

BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

Day 1 No Deal Scenario

Robert Windsor

Executive Director – Policy and Compliance

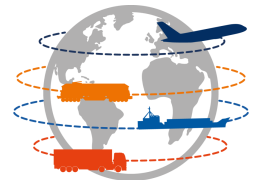
UK Government Main Concerns



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

In a no deal scenario:-

- Businesses will not have sufficient skills and capacity to comply with customs declarations on day 1
- Agent capacity is unlikely to meet demand
- Agents may be reluctant to take on business from new customers lacking knowledge of international trade and/customs procedures
- Many small businesses may cease to trade



Summary of Day 1 easements



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

- HMG Government objectives:-
 - Maintain security
 - Facilitate the flow of goods
 - Protect revenue and ensure compliance with standards
- Day 1 easements:-
 - RoRo locations
 - Transitional Simplified Procedures
 - Guarantee Relaxations
 - No Safety and Security Declaration for inbound shipments from EU
- Longer term:-
 - Data driven solutions are being reviewed for smarter borders



Health Warning

- Many matters still under discussion
- Some announcements look good on paper but are unproven
- Nothing about Ireland
- More changes are expected:-
 - Policy
 - Procedures



Ro-Ro Day One – Import



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

- Importer must have an EORI number
- Pre-lodge import declaration in CHIEF or use EIDR
- Entry Reference or EORI number to be provided to carrier
- No Safety and Security declaration required for 6 months after D1ND
- Authorities indicated that additional checks will be kept to a minimum – intelligence led



Ro-Ro Day One – Import



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

- As goods pre-entered and have safety and security declaration submitted they should be free to leave the UK port of arrival
- Goods have to be arrived into the UK- entry updated in CHIEF by close of business on the next working day
- Arrival creates the tax point – monies to be collected
- Carriers have to have the ENS or EORI number no legal requirement for this to be passed to the ferry operator.



Ro-Ro Day One – Exports



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

- A combined customs export and safety and security declaration will be required
- Pre-lodge any supporting documents on relevant systems
- Exporter or f/fwdr advises haulier if P2P granted
 - For interventions requiring a physical goods check the cargo has to be taken to Designated Export Place (DEP)
- Haulier checks in for boarding
- General rule no departure message generated
 - High risk goods require a full departure message
- Check EU import processes, safety and security declaration required in EU



Transitional simplified procedures



- Traders can register to use TSP to delay full declarations at RoRo locations
- TSP will be reviewed 3 to 6 months after 29 March 2019
- 12 Months notice will be given when HMG decide to withdraw



Transitional simplified procedures



- To be eligible, traders must:-
 - Be established in the UK
 - Have the intention to import goods from EU into UK
 - Have an EORI number

- Traders are not eligible if:-
 - Goods are imported from outside the EU
 - Goods are subject to a Customs Special Procedure or control
 - They are an intermediary or acting on behalf of someone else
 - History of non-compliance



Registration Process



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

- Traders will require the following to register:-
 - EORI number needed in order to trade with the EU
 - Unique Taxpayer Reference (if applicable)
 - VAT registration number (if applicable)
 - Business name and UK address
 - Contact details

- Online Registration available from 7th February



TSP Declaration Process

- Controlled Goods

- Controlled goods mainly need:-
 - A licence
 - Excise products such as tobacco or alcohol
- Send a simplified frontier declaration before goods are imported
- Ensure goods are accompanied by full supporting documentation e.g. licences etc
- Send a supplementary declaration by the fourth working day of the month following the arrival of goods into the UK
- HMRC will collect by direct debit on the 15th day of the month after the goods have arrived in the UK.



