



Movement of Goods for New Europe 2021

The purpose of this correspondence is to outline what this means in simple and practical terms for us and for you.

CUSTOMS DECLARATIONS

Customs declarations are now required for all shipments moving between Great Britain and the European Union, and shippers are therefore required to provide a Commercial or Pro-forma Invoice for all consignments.

Invoices should always contain the following information:

- The shipper's EORI number
- The consignee's EORI number (wherever possible)
- An accurate description of the goods
- The commercial value of the goods
- The HS code of each product covered
- The shipper's address and contact details
- The full address and contact details of the consignee
- The reason for export – e.g., final sale or for an exhibition or trade show
- The country of origin of the goods
- The name and signature of an authorised officer of the shipper

NORTHERN IRELAND

Customs declarations are not currently required for consignments moving between Northern Ireland and the EU, and no invoice is therefore required.

For customers sending goods between Great Britain and Northern Ireland we are still unclear as to the exact requirements that will apply both during the three month "temporary approach" period and thereafter from 1st April 2021. We will publish further updates specific to this trade lane as and when details are available from HMRC and, in the meantime, will continue to operate as currently, treating consignments as domestic movements.

It is the shipper's responsibility to supply the correct HS code for the goods and we recommend that they refer to the customs [Online Trade Tariff](#) to assist them with classification if needed.

Please use the following declaration on your commercial or pro-forma invoices where consignments meet the "rules of origin" requirements as set out in the Import Duty and VAT section below:

The exporter of the products covered by this document declares that, except where otherwise indicated, these goods are of (e.g. United Kingdom) preferential origin.

Ref :- EU-UK Trade and Cooperation Agreement (TCA)



IMPORT DUTY AND VAT

Although the TCA means that there will be no duty payable on most goods, a customs declaration must still be made for both import and export consignments and import VAT will still be levied and must be accounted for in the country of destination.

Dealing with Import Duty

The zero-tariff, meaning zero customs duties, only relates to goods that fulfil the “rules of origin” requirements, full details of which can be found ([here](#)) In summary, however, this means that most goods produced or assembled in either the UK or the EU will not be subject to import duty at destination. It is solely the shipper’s responsibility to confirm whether or not a consignment is eligible for preferential tariff duty under the new regulations.

Dealing with Import VAT in the UK

Changes to UK VAT regulations have also been introduced and apply to shipments being imported into the UK from any country worldwide, full details of which can be found www.gov.uk/guidance/vat-and-overseas-goods-sold-to-customers-in-great-britain-using-online-marketplaces-from-1-january-2021.

The most significant elements of these changes, however, are as follows:

- Import VAT will no longer be levied on goods valued at less than £135. (Instead, Supply VAT (C2C) will be due on these consignments and it is up to importers to familiarise themselves with accounting practices for this change.)
- Low Value Consignment Relief, which relieves import VAT on consignments of goods valued at £15 or less, has been abolished.
- VAT-registered companies will no longer be required to pay import VAT at the time of import. Instead, they will be able to use **postponed VAT accounting** to account for import VAT. This means that they will be able to declare and recover import VAT on the same VAT return rather than having to pay it at the time of importing and recover it later.

Business to business sales not exceeding £135 in value will also be subject to the new rules. However, where the business customer is VAT registered in the UK and provides its valid VAT registration number to the seller, the customer by means of a VAT reverse charge mechanism will account for the VAT.

POSTPONED VAT ACCOUNTING

Importers in the European Union should familiarise themselves with local and European regulations when accounting for VAT on goods imported from the United Kingdom.

This is a significant change and affects all imports, not just those from the European Union. Effective immediately, there will be no requirement for VAT-registered companies to pay import VAT on any goods at the time of import. Instead, import VAT can be both declared and reclaimed on the same VAT return, so import VAT only becomes payable when the goods are sold on to the end customer.



It is important that you instruct your customs agent to declare the goods to PVA at the time of import, otherwise you will be charged import VAT and must claim this back on your next VAT return.

Once you have PVA in place you will be able to download your PVA monthly statements via your Government Gateway account. Import VAT is declared in Boxes 1 & 4 on your VAT return and the net value of the import in Box 7.

For comprehensive information regarding the PVA scheme, please see the [government's policy paper](#) outlining the full details.

UK Exporter

Companies selling outside of the UK will in all cases become exporters. This means that UK exporters will have to comply with all export regulations and controls including the provision of an export customs entry (normally delegated to an intermediary). For this companies will need to have an EORI (identification number beginning GB). UK exporters must provide paperwork (or an electronic version of the paperwork) including:

- Invoices
- Possibly product certification depending on the goods and the destination.

Companies will also have to comply with export licensing requirements and any other restrictions related to prohibitions and denied parties etc.

Overseas Suppliers

Overseas suppliers which will include all suppliers in the EU will have to comply with their local export regulations and controls including the provision of an export customs entry (normally delegated to an intermediary). They will have to provide paperwork (or an electronic version of the paperwork) including:

- Invoices
- Possibly product certification depending on the goods

Suppliers shipping consignments valued at less than £135 will have to comply with the new rules governing low values consignments. This means that for businesses selling to UK consumers they will have to register for UK VAT, and then charge VAT on their invoice.

If they are selling to a UK business, they will have to include the UK business VAT number on their invoice and confirm that they will be using the reverse charge mechanism- then they do not then need to charge UK VAT.

Overseas Customers

All shipments to customers outside the UK will be treated as UK exports (except NI to EU) and will require import processing at destination.

ADDITIONAL CUSTOMS CONSIDERATIONS

Country-specific restrictions may additionally apply to certain categories of goods, and it is the responsibility of the shipper/consignee to familiarise themselves with the rules and to ensure that consignments meet any required standards and have, where appropriate, the relevant licences.



NEXT STEPS

So, what does this mean in practical terms for the business that you do with in VIP EXPRESS Worldwide?

First and foremost, please ensure that you always supply us with either a commercial or pro-forma invoice for all consignments originating either within the EU or in Great Britain – without this we will not be able to ship your goods!

If you plan to do your own export entries for air, road or ocean export shipments departing the United Kingdom, it is important that you send us a copy of your declaration as soon as possible after making the booking thru VIP Express WW online portal.

If you would like us to complete export entries on your behalf, you will need to send Authority to us to do so. If you email to our ops@vipexpressww.com for Letter of authority to start this process.

Charges will be explained based on the Entries and number of shipments at time for exports.

If you have any further question that you please do not hesitate in contacