



19 October 2020

Dear Customer

There are now only 2 months left to make sure you're ready for new customs and tax rules so you can continue to trade with the EU from 1 January 2021.

In September we wrote to you to explain the steps you need to take to prepare, whether the UK government secures a free trade agreement with the EU or not.

You need to act now

It's really important that you act now – a free trade agreement will not remove any of these requirements. Unless you have all the correct processes, contracts and agreements in place you will not be able to trade with the EU from 1 January 2021.

You will need to make import and export declarations to move goods between Great Britain and the EU, as currently happens between the UK and countries outside the EU. We want to make sure that you know what this involves and that you have everything you need in place.

What's changing?

From 1 January 2021, if you send goods from Great Britain to customers in the EU, you will be responsible for completing export declarations for those goods.

If you import goods from the EU that are on the controlled goods list (such as animal products, alcohol or tobacco, or firearms), you will have to make declarations from 1 January 2021.

If you import goods from the EU into Great Britain that are not on the controlled goods list (www.gov.uk/guidance/list-of-goods-imported-into-great-britain-from-the-eu-that-are-controlled), and you have a good compliance record, you have the option to defer declarations for up to 6 months. However, you must still keep records of everything you import, this is called an entry in declarant's records. You can find details of the information you need to keep at www.gov.uk/hmrc/delay-import-declarations

Traders with a poor recent compliance history will not be able to defer declarations. If this applies to your business, you will receive a separate letter explaining that you need to make full declarations.

If you choose not to defer your declarations, or are unable to do so, you will need to start making full import declarations from 1 January 2021. The steps you need to take are the same as those that currently exist for trade with countries outside the EU. You can find more information about these steps at www.gov.uk/import-goods-outside-eu

From 1 July 2021, all traders moving goods will have to make declarations and pay relevant tariffs at the time you move your goods.

Who can help you?

Import and export declarations are complicated, requiring specialist skill, knowledge and IT, including government authorisations.

Very few businesses make their own declarations, instead they use someone else to deal with import and export declarations for them, such as freight forwarding companies and fast parcel operators. They will often be able to complete your import and export declarations as part of their service.

These organisations deal with HMRC's systems every day, so they can offer you other benefits.

For example, they may:

- already hold a duty deferment account that you can use
- be authorised to use simplified declarations
- have access to different customs special procedures, which allow you to delay paying import duties in specific circumstances

Now is the time to speak to these companies so you have everything in place by 31 December 2020, and to ensure you can continue to trade with the EU. The sooner you contact these organisations the more likely it is that you will secure the services you need.

You are responsible for providing details about your transactions, for example:

- how often you import and/or export
- the type of goods that you are importing, including enough information to choose the correct commodity code
- the quantity of goods
- the customs value – the invoice price for the goods plus any additional customs charges that must be included when calculating the customs duty due
- where the goods are going

What to do now

For more information about hiring someone to deal with customs for you, and to access a useful list of businesses that can do this for you, go to www.gov.uk/hmrc/customs-on-your-behalf

Yours sincerely



Katherine Green and Sophie Dean

Directors General, Borders and Trade, HMRC



Trader checklist

If your business moves goods between Great Britain and EU countries, even if it's just once a year, you will be affected by new import and export arrangements from 1 January 2021.

You have 2 months left to decide how you will make import and export declarations and to get ready.

Check now

Do you need to make import and export declarations?

If you want to continue to buy, sell or move goods between Great Britain and the EU after the UK's transition period, you will.

Make a decision

Decide how you'll make these declarations and avoid any disruption to your business.

You can either:

1. Get someone to do this for you – this is what most traders do

Your options include

- freight forwarders, they move goods around the world and will arrange to clear your goods through customs as part of the service they offer to you
- fast parcel operators, they transport documents, parcels and freight across the world in a specific timeframe and will deal with customs for you as part of their delivery
- other customs agents, who will make sure your goods clear through customs

2. Do it yourself

You'll need to:

- ensure that within your business you have the skills and knowledge to complete custom declarations
- purchase the specialist software and licences needed to interact with HMRC's systems
- apply for access to CHIEF, the IT system used to make declarations to HMRC
- register for a duty deferment account, if you plan to delay your declarations, for non-controlled goods that you import, until the end of June 2021
- not underestimate how much time and effort it will be to do this yourself

Act now

Find someone now to do your import and export declarations, and then work with them to ensure that you are ready to trade with the EU from 1 January 2021. For more information, go to www.gov.uk/hmrc/customs-on-your-behalf

If you decide to do declarations yourself, please visit www.gov.uk/import-customs-declaration

If you move goods between Great Britain and Northern Ireland, you can sign up to use the free Trader Support Service (TSS) at www.gov.uk/guidance/trader-support-service

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'.