

III - Customs formalities

Before importing goods into the UK:

We have listed below the steps that you need to follow to act as importer of record in the UK according to the current available information:

1. *UK Economic Operator Registration and Identification (EORI) number*

Companies need an UK EORI number to act as importer in the UK. The UK EORI number starts with "GB" and is 12 digits long. If you already have a UK EORI number, you can use this number to import goods from the EU after Exit Day. For companies that are UK VAT-registered and do not have a UK EORI number, the UK government may assign them EORI numbers. These companies may receive a letter from the UK government informing them of their number.

However, subsidiary companies that also trade goods with the EU will need to apply online for a UK EORI number. You can apply for a UK EORI numbers via the UK Government website (link: <https://www.gov.uk/eori>)

Please note that, if you decide to work with freight forwarders or customs agents to import your goods, you will need to inform them of your UK EORI number.

2. *Decide whether you will do the import declarations yourself or get help from a third party*

(a) *Making the declarations yourself:*

You may choose to make your own import declarations. In that case, you will need an authorization from Her Majesty's Revenue & Customs (HMRC) and to obtain software that will allow you to submit the import declarations electronically. More information is publicly available at: <https://www.gov.uk/guidance/customs-declarations-for-goods-brought-into-the-eu?step-by-step-nav=1ddb4c89-1fe9-4ad0-b561-c1b0158e6bc5>

(b) *Getting help from third parties:*

You may also choose to use a customs agent, broker or freight forwarder to make the customs declarations for you. A customs agent or broker will act either as your direct representative or indirect representative. More information is publicly available at: <https://www.gov.uk/guidance/appoint-someone-to-deal-with-customs-on-your-behalf?step-by-step-nav=1ddb4c89-1fe9-4ad0-b561-c1b0158e6bc5>

3. *Get your master data ready*

You will need to provide information about the goods you intend to import into the UK when completing the import declaration. Some of the most important elements you will need to indicate are the commodity code of the product, its origin and customs value. The commodity code will determine, inter alia, the applicable customs duties, and the customs value will establish the basis on which the duties will be calculated. The origin will determine whether or not the goods benefit from a preferential tariff rate upon import to the UK. The UK has published a new Most Favoured Nation (MFN) tariff regime, called the UK Global Tariff, which will apply to import of goods from all over the world as of 1 January 2021, except where the goods qualify for preferential tariff rates under a trade agreement or the goods benefit from the UK Generalised Scheme of Preferences for developing countries.

You can check more publicly available information about

- *Tariff classification*: <https://www.gov.uk/trade-tariff>
- *Preferential Origin*: see information in the various UK FTAs: <https://www.gov.uk/guidance/uk-trade-agreements-with-non-eu-countries>
- *Customs valuation*: <https://www.gov.uk/government/publications/notice-252-valuation-of-imported-goods-for-customs-purposes-vat-and-trade-statistics/notice-252-valuation-of-imported-goods-for-customs-purposes-vat-and-trade-statistics>
- *UK MFN Tariff rates*: <https://www.gov.uk/guidance/uk-tariffs-from-1-january-2021>
- *UK Generalised Scheme of Preferences*: <https://www.gov.uk/guidance/trading-with-developing-nations-during-and-after-the-transition-period>

The UK government has published several notices and guidance that can help you understand the steps you need to take to import goods from the EU into the UK: <https://www.gov.uk/government/publications/how-to-import-and-export-goods-between-great-britain-and-the-eu-from-1-january-2021>

Importing goods from the EU into the UK from 1st January 2021 to 30th June 2021

The UK government set-up a phased approach to the implementation of import formalities for goods coming from the EU. From 1st January 2021 to 30th June 2021, companies importing goods from the EU may delay the presentation of the customs declarations for 6 months, depending on the type of the goods they are importing. The goods can be divided into standard goods and controlled goods, as follows:

- (i) Controlled goods are products subject to excise duties or controlled under special regimes, such as the Drug Precursor, Toxic chemicals, Explosives, Controlled Drugs, etc. The list of which goods are considered controlled is available at <https://www.gov.uk/guidance/list-of-goods-imported-into-great-britain-from-the-eu-that-are-controlled>
- (ii) Standard goods are all products that are not considered controlled goods

Depending on the type of goods you're importing, you may choose from 3 declaration types:

A. Delayed import declaration – applicable to standard goods only,

If you are importing standard goods in the UK, you may choose to delay the presentation of the import declaration for 6 months. This is done in a 2-steps process:

1. When the goods will physically move from the EU to the UK, you will need to register this movement by entering them in your own records. No information is sent to customs. The information you will need to register is available at <https://www.gov.uk/guidance/making-an-import-declaration-in-your-records-without-authorisation-from-1-january-2021#information-you-need-to-record>
2. Submit a supplementary import declaration to HMRC the full information about your goods within 6 months of the date of the import.

