



HM Revenue
& Customs

HMRC Movement of Goods

5 March 2021

Customs Update

For movements between GB and the EU, border controls from the end of transition period have been introduced in stages - starting with some controls from 1 January 2021 and moving to full controls for all goods from 1 July 2021.

This means, from 1 January:

- Most traders have been able to defer submitting information and payment of customs duties to HMRC for up to 175 days from the date of the import.
- Traders importing controlled goods (such as excise goods) will be expected to follow standard customs requirements.
- The requirement for safety and security declarations on import - Entry summary Declarations (ENS) - will be waived for 6 months.
- The UK has joined the Common Transit Convention in its own right and will be subject to the requirements of the Convention.
- Postponed VAT accounting has been introduced, which is mandatory if businesses are using the staged customs declarations and optional if they have chosen to submit full declarations

Import Declarations from January 2021 to July 2021



HM Revenue
& Customs

- Traders bringing goods from the EU to GB will need to declare their goods to customs. Goods must be declared in advance of crossing if moving through a listed roll-on roll-off (RoRo) port or a location without existing systems.
- To facilitate readiness, traders moving **non-controlled** goods to GB can declare their goods by making an entry into their own records. There is a requirement for Businesses to keep records of their imports and submit this information, via a supplementary declaration within 175 days of import and pay the required duty via an approved duty deferment account.
- Traders moving controlled goods (e.g. excise goods) will need to make a frontier declaration. This declaration can be full or simplified (depending on the trader's authorisation), or traders can use transit.
- If the controlled goods are coming via a location without systems that would allow the trader to notify HMRC that goods have been imported, the trader must manually arrive the declaration in HMRC systems (including entry to the Excise Movement and Control System for excise duty suspended goods) by the end of the working day following the physical crossing.
- However, we will not be:
 - requiring traders to submit safety and security information for imports
 - requiring carriers to submit entry summary declarations for Safety & security

Further details on Importing can be found on [How to import goods from the EU into GB.pdf](#) and <https://www.gov.uk/import-goods-into-uk>

Export Requirements from January 2021 to July 2021

- Traders exporting goods from GB into the EU will need to submit export declarations for all goods.
- Traders will be required to submit safety and security information either via a combined export declaration, or a standalone Exit Summary Declaration.
- If goods are moving via a location with no existing control systems, an arrived export declaration will need to be submitted. If a physical check is required, the goods will be directed to a site for a check. Once all checks have been completed, or if permission to progress (P2P) has been issued straight away the goods can then be moved to the port.
- If goods are moving through a location with existing inventory systems, the declaration should be submitted as pre-lodged and follow the standard export procedure.
- For excise goods or goods moving under duty suspense only, if moving the goods through a location that does not have systems to automatically communicate to HMRC that the goods have left the country, the trader must provide proof to HMRC after the goods have exited the country.

Further details on Exporting can be found [How to export goods from GB into the EU.pdf](#) and <https://www.gov.uk/export-goods>

Full Controls From July 2021



HM Revenue
& Customs

- Traders will have to make full customs declarations (or use Simplified procedures if they are authorised to do so) at the point of importation on all goods and pay relevant tariffs.
- Full Safety and Security declarations will be required.
- Border locations can either use the temporary storage model, or the newly developed pre-lodgement model (developed as an alternative where border locations may not have the space and infrastructure to operate temporary storage).
- The Temporary Storage model allows goods to be stored for up to 90 days at an HMRC approved temporary storage facility, before a declaration is made and Government officials carry out any checks before goods are released from the facility.
- The Pre-lodgement model ensures that all declarations are pre-lodged before they board on the EU side, this will maintain flow.
- HMRC will introduce a new IT system called the Goods Vehicle Movement Service (GVMS) to support the Pre-lodgement model for both imports and exports and to facilitate Transit movements.

Further details on customs can be found on <https://www.gov.uk/topic/business-tax/import-export>

EORI

- Applying for a UK EORI number is the first step a business needs to take
- Businesses exporting goods from/importing goods into Great Britain will require a UK EORI number
- A UK EORI number starts with GB, followed by 12 digits including the business's VAT number
- If sending or receiving goods by a parcel operator, check whether they need a UK EORI
- To apply for a UK EORI number visit www.gov.uk/eori. Online application takes 5 – 10 minutes
- An EORI with an XI prefix has been introduced for making declarations or requesting customs decisions in Northern Ireland
- You can check the EORI of registered businesses at <https://www.gov.uk/check-eori-number>

Postponed VAT Accounting

- UK VAT registered traders who delay their supplementary declarations must account for import VAT on their VAT return by using [Postponed VAT Accounting](#)
- UK VAT registered traders who import non-controlled goods from the EU to Great Britain between 1 January 2021 and 30 June 2021, use Simplified Customs Declaration Procedures where authorised, and make an Entry in Declarants Records, must use Postponed VAT Accounting.
- In other circumstances, from 1 January 2021, UK VAT registered traders will be able (but not compelled) to use Postponed VAT Accounting to account for import VAT on their VAT Return for goods imported from anywhere in the world.
- VAT on imports of goods in consignments not exceeding £135 in value will be treated differently to those goods in consignments exceeding £135.
- If a business delays their declaration, they will need to account for import VAT on their periodic VAT return which includes the date when they imported the goods. To do this they will need to estimate the import VAT due from the records of imports that they are required to keep. When they submit their delayed declaration, they will be able to adjust this estimate to precisely account for the import VAT due on a later VAT return.

