for Business, Energy and Industrial Strategy and HMRC

Our objective is to help businesses across sectors prepare for EU Exit

We are attending events across the UK and working with TAs

## Our aims for today



Provide an overview of key changes expected in 'No Deal'



Share sources to find more detailed information



Respond to your questions and gather your feedback



HM Revenue  
& Customs

# Customs & the border in a no-deal scenario

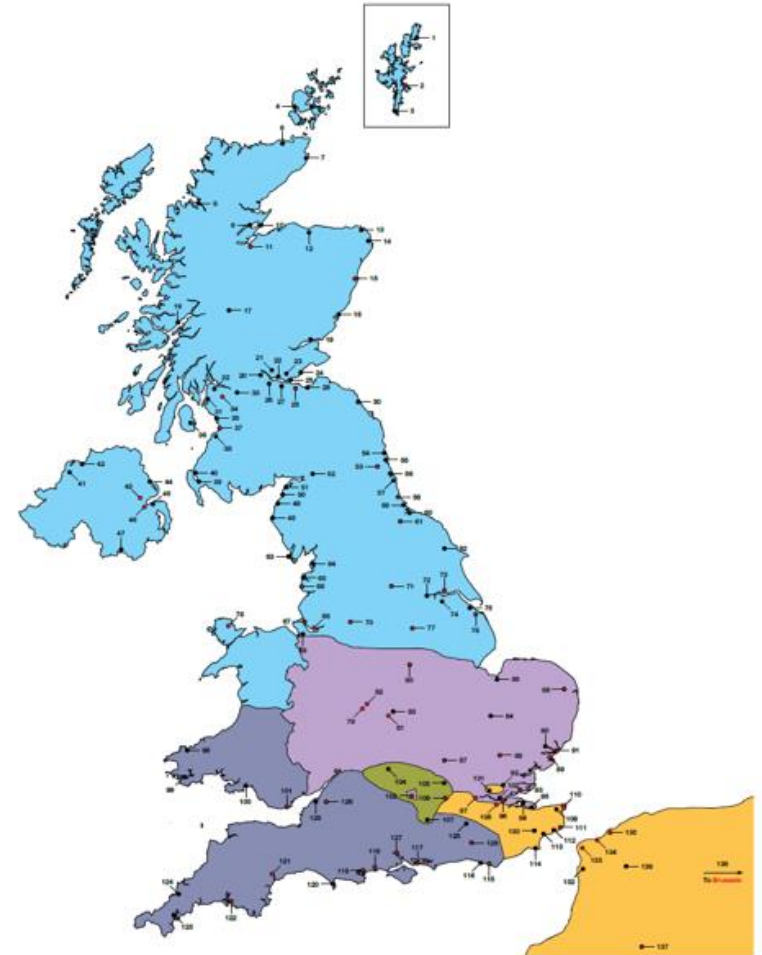
# RoRo Model – key principle

## Day 1

- Declarations should be lodged electronically in advance
- Routine fiscal and other controls and checks undertaken away from the flow of traffic

## Longer-term

- Longer term, UK government is working on automated solutions, use of technology for smarter borders and sharing more data



# Importing goods through RoRo borders on 'Day 1'

## CUSTOMS

Pre-border

En route

At UK border

Register for EORI



Pre-lodge import declaration to UK Government



Master Reference Number (MRN) or EORI provided to haulier/freight forwarder



Update status of customs to show goods arrived in UK



After arrival in UK, update status of declaration by close of business next working day

Risk-based checks, no change from current approach



Goods free to leave

Goods held

Businesses can defer payment if:  
Paying customs in **monthly payments**  
Using **special relief schemes**

