

Preparing for 1 January 2021

*for members of the
Confederation of Paper Industries*

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HM Government
UK TRANSITION



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NEW START
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GOING

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Department for
Business, Energy
& Industrial Strategy

The UK's proposed Free Trade Agreement with the EU would achieve (among other things)...

- Tariff-free market access with simple, appropriate rules of origin
- Provisions to support the efficiency of documentary clearance, transparency, advance rulings and non-discrimination
- Reciprocal commitments to allow EU and UK road transport operators to provide services to, from and through each other's territories
- Visa-free access for EU and UK nationals to undertake short-term business trips to supply services, including intra-company transfers; contractual service suppliers; and independent (i.e. self-employed) professionals and investors.
- A framework for either party to request that the other consider its technical regulation to be equivalent to its own regulation
- Mutual recognition of conformity assessment of goods

State of play with UK Free Trade Agreement negotiations

<https://www.gov.uk/government/collections/the-uks-trade-agreements>



Preparation for January 1st 2021:

Check what actions you need to take

If you want to find out what changes will apply to your business, use the checker tool for tailored advice:

- Visit [gov.uk/transition](https://www.gov.uk/transition)
- Answer a few questions to get a personalised list of actions for you and your business
- Then sign up for emails to get updates when things change

The UK transition

The UK has left the EU, and the transition period after Brexit comes to an end this year. Take action now to get ready for new rules from January 2021.



Take action and sign up for emails

Answer a few questions to get a personalised list of actions for you, your family, and your business. Then sign up for emails to get updates when things change.

[Start now >](#)

 Check  Change  Go

Other preparation resources

- Webinars - sectoral and policy-specific; written how-to guides- check <https://www.gov.uk/guidance/help-and-support-if-your-business-trades-with-the-eu> for further updates
- HMRC compliance calls with High Volume Traders + trader letters
- The [Border Operating Model](#) and HMRC guidance on duty deferment and customs guarantees
- Updates to procedures of moving goods from GB to or through NI



Questions



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UK Global Tariff

The **UK Global Tariff** will apply to all goods you import from 1 January 2021 unless an exception applies, for example if the goods you're importing:

1. Are from a country that has a trade agreement with the UK
2. Are from a developing country that pays less or no duty because it's part of the Generalised Scheme of Preferences
3. Have a relief or tariff suspension that's operated by the UK.

<https://www.gov.uk/check-tariffs-1-january-2021>



Customs controls between GB and EU from January 2021



1 January

Full EU import and export controls in place

Full UK export controls in place

Full UK import controls in place only for controlled goods

Deferred declarations in place for standard goods

1 April

1 January arrangements + full UK import controls in place for animals and products of animal origin, plus plants and plant products

<https://www.gov.uk/prepare-to-import-to-great-britain-from-january-2021>

1 July

Full EU and UK controls in place for all goods

Import VAT

VAT registered traders who are eligible and choose to defer their supplementary declarations **must** use postponed VAT accounting. This means they will need to account for import VAT on their periodic VAT return.

VAT registered traders not choosing to, or not eligible to defer their customs declarations will still be able to account for import VAT on their VAT return by using postponed VAT accounting. This applies to imports from all countries.

Non-VAT registered traders will have the same options available to report and pay import VAT through a Duty Deferment Account. As is possible for customs duties, traders and intermediaries can use a Duty Deferment Account to defer payment of import VAT until a prescribed date, delaying payment for an average of 30 days.

Some of the key actions

→ Consider Commercial Arrangements

Contractual obligations for international commercial transactions are outlined in the [INCOTERMS](#) rules, which are administered by the International Chamber of Commerce. These are an important consideration for traders when moving goods internationally.

→ Apply for a GB EORI number and an EU one too if you are responsible for submitting declarations to EU customs authorities under your commercial terms

This is required for all businesses moving goods into or out of GB, including those deferring their import declarations. Further information, including a link to apply for an EORI number, is available [here](#). Please note that an EU EORI number is required for UK businesses who are responsible for submitting customs declarations to EU Member State customs authorities e.g. a UK exporter who is Delivering Duty Paid to a company in France under their INCOTERMS.

