



HM Revenue
& Customs

HMRC

HMRC Customs and Border Design
Stakeholder Engagement

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

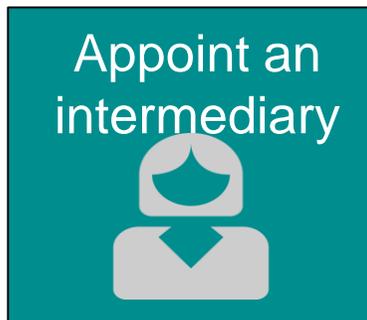
- Maintaining security
- Facilitating the flow of goods (including animals, food and plants) and people
- Protection of revenue and compliance with standards

Day one easements include

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

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

Economic Operator Registration Identification

- To interact with UK Customs systems you will need an Economic Operator Registration Identification (EORI) number. This applies whether you are importing goods into the UK or exporting them from the UK.
- You can apply through GOV.UK – it should only take a few minutes
- If you already have a UK EORI number due to trade with RoW you do not need to apply again
- If you also act as importer into or exporter from EU you will also need an EU EORI number. If you don't already have one you should request one from the EU country where you make your first declaration.

RoRo Model – key principle

Day 1

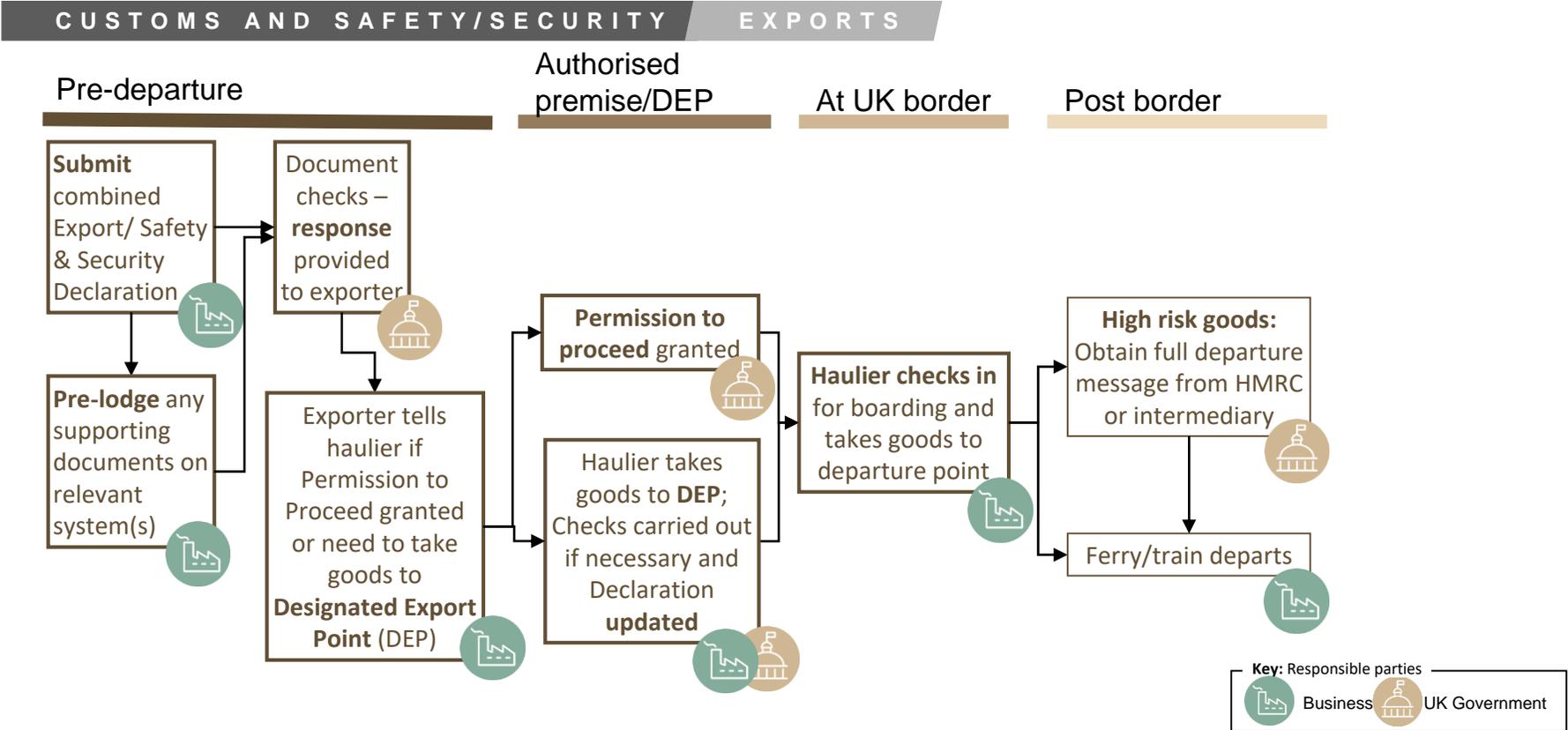
- Declarations should be lodged electronically in advance
- Routine fiscal and other controls and checks undertaken away from the flow of traffic

