



HM Revenue  
& Customs

# HMRC

Maragret Whitby

HMRC Customs and Border Design

Stakeholder Engagement

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# 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

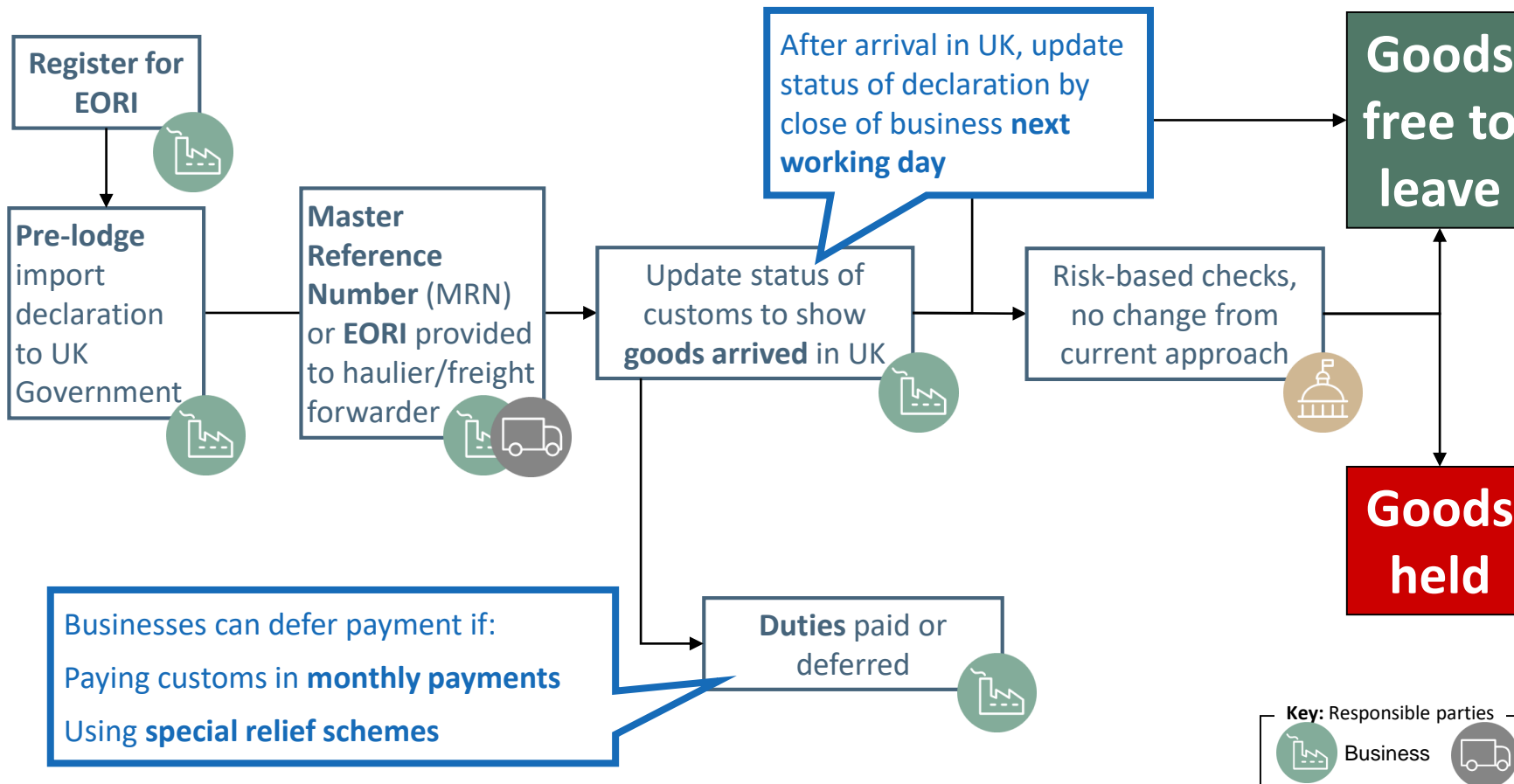
# Importing goods through RoRo borders on 'Day 1'