Some of the key actions

→ Get a Customs Intermediary

Intermediaries can help traders find the information needed to complete formalities and submit the required declarations. This simplifies the declaration processes for traders. Further information can be found [here](#).

→ Apply for a Duty Deferment Account

This enables customs charges including customs duty, excise duty, and import VAT to be paid once a month through Direct Debit. To set up a DDA, traders, or their representatives, apply for a deferment account number (DAN) and will need to be authorised by HMRC. ***New rules have been introduced which will allow most traders to use duty deferment without a Customs Comprehensive Guarantee (CCG). The detail is [here](#).***

→ Check codes, tariff rates and rules for your goods

Find the [right commodity code](#) for your goods and learn how to [how to value your imports for customs duty](#).

Exports from GB to the EU



<https://www.gov.uk/prepare-to-export-from-great-britain-from-january-2021>

Exporters of goods from GB should ensure they are familiar with using the [‘Check How to Export Goods’](#) tool which provides detailed information on duties and customs procedures for over 160 countries.

UK exporters Delivering Duty Paid to EU customers will need to be familiar with EU import customs rules (including the EU EORI requirement) and VAT as well. For the latter, they may need a fiscal representative. For EU import procedures, the starting point for guidance is [here](#), and for EU tariffs [here](#).

Member States have different rules for collecting import VAT, which are summarised [here](#). The refund process differs across member states too: [this page](#) is a starting point.

Customs facilitations



[EU guidance on 'special procedures'](#)



- [Common Transit Convention](#) – for trade across multiple borders
- [Simplified declarations](#)
- [AEO status](#)
- [Inward Processing Relief](#) and [Outward Processing Relief](#)
- [Customs Warehousing](#)
- [Temporary Admission](#) and [Returned Goods Relief](#)
- [Duty Deferment Account](#)

Find more info

- <https://www.gov.uk/government/publications/the-border-operating-model>
- And useful links to useful guidance for traders can be found at:
<https://www.gov.uk/guidance/help-and-support-if-your-business-trades-with-the-eu>
- HMRC are issuing letters to all VAT registered Traders:
<https://www.gov.uk/government/publications/letters-to-businesses-about-new-trade-arrangements-with-the-eu-from-1-january-2021>



Northern Ireland Protocol

- 1. Moving goods from Northern Ireland to Great Britain should take place as it does now** – there will be no declarations, tariffs, new regulatory or customs checks for Northern Ireland businesses to place goods on the UK market. Those goods will be able to be placed on the market in Scotland, Wales and England, whether certified against EU or UK rules.
- 2. Changes for goods moving from Great Britain to Northern Ireland will be kept to an absolute minimum** - with a new Trader Support Service, available to all traders at no cost, to be established to provide wraparound support, alongside guidance on the processes for food and agricultural products designed to uphold the longstanding status of the island of Ireland as a single epidemiological unit.

Northern Ireland Protocol

3. Trade in goods between Northern Ireland and Ireland, and between Northern Ireland and EU Member States, will continue unaffected, with no change at the border, no new paperwork, and no tariffs or regulatory checks.

4. Trade from third countries will be handled in accordance with these principles and, where the UK has Free Trade Agreements (FTAs) with those countries, Northern Ireland businesses will benefit from preferential tariffs just as the rest of the UK will.

If you are moving goods from GB to or through NI, sign up to HMRC's NI Trader support service:
<https://www.gov.uk/guidance/trader-support-service>

Questions



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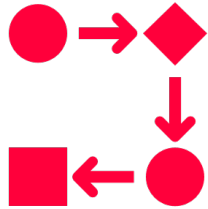
Check European rules on personal data transfers

What does my business need to know?