Duties paid or deferred



HM Revenue & Customs

Key: Responsible parties



Business



Haulier

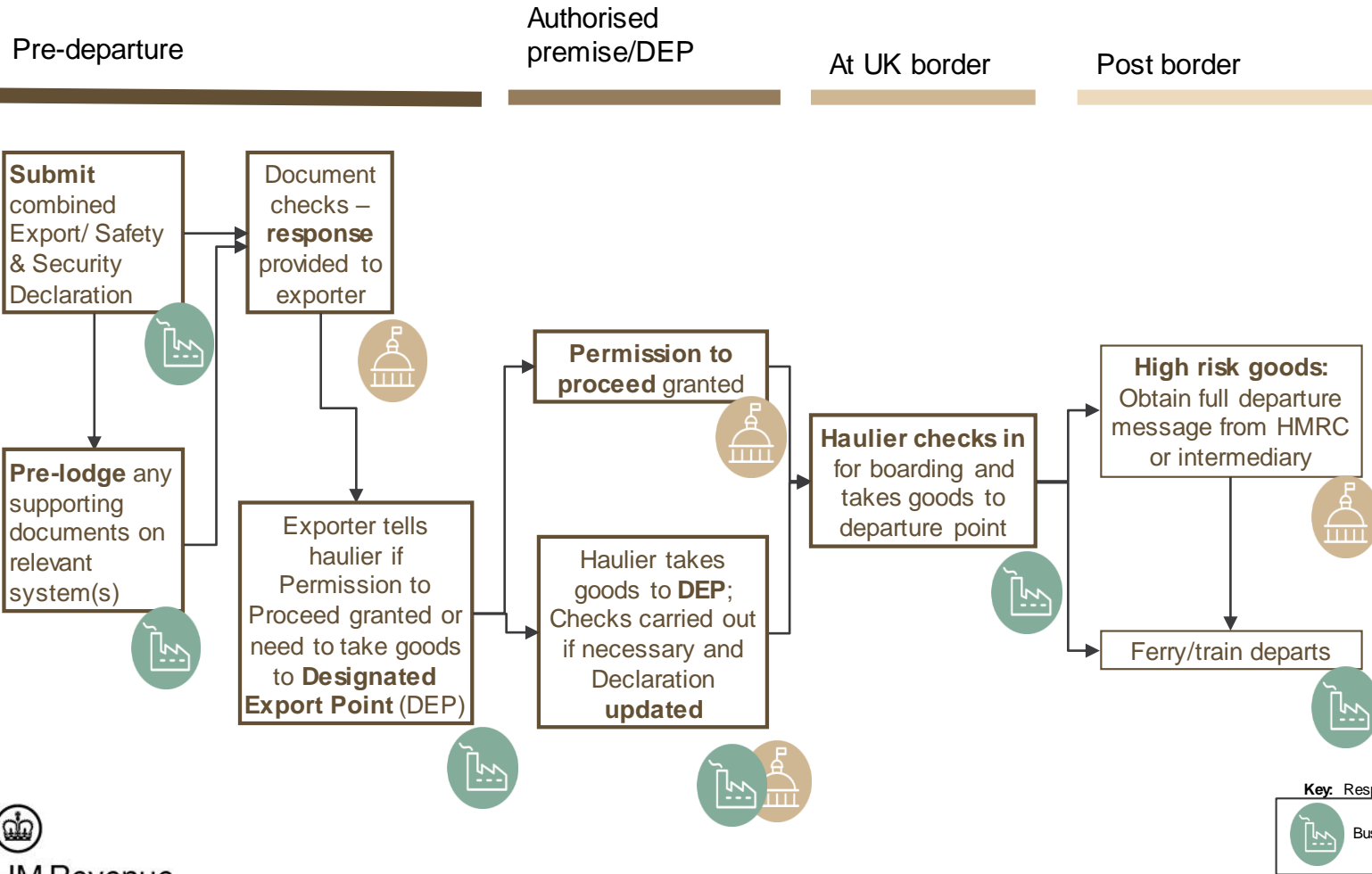


UK Government

# Exporting goods through RoRo borders on 'Day 1'

CUSTOMS AND SAFETY/SECURITY

EXPORTS



# Transitional Simplified Procedures (TSP)

- HMRC recognises the challenge that traders face in preparing for a No Deal scenario
- We are committed to supporting trade on Day 1 by offering customs simplifications
- Transitional Simplified Procedures will make importing goods from the EU through RoRo ports and the Channel Tunnel easier for the initial period after the UK leaves the EU
- Traders registered for TSP will not need to make full customs declarations at the border and will be able to defer paying their customs duties
- TSP will be available until at least 29 March 2020



# Transitional Simplified Procedures (TSP)

- To be eligible, traders must:
  - Be established in the UK
  - Have the intention to import goods into the UK from the EU
  - Have an Economic Operator Registration Identification (EORI) number
- Traders will not be eligible if:
  - They are an intermediary or acting on behalf of someone else
  - They have a history of non-compliance
  - Goods are imported from outside the EU
  - Goods are subject to a Customs Special Procedure





# TSP Declaration – Standard Goods

- The trader makes a declaration directly in their commercial records when the goods cross the border
- The trader will provide the haulier with their EORI number as proof the goods are subject to a TSP process
- This is followed by a supplementary declaration by the 4<sup>th</sup> working day of the month following the arrival of the goods in the UK.



# TSP Declaration – Controlled Goods

- The trader submits a simplified frontier declaration before arrival at the border, and ensures all necessary certificates and licences are available
- The reference number for this declaration is given to the haulier as proof customs formalities have been entered into
- On arrival in the UK, the trader updates the declaration to “arrived” before the end of the working day following the crossing
- This is followed by a supplementary declaration by the 4<sup>th</sup> working day of the month following the arrival of the goods in the UK.
- If the trader is already using this process, they can choose to use it for standard goods as well



# Entry Summary Declarations (Safety and Security)

- In a no deal scenario, the UK will phase in the requirement for entry summary declarations (ENS) on all goods arriving from the EU over 6 months.
- We are taking this approach to give carriers and hauliers more time to prepare for their obligations.
- The legal requirement to submit an ENS for goods arriving from the EU will come into force in Autumn 2019. In the transitional period, HMRC will work with businesses to get them ready.
- S&S information required on export will continue to be provided as part of the export customs declaration.
- We expect that the EU will require an ENS for UK to EU imports