## CUSTOMS

Pre-border

En route

At UK border



# Exporting goods through RoRo borders on 'Day 1'

CUSTOMS AND SAFETY/SECURITY

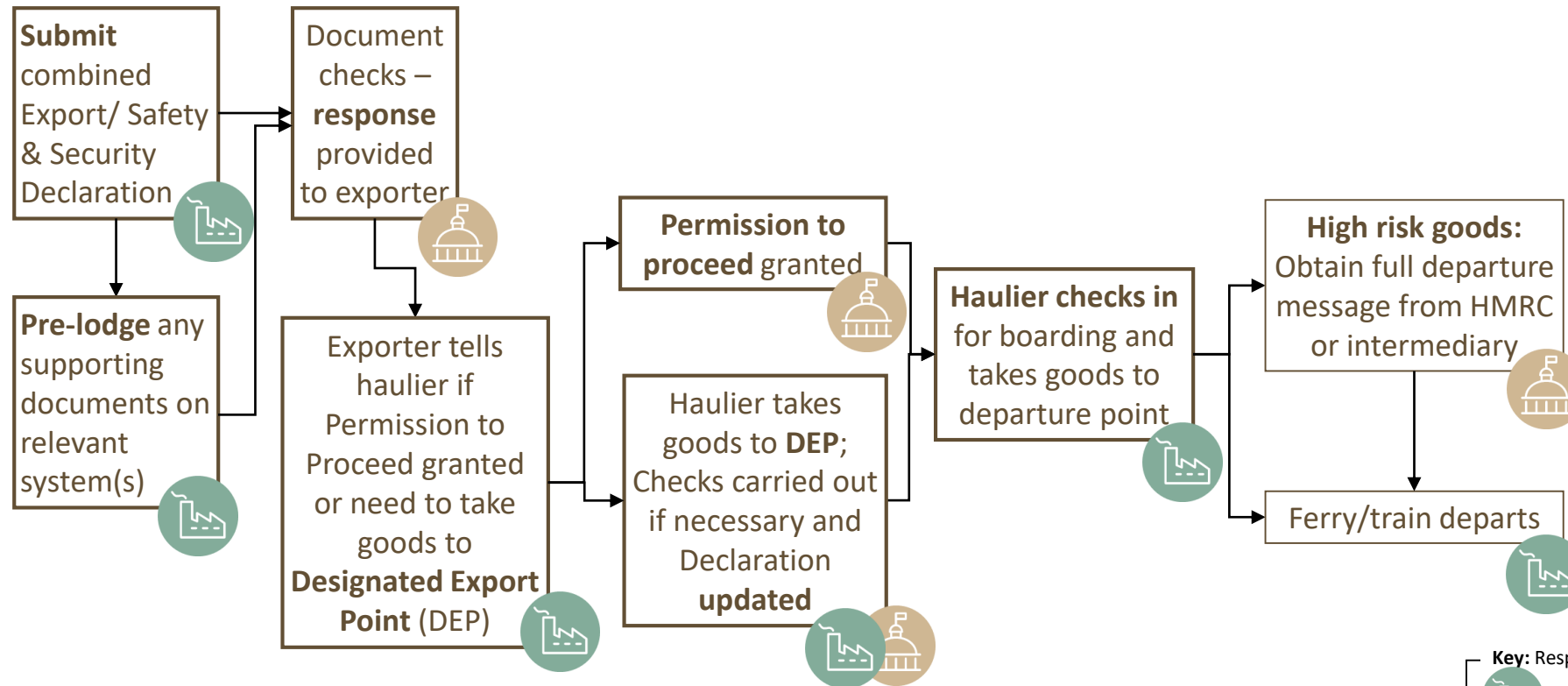
EXPORTS

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 4<sup>th</sup> 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 4<sup>th</sup> 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



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Contact details for HMRC Stakeholder team:  
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Thank you