



Dear Customer

Get your business ready to trade with the EU from 1 January 2021

We're writing to you because you're a VAT registered business that trades with the EU. We would like to make you aware of changes you need to know about to continue trading with the EU from next year.

We recognise the coronavirus (Covid-19) pandemic may have affected your preparations.

That's why on 12 June 2020, the government announced that new border controls on imports from the EU to Great Britain will be introduced in stages, and customs declarations for goods which are not controlled can be delayed until 30 June 2021.

What's changing?

The UK will leave the EU's Single Market and Customs Union when the transition period ends. From 1 January 2021, the UK will operate a full, external border with the EU.

This means that there will be controls placed on the movement of goods between Great Britain and the EU. From 1 January you'll need to submit declarations when importing and exporting goods that are categorised as 'controlled'.

Import processes for non-controlled goods will be introduced in 3 stages: January, April and July. The section below titled '**How the UK's Import Processes will be introduced in 2021**' shows how this will work in more detail.

What you need to do now

- **Make sure you have a GB EORI**

You should already have an Economic Operator Registration and Identification (EORI) number. You will need this to complete customs declarations. If you do not yet have one, you can register for free by going to www.gov.uk/eori

- **Decide how you're going to make customs declarations**

Customs agents, freight forwarders and express operators can help you with declarations and ensure you're providing the necessary information. For more information, go to www.gov.uk/guidance/appoint-someone-to-deal-with-customs-on-your-behalf

- **See if your imported goods are eligible for staged controls**

Most traders with a good compliance record will be able to defer import declarations on most goods for up to 6 months after 1 January 2021. For more information, go to www.gov.uk/guidance/using-simplified-declarations-for-imports

- **Decide how you will account for import VAT when you make a customs declaration**

From 1 January 2021, businesses will be able to use postponed VAT accounting to account for import VAT on their VAT Return for goods imported from anywhere in the world. For more information, go to www.gov.uk/guidance/check-when-you-can-account-for-import-vat-on-your-vat-return

- **Check if Import VAT is due at the border**

Import VAT will not be due at the border if goods in a consignment do not exceed £135 in value. The only exceptions will be excise goods and gifts. For more information, go to www.gov.uk/government/publications/changes-to-vat-treatment-of-overseas-goods-sold-to-customers-from-1-january-2021

- **Check the Controlled goods list to see if you need to complete declarations from January. If your goods are not on the list you can choose to delay import declarations until July 2021**

To check if your imported goods are on the Controlled goods list, go to www.gov.uk/guidance/list-of-goods-imported-into-great-britain-from-the-eu-that-are-controlled

- **Check the government's tariff tables and consider how your trade will be affected**

From 1 January 2021, there will be new rates of Customs Duty for imports - called the UK Global Tariff. To check the tariffs that will apply to goods you import, go to www.gov.uk/guidance/uk-tariffs-from-1-january-2021

- **Sign up for the new Trader Support Service, if you move goods between Great Britain and Northern Ireland or bring goods into Northern Ireland from outside the UK**

The free Trader Support Service (TSS) will handle the new processes arising under the Northern Ireland Protocol for you from 1 January 2021. To register your interest for using this service, go to www.gov.uk/guidance/trader-support-service Further information about movement of goods between Great Britain and Northern Ireland will be available soon. Please note TSS is not available for goods moved between Great Britain and the EU.

- **Keep up to date**

To keep up to date with the latest EU Transition information, please register for our free email update service. Go to www.gov.uk/hmrc/business-support and select 'Sign up to help and support emails from HMRC'.

We'll provide more guidance on changes to trade with the EU over the coming months, as the negotiations progress.

Yours sincerely



Katherine Green and Sophie Dean
Directors General, Borders and Trade, HMRC



How the UK's Import Processes will be introduced in 2021

Stage 1: from 1 January 2021

When you're importing non-controlled goods

You will have up to 6 months from the date your goods arrive in Great Britain to:

- submit customs declarations
- pay Customs Duty and import VAT (when you submit your customs declaration)

Between 1 January and 30 June **you must** keep detailed records of your imported goods to support your declaration **and** use postponed VAT accounting, if you're VAT registered.

When you're importing controlled goods (such as alcohol or tobacco products)

If you're importing through a location that has an existing Customs control system you will need to submit customs declarations when the goods arrive in Great Britain, unless you're placing them in temporary storage. You can hold goods in temporary storage for up to 90 days before your declaration is due.

If you're importing through a location without a Customs control system you will need to:

- submit customs declarations **before** the goods leave the EU
- tell HMRC that your goods have arrived (using appropriate HMRC customs systems) and if you're entering goods to excise duty suspension, declare them on the Excise Movement and Control System by the end of the next working day following arrival in Great Britain
- pay Customs Duty and import VAT straight away unless the goods are entered into a Customs special procedure

If you're importing live animals, high-risk animal by-products or high-risk plants or plant products, you will need to:

- pre-notify via the UK's new Import of products, animals, food and feed system (IPAFFS)
- provide health documentation for live animals
- provide phytosanitary certificates for high-risk plants or plant products

Stage 2: from 1 April 2021

When you're importing any products of animal origin or plants, you will need to:

- pre-notify using the IPAFFS
- provide health documentation
- provide phytosanitary certificates for all regulated plants and plant products

Stage 3: from 1 July 2021

When you import any goods into Great Britain, you will need to:

- make full Safety and Security declarations **before** your goods arrive in Great Britain
- either
 - submit customs declarations within 90 days of your goods arriving in Great Britain at locations using the temporary storage model
 - submit customs declarations before your goods depart the EU if moving through locations using the pre-lodgement model
- pay relevant Customs Duty and import VAT (when you submit your customs declarations)

There will also be an increase in physical checks for SPS commodities, animals, plants and their products.

You will be able, but not compelled, to use postponed VAT accounting.