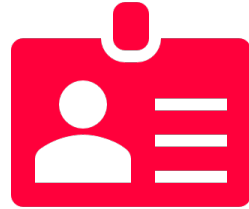
- The EU has an established way to allow for the unrestricted transfer of personal data to countries outside the EU called adequacy decisions.
- The EU's data adequacy assessment of the UK is underway, but if the EU has not made data adequacy decisions for the UK by January 2021, you will need to act to ensure you can continue to lawfully receive personal data from the EU/EEA.
- You also need to be aware of data obligations under the Withdrawal Agreement, which requires certain personal data to be protected in line with EU data law in the event the EU has not made data adequacy decisions for the UK.

Check European rules on personal data transfers

What does my business need to do?



If you receive data from the EU/EEA, you should map your data flows and put in place alternative transfer mechanisms with any relevant EU organisations.



You should take stock of the personal data you hold prior to the January 2021.



You can put in place safeguards by incorporating standard contractual clauses. Search 'keep data flowing' on the ICO's website for more help.

Search 'using personal data from 2021' on gov.uk

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Check EU rules on food labelling

What does my business need to know?

- You should check with your EU importer how the EU's labelling requirements will affect your products.
- Food of animal origin placed on the EU market before 1 January 2021 can continue to circulate within the EU market without labelling changes.
- Food of non-animal origin placed on either the UK or EU markets before 1 January 2021 can continue to circulate both in the EU and UK markets without labelling changes.
- In the Withdrawal Agreement, a good is 'placed on the market' in the EU, when it is first supplied for distribution, consumption, or commercial use, whether free of charge or not.
- All food placed on the EU market from 1 January 2021 will have to meet EU rules.

Check EU rules on food labelling

Food business operator (FBO) address

Pre-packaged food and caseins must have an EU or NI address for the FBO, or an address of the EU or NI importer on the packaging or food label.

EU organic logo

You must not use the EU organics logo from 1 January 2021 unless your UK control body is authorised by the EU to certify UK goods for export to the EU, and/or the UK and the EU agree to recognise each other's standards (called 'equivalency').

If the UK does not reach an equivalency deal with the EU, you cannot export organic food to the EU and label it as organic. You can still export the food using non-organic labelling if it meets all other marketing standards and you remove or cover any organic labelling.

Check EU rules on food labelling

EU emblem

You must not use the EU emblem on goods produced in Great Britain (England, Scotland and Wales) from 1 January 2021 unless you have been authorised by the EU to do so.

Country of origin labels

Food from GB must not be labelled as 'origin EU' from 1 January 2021.

Food from NI can continue to use 'origin EU'. You should label food from NI as 'UK(NI)' or 'United Kingdom (Northern Ireland)' where EU law requires member state from 1 January 2021.

Check UK rules on food labelling

What does my business need to know?

- You'll need to make any required labelling changes for goods sold in GB by 30 September 2022.
- Your label can contain other information if you need to comply with labelling requirements for another market.
- Under the Northern Ireland Protocol, goods sold in NI will continue to follow EU rules for food labelling. There will be changes to labelling that apply from the end of the transition period.

Check UK rules on food labelling

Food business operator (FBO) address: Pre-packaged food or caseins sold in NI must include a NI or EU FBO address from 1 January 2021. If the FBO is not in NI or EU, include the address of your importer, based in NI or the EU. You can continue to use an EU, GB or NI address for the FBO on pre-packaged food or caseins sold in GB until 30 September 2022.

Organic logo: Same rules apply as above for EU organic logo. You can continue to use your approved UK organic control body logo in GB. In GB, you must change the statement of agriculture to 'UK agriculture' or 'UK and non-UK agriculture'.

Country of origin labels: Food from and sold in GB can be labelled as 'origin EU' until 30 September 2022. From 1 October 2022, food from GB must not be labelled as 'origin EU'. There are different rules for NI.

www.gov.uk/guidance/food-and-drink-labelling-changes-from-1-january-2021

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