To use this delayed customs declaration process, you will need to:

- (i) be established in the UK
- (ii) apply for an authorization to make simplified declarations or work with a customs intermediate that is already authorized for simplified import procedures. The authorization is not required upfront, but

it must be in place before the 1st supplementary declaration is submitted. Please note that it can take up to 120 days to get this authorization.

- (iii) have a deferment account to defer payment of customs duties and import VAT. The account must be in place before the 1st supplementary declaration is submitted

Note: this process cannot be used for standard goods that have not been released in free circulation in the EU.

B. Full import declaration – applicable to all standard and all controlled goods

Alternatively, goods – standard and controlled - can still be imported into the UK using a full customs declaration, which must be presented while the goods are still on the EU27/EEA side. In that case, to be able to defer the payment of duties, you will need a special authorization from HMRC.

C. Simplified import declaration – applicable to all standard and some controlled goods

All standard goods and some controlled goods can be imported into the UK using a simplified import declaration. This means that, before the goods leave the EU, you or your customs intermediate must make a simplified frontier declaration (less data requirement) and present a supplementary declaration with complete information about the goods, on the 4th working day of the month following the import of the goods.

More details about how to do simplified declarations for the import of controlled goods can be found here: <https://www.gov.uk/guidance/making-a-simplified-frontier-declaration>

To use this simplified declaration process, you will need to:

- (i) be established in the UK
- (ii) apply for an authorization to make simplified declarations or work with a customs intermediate that is already authorized for simplified import procedures. The authorization must be obtained upfront, that is, it must be in place before an import under simplified declaration can take place.
- (iii) have a deferment account to defer payment of customs duties and import VAT

In scenarios A and C, after you submitted the supplementary declaration, HMRC will inform you the amount of customs duties (if any), VAT and excise duties due. The payment of customs duties and VAT will be done by automatic debit on your deferment account or on the account of your customs intermediary.

Import procedure: data we need from you

The import process the UK will implement after 1st January 2021, is currently described in this document: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925140/BordersOpModel.pdf

We would like to emphasize that any import declaration – even the one made through an entry in the declarant's records - must be recorded/presented *before the goods are loaded onto the vessels on the EU27/EEA side*. Moreover, carriers transporting the goods will be required to provide information (see table below) to demonstrate that a customs declaration has been filed or registered in the UK.

As a consequence, regardless of the procedure you will use to import goods into the UK, we will require certain information from you so that our carriers are allowed to load the goods into the vessels, as described in the table below.

Please note that, if we do not receive the data required from you, our carriers will not be allowed to load the goods onto the vessels on the EU27/EEA side, which will result in delays and additional costs to the delivery for you to bear.

We reiterate our commitment to work effortlessly to mitigate the impact of Brexit as much as possible, while remaining compliant with the applicable regulations, and count on our partnership to reach this goal. Brexit will bring modifications to our current business set-up, even with a trade deal between the EU and the UK.

We hope that the information set out in this letter is helpful. Please note that the information is provided in good faith and to the best of our knowledge, based on the currently available information; however we cannot provide legal advice to you and guarantee the accuracy and completeness of the information. We may need to review the requirements if the UK government guidance on UK REACH is modified, or if the UK government updates their Border Operating Model.

UK Import procedures and information required

	Delayed declaration	Simplified declaration	Full customs declaration
Standard goods	Importer registers the entry of the goods on its own commercial records and submit a supplementary declaration to UK customs within 6 months. <i>(applicable only to standard goods that are in free circulation in the EU)</i>	Importer submits a simplified frontier declaration (reduced data set) to UK customs and a supplementary declaration on the 4 th working day of the following month.	Importer submits a full declaration and supporting documentation to UK customs.
Controlled goods	Not applicable	Importer submits a simplified frontier declaration (reduced data set) to UK customs and a supplementary declaration on the 4 th working day of the following month.	Importer submits a full declaration and supporting documentation to UK customs.
Information we will need from you	EORI number of the importer and contact details of your customs agent.	EORI number of the importer and contact details of your customs agent. For every shipment, you/your customs agent will have to provide our haulier with the MRN number of the simplified frontier declaration for controlled goods.	EORI number of the importer and contact details of your customs agent. For every shipment, you/your customs agent will have to provide our haulier with the MRN number of the full customs declaration for controlled goods.
When this information is required	One time only	MRN number is needed immediately after each simplified frontier declaration is submitted for controlled goods.	MRN number is needed immediately after each full declaration is submitted for controlled goods.

