



HM Revenue
& Customs

HMRC

Maragret Whitby

HMRC Customs and Border Design
Stakeholder Engagement

27 June 2019

Overview

- Currently, businesses can move goods freely between the UK and the EU
- In the event that the UK leaves the EU without a deal, businesses importing and exporting goods with the EU will have to comply with new rules
- HMRC is committed to helping businesses understand these changes and the actions they need to take to ensure that they remain compliant and can continue trading in the event of a no deal EU exit

Approach to No Deal

HMG objectives for the border

- Maintaining security
- Facilitating the flow of goods (including animals, food and plants) and people
- Protection of revenue and compliance with standards

Day one easements include

- Transitional Simplified Procedures
- Intermediaries' liability
- Guarantee relaxations
- Entry Summary Declarations for imports

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



Customs Declarations

- Customs declarations will be needed on UK-EU trade in a no deal scenario
- Businesses will need to decide how they want to manage the declarations process:



- HMRC is working to ensure that as many businesses as possible have the capability to make customs declarations on day 1

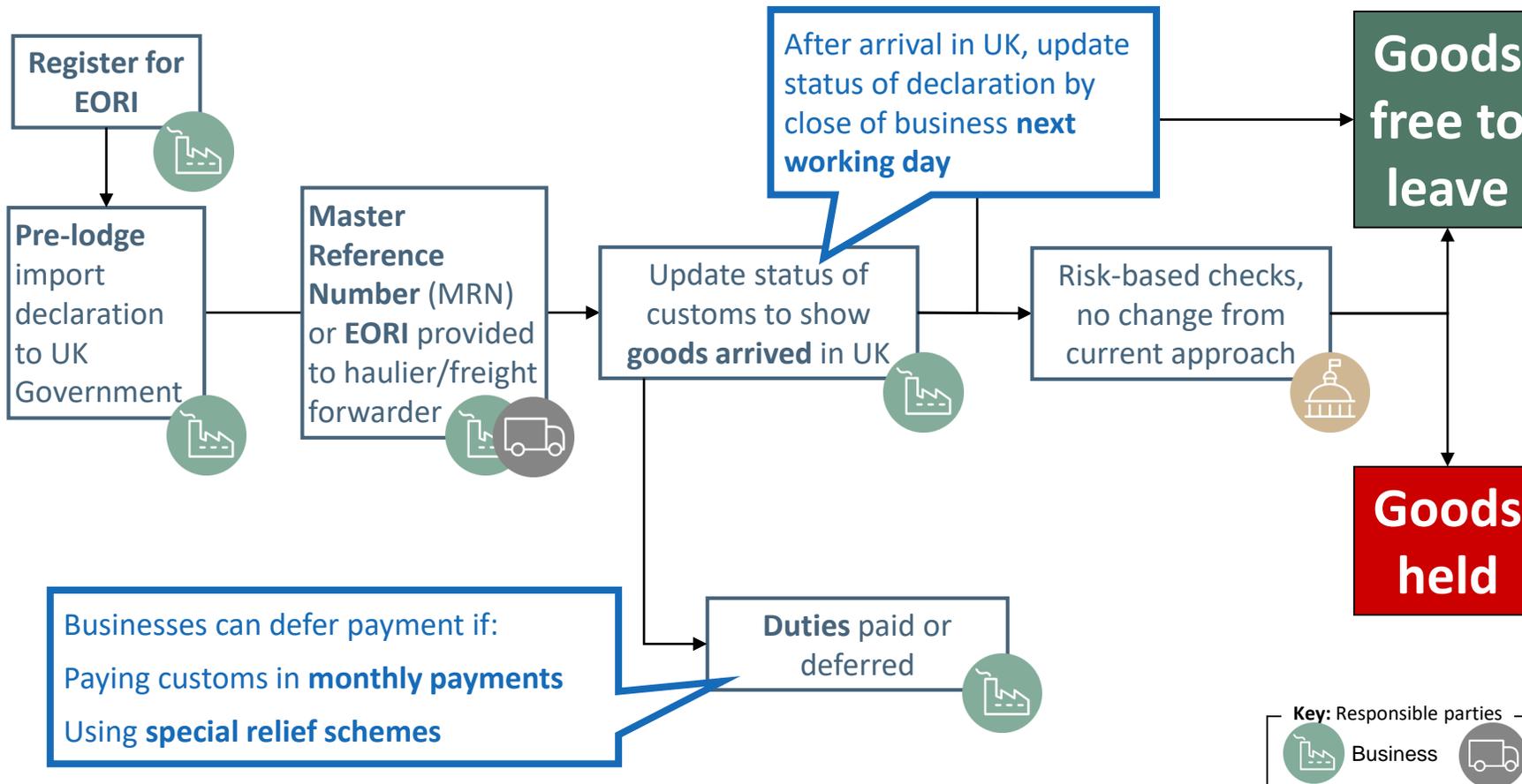
Importing goods through RoRo borders on 'Day 1'

CUSTOMS

Pre-border

En route

At UK border



Exporting goods through RoRo borders on 'Day 1'