Longer-term

- Longer term, UK government is working on automated solutions, use of technology for smarter borders and sharing more data



Exporting goods through RoRo borders on 'Day 1'



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

Entry Summary Declarations

- Safety & Security information on export will continue to be required as part of the export customs declaration.
- We expect that the EU will require an ENS for UK to EU imports
- In a no deal scenario, the UK will phase in the requirement for entry summary declarations (ENS) on all goods arriving from the EU over 6 months.
- We are taking this approach to give carriers and hauliers more time to prepare for their obligations.

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

How does the Common Transit Convention (CTC) work?



The **CTC allows movement of goods - under duty suspense** - between the 28 EU Member States and the European Free Trade Association countries (Iceland, Norway, Switzerland and Liechtenstein) plus Turkey, Republic of North Macedonia and Serbia.



UK has been invited to accede to CTC as a separate contracting party when EU laws cease to apply to the UK (letter of invitation was December 2018).



The requirements to use CTC will remain unchanged. However, as the UK will be outside the EU Customs territory, **traders will need to have a Transit Accompanying Document (TAD) scanned** at the point of entry into the UK or other new customs territory.

Transit and the Common Transit Convention (CTC)



1. The transit declaration is completed (including guarantee) using NCTS (the New Customs Transit System)
2. The goods are presented at the Office of Departure (or Authorised Consignor) and the Transit Accompanying Document (TAD) is printed off presented to the haulier and then the goods are released into transit.
3. At every border crossing into a new customs territory, the TAD and goods are presented at the Office of Transit (OoT functions can only be performed by Customs Officials).
4. At the final destination the goods and TAD are presented at the Office of Destination (or Authorised Consignee).
5. The transit movement is closed, the goods must be declared to another customs regime eg free circulation, temporary storage and the guarantee is released.

The goods are tracked and messages are sent from the various offices using NCTS during the journey.

Transit guarantees

- To make transit movements a trader needs to provide a guarantee for the customs duties suspended during the movement. This can be an individual guarantee for a single movement or a Customs Comprehensive Guarantee (CCG) for multiple movements. To hold a CCG, a business needs to:
 - Satisfy HMRC's customs/compliance checks; and
 - Obtain a guarantee from an approved financial institution.
- An individual guarantee can include a guarantor undertaking from a bank or financial institution and a cash deposit.
- Guarantees can take several weeks to set up, so traders should contact their bank or insurer about this as soon as possible.
- The guarantee requirements are set by the Common Transit Convention.

Simplified transit procedures

- Under the CTC, traders can apply for authorisation to use simplified transit procedures. The main types of authorisation are:

Authorised Consignor Status allows traders to declare goods to transit at their premises rather than an Office of Departure. Traders applying for this need to have a CCG.

Authorised Consignee Status allows traders to end transit movements at their premises rather than an Office of Destination. Traders applying for this generally need a temporary storage facility.

HMRC is working to enable traders to be authorised as quickly 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**
Consider registering for **TSP**



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

Thank you

Contact details for HMRC Stakeholder team:
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