TSP Standard Goods process



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

- The trader makes a declaration directly into their commercial records when goods cross the border
- Trader will provide the haulier with their EORI number as proof that goods are subject to a TSP process
- This is followed by a supplementary declaration by the 4th working day of the month following the arrival of goods in the UK
- All Duties and Taxes will be taken by Direct Debit on the 15th day of the month following the arrival of goods into the UK



Changes to CFSP

Forwarders alternative to TSP



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

- Problem has been the question of Customs Representation where forwarder uses their own Deferment
- Easement to allow customs agent to act as a direct representation whilst using their own CFSP authorisation
- Trader will be solely liable for VAT
- Policy is time limited, but HMRC will give 12 months notice period when this policy changes
- Applies to all ports in UK and trade lanes
- Easement limited to goods being released to free circulation



Duty Deferment



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

- Traders must have a duty deferment account to use TSP or agents CFSP:-
 - Direct debit mandate required
 - Allows HMRC to take a monthly payment of duties
 - Direct debit taken by 15th day after the month that the supplementary declaration is submitted
- Day 1 easements :-
 - Traders will not be required to meet CCG criteria
 - Traders will have until 30 June 2019 to submit a financial guarantee
 - Traders can still apply for CCG, those with AEO-C can still seek a reduction/waiver from the guarantee



Other Day 1 guarantee relaxations



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

- Traders will not be required to meet CCG criteria nor provide a financial guarantee for:-
 - Inward Processing
 - Outward Processing
 - Temporary Admission
 - End use
 - Customs warehousing
- Still need to meet criteria for the special procedure
- Policy will be monitored, 12 months notice will be given of traders

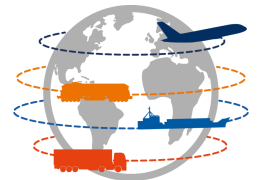


Guarantees for transit



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

- Requirements for transit are governed by the CTC
- CCG will be required to cover several transit movements
- An individual guarantee can be used for several movements
- An individual guarantee can include a guarantor undertaking from a bank or financial institution and a cash deposit
- Level of guarantee depends on the territories being transited
- As guarantees can take several weeks to set up, traders should contact the appropriate financial provider-NOW



Parcels –day 1



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

- Low value VAT relief on parcels removed
- For shipments valued at £135 or less, the overseas sender is liable for VAT
- Overseas trader must register and account for VAT showing an identifier on their paperwork
- Goods above £135 will incur VAT with declaration
- LVBI still available in the short term



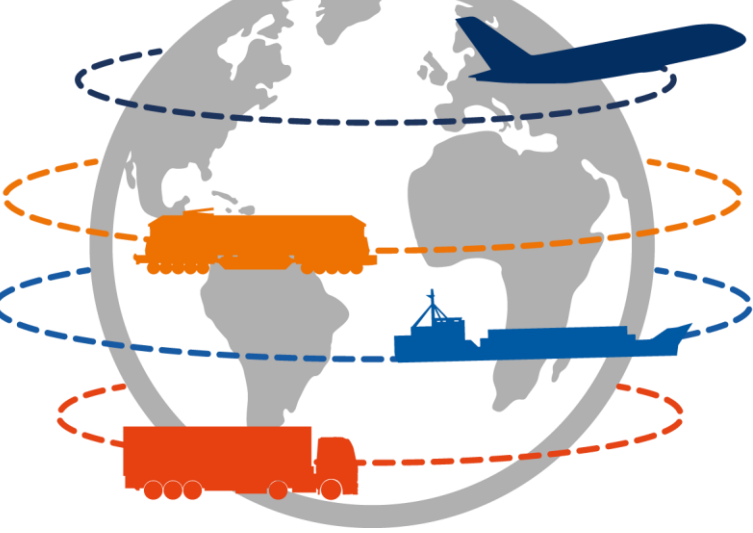
Value added tax



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

- Basic VAT procedures to be kept the same where possible
- Postponed VAT accounting for imports to be re-introduced (for VAT registered traders only)
- Import VAT to be reclaimed quarterly
- Non-postponed accounting will incur VAT immediately
- Import VAT statement similar to C79 will be available from the digital services:-
 - Statement used to support VAT return
- Problem what to use as evidence of export where no departure message generated





**BRITISH INTERNATIONAL
FREIGHT ASSOCIATION**

Thank you for listening