CUSTOMS AND SAFETY/SECURITY

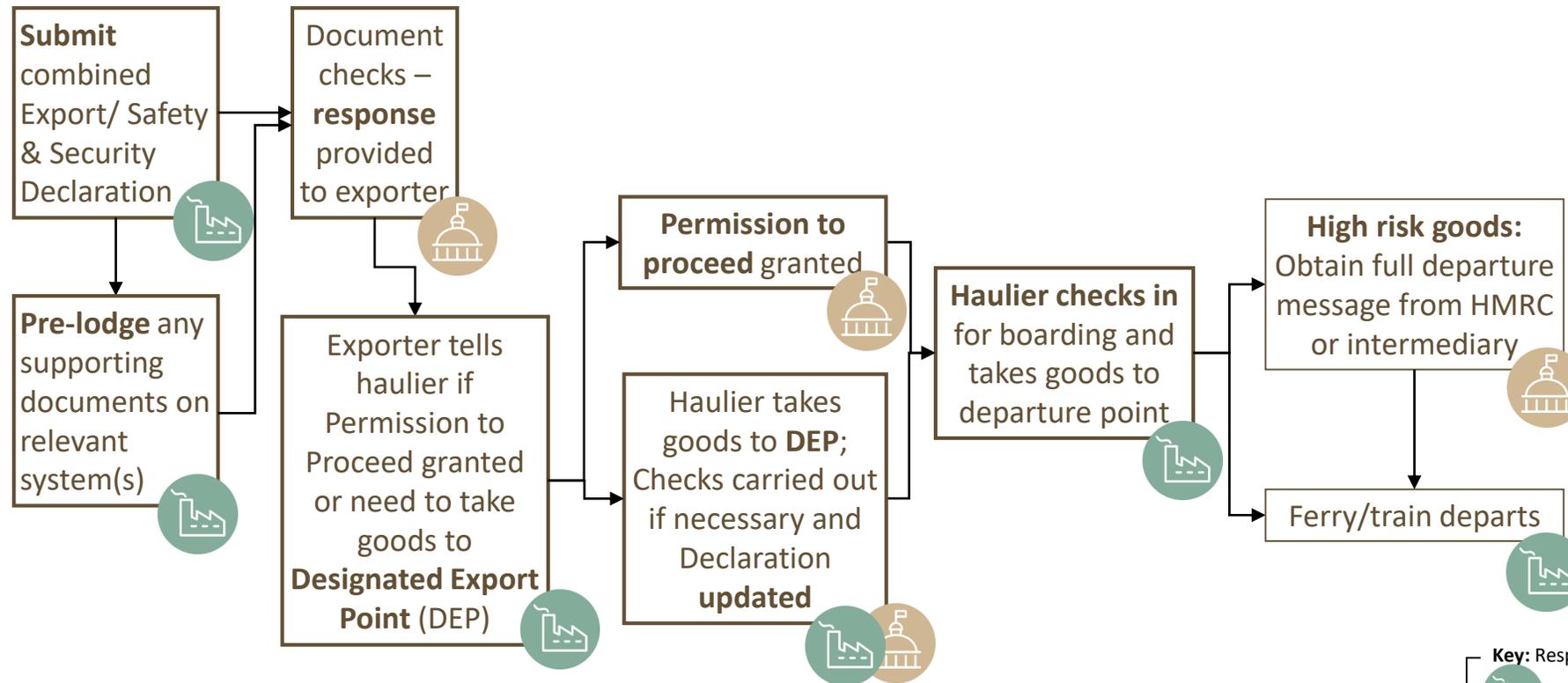
EXPORTS

Pre-departure

Authorised
premise/DEP

At UK border

Post border



Transitional Simplified Procedures (TSP)

- Transitional Simplified Procedures will make importing goods 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**
- **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

TSP Declaration

Controlled Goods

- The trader submits a simplified frontier declaration and ensures all necessary certificates and licences are available
- This is followed by a supplementary declaration by the 4th working day of the month following the arrival of the goods in the UK

Standard Goods

- The trader makes a declaration directly in their commercial records
- This is followed by a supplementary declaration by the 4th working day of the month following the arrival of the goods in the UK

Duty Deferment

Current rules

Traders must have a duty deferment account to use TSP or an agent's CFSP authorisation:

- in practice, this is a direct debit mandate
- it allows HMRC to take a monthly payment of duties 15 days after the supplementary declaration is made
- guarantees are required in order to defer duty to make monthly payments

Day 1 easements:

- traders will not be required to meet the CCG criteria when obtaining guarantees
- 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 or 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

Transit and the Common Transit Convention (CTC)

- CTC facilitates the movement of goods across borders of member countries by only requiring 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
- 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)

Transit and the Common Transit Convention (CTC)

- In order to move goods under CTC there are 3 distinct customs functions.
 - Office of Departure
 - Office of Transit
 - Office of Destination
- The Office of Departure and Destination functions can be completed at a customs office or an approved location under the simplified procedure (These are known as authorised Consignor/Consignee).
- The Office of Transit functions are a requirement placed on CTC members that must be performed at a customs office upon entry into a new customs territory.
- As the Office of Transit is the control upon which the guarantee is held, there are a number of specific requirements that have been mandated by the Convention.

Transit Guarantees – Day 1

- The requirements for transit are governed by the CTC
- A Comprehensive Customs Guarantee (CCG) will still be required to cover several transit movements, but an individual guarantee can be used for single movements
- An individual guarantee can include a guarantor undertaking from a bank or financial institution and a cash deposit
- The level of guarantee depends on the territories that the goods are moving through
- Guarantees can take several weeks to set up, so traders should contact their bank or insurer about this as soon as possible

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



HM Revenue
& Customs

Contact details for HMRC Stakeholder team:
externalstakeholders.customs@hmrc.gov.uk

Thank you