# Duty Deferment

## Current rules:

- If a trader will have duties or import VAT to pay, they must have a duty deferment account to use TSP or an agent's CFSP:
  - in practice, this is a direct debit mandate
  - it allows HMRC to take a monthly payment of duties
  - the direct debit is taken 15 days after the supplementary declaration is made
- EU rules require a customs comprehensive guarantee (CCG) to defer duty:
  - this covers multiple debts under one financial guarantee
  - traders must meet competence and compliance criteria to give a CCG
  - can take up to 120 days



# Duty Deferment – Day 1

## Day 1 easements:

- Traders will not be required to meet the CCG criteria
- Traders will have until 30 June 2019 to submit a financial guarantee to HMRC to back their deferment account
- Traders can still choose to apply for a CCG, as those with AEO C status can seek a reduction in the level of guarantee required to defer duty



# Special procedures – Day 1

**Current rules:** EU rules require a customs comprehensive guarantee (CCG) to obtain a full authorisation for a special procedure

## Day 1 easements

- traders will not be required to meet the CCG criteria nor provide a financial guarantee for:
  - Inward processing
  - Outward processing
  - Temporary admission
  - Authorised use (a.k.a. end use)
  - Customs warehousing
- still need to meet criteria for the special procedure
- this policy will be monitored, and traders will be given 12 months' notice of changes



# Common Transit Convention (CTC)

- **What is it**

- CTC facilitates the movement of goods across borders of member countries (EU Member States, Turkey, Iceland, Norway, Switzerland, Liechtenstein, North Macedonia and Serbia) by only requiring customs declarations and payment of duties when goods arrive at their final destination
- The UK is a member of the CTC now, and will continue to be a member once we have left the EU

- **Why use it**

- facilitates the flow of goods
- minimises the cost of administration
- reduces delays at borders



# Common Transit Convention (CTC)

- **What is different:**

- The requirements for traders will be similar to now, with the additional requirement of scanning a Transit Accompanying Document at the point of entry into the UK (or into the EU when exporting)
- Volumes

- **What do I need to Consider:**

- registering to use NCTS, which is the system used for moving goods under transit
- registering as an Authorised Consignor/Consignee to allow you to start and end transit movements from your own premises
- expanding existing or adding new Authorised Consignor/Consignee facilities





# Key Actions for Businesses

Businesses who only trade with the EU need to act now to ensure that they are prepared in the event of a No Deal EU exit



Apply for an **EORI number**



Confirm you can complete each **data field** in the Declaration



Agree responsibilities with your **customs agent and logistics provider** for each part of the process and update your contracts to reflect this



Identify **software** for submitting documents, if you do not use a customs agent





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Thank you



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# New Approach goods and the UK marking

March 2019



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# Harmonised goods - Old Approach vs New Approach



‘Old Approach’: goods such as cars, pharmaceuticals, and chemicals, with standalone models of regulation



‘New Approach’: a common toolkit of regulatory measures covering goods such as toys and machinery



‘Non-harmonised goods’: subject to national rather than EU-wide product rules

# The European Commission's position



UK will be treated as a third country for regulatory purposes from exit day



Most UK compliance activity against EU regulations will no longer be recognised



Individual items already on the EU-27 market will be unaffected



EU only plans to avoid disruption in a small number of areas (e.g. some aerospace products)

# The UK's position



UK will adopt a time-limited continuity approach to minimise disruption



Most goods meeting EU regulations can still circulate in the UK



At the same time, equivalent UK regulatory frameworks are being established



Some goods with EU product approvals will be subject to light-touch additional requirements

# How does the 'New Approach' work now?



High-level requirements in legislation and use of harmonised standards to achieve compliance



Conformity with requirements of 'New Approach' legislation shown by use of the CE marking



In most cases manufacturers take sole legal responsibility for compliance and can self-declare



In other cases manufacturers need to use a third party assessment body (a 'Notified Body')

# Selling into the UK: UK marking and Approved Bodies



New approach goods meeting EU regulations can still be sold in the UK with a CE marking



UK will directly recognise conformity assessment carried out by EU Notified Bodies



Products assessed against UK rules by a UK 'Approved Body' will need the UKCA marking



We will consult with businesses before making any changes to these arrangements



# Selling into EU: CE marking and Notified Bodies



Conformity assessments by UK Notified Bodies will no longer be recognised in the EU



Goods assessed by UK notified body cannot be sold in EU without reassessment by EU body



As an alternative, manufacturers can transfer their files to an EU-recognised body pre-exit



CE marking needs to be used for goods sold into EU. Self-declaration unaffected.

## Other issues to consider



UK-based ‘authorised representatives’ will not be recognised in the EU



An EU-based distributor of UK goods may become an ‘importer’ - and vice-versa



Importers have a stronger legal duty to ensure products are compliant



The importer’s address also often has to be put on the product or its packaging

Any questions?

Send further questions on these and other issues to [sed@beis.gov.uk](mailto:sed@beis.gov.uk)

Please visit [euexit.campaign.gov.uk](http://euexit.campaign.gov.uk) for more information