VAT

- [Guidance at gov.uk](#) explains how VAT will be charged and accounted for on movements of goods from Great Britain to the EU, and how businesses should account for VAT on goods they bring in from EU member states.
- There is separate guidance for transactions involving the movement of goods between [Great Britain and Northern Ireland](#).
- Transactions involving the movement of goods between Northern Ireland and the EU will be subject to the [Northern Ireland protocol](#).
- Non-VAT registered businesses will be required to pay any import VAT due when they make their delayed declarations.

VAT – Additional Guidance Pages to Note

- [Accounting for VAT on services between the UK and EU member states from 1 Jan 2021](#)
- [Goods moved between GB and the EU from 1 Jan 2021](#)
- [Pay less import duty and VAT when re-importing goods to the UK](#)
- [Value Added Tax EU Exit Transitional Provisions](#)

MIB – moving between Great Britain and Rest of the World

Commercial goods also known as Merchandise in Baggage are goods (to sell or use in your business) where:

- a commercial transport operator does not carry them for you or you do not pay them to carry them for you
- you've travelled from or to Great Britain carrying goods either in your baggage or in a small vehicle that can carry up to no more than 9 people and weighing less than 3.5 tonnes

Customs Declaration

MIB below £1500 and weighing less than 1000kgs and not classed as controlled goods:

- make oral declaration to a Border Force Officer at the port if facilities exist; or
- use HMRC's simple online declaration service before coming into or leaving the country.

MIB over £1500 or weighing over 1000kgs or classed as controlled goods

- Submit standard electronic customs declaration to HMRC through a customs agent or intermediary.

Further details on Customs Special Procedures can be found at: <https://www.gov.uk/guidance/taking-commercial-goods-out-of-great-britain-in-your-baggage> and <https://www.gov.uk/guidance/bringing-commercial-goods-into-great-britain-in-your-baggage>

More Help and Support

- HMRC is writing to all VAT registered traders to tell them about actions they need to take – here's a link to the monthly letters: <https://www.gov.uk/government/publications/letters-to-businesses-about-new-trade-arrangements-with-the-eu-from-1-january-2021>
- For more information, please find links to the border operating model updated 8 October: <https://www.gov.uk/government/publications/the-border-operating-model>
- There are also some very useful step by step guides on importing and exporting: <https://www.gov.uk/government/publications/how-to-import-and-export-goods-between-great-britain-and-the-eu-from-1-january-2021>
- And a useful one page link to guidance for traders can be found here: <https://www.gov.uk/guidance/help-and-support-if-your-business-trades-with-the-eu>

Useful links

Classifying goods

- www.gov.uk/guidance/ask-hmrc-for-advice-on-classifying-your-goods
- www.gov.uk/guidance/using-the-trade-tariff-tool-to-find-a-commodity-code
- www.gov.uk/guidance/finding-commodity-codes-for-imports-or-exports (includes hard to classify goods)
- www.gov.uk/guidance/apply-for-an-advance-tariff-ruling-that-can-be-used-from-1-january-2021
- www.gov.uk/guidance/apply-for-a-binding-tariff-information-decision
- Returned Goods Relief - www.gov.uk/guidance/pay-less-import-duty-and-vat-when-re-importing-goods-to-the-uk-and-eu
- Customs warehousing – www.gov.uk/government/collections/pay-less-or-no-duty-on-goods-you-store-repair-process-or-temporarily-use#customs-warehouse
- Inward Processing - www.gov.uk/government/collections/pay-less-or-no-duty-on-goods-you-store-repair-process-or-temporarily-use#inward-processing
- Outward Processing - www.gov.uk/government/collections/pay-less-or-no-duty-on-goods-you-store-repair-process-or-temporarily-use#outward-processing

Useful links – continued

Rules of Origin

- <https://www.gov.uk/guidance/claiming-preferential-rates-of-duty-between-the-uk-and-eu>
- <https://www.gov.uk/government/publications/rules-of-origin-for-goods-moving-between-the-uk-and-eu>
- Rules of Origin Flowchart Tool is also available [here](#)

Duty Deferment Account (DDA)

- <https://www.gov.uk/guidance/apply-for-an-account-to-defer-duty-payments-when-you-import-or-release-goods-into-great-britain>

How to Contact HMRC

Customs & International Trade Helpline – 0300 322 9434

This helpline is the main route in for customers with general customs queries, including the vast majority of operational queries and general calls about NCTS and GVMS. The helpline has a Webchat capability access via GOV.uk:

<https://www.gov.uk/government/organisations/hm-revenue-customs/contact/customs-international-trade-and-excise-enquiries>

VAT Enquiries

There are a range of ways to contact HMRC about VAT – more details at this page:

<https://www.gov.uk/government/organisations/hm-revenue-customs/contact/vat-enquiries>

SME Brexit Support Fund

- Announced on 11 Feb 2021, SME Brexit Support Fund - worth £22.75m - to support small and medium sized businesses who are new to importing and/or exporting rules with the EU
- Can provide up to £2k per business allowing them to access training or professional advice on border processes they haven't used previously; customs, rules of origin and VAT
- Businesses will need to be UK Established (12months), 500 employees or less/£100m turnover or less and be exporting GB- EU or GB -NI
- They can be making declarations themselves or using an agent

For further information please see:

<https://www.gov.uk/government/news/government-announces-20-million-sme-brexit-support-fund> and <https://www.gov.uk/guidance/grants-to-help-small-and-medium-sized-businesses-new-to-importing-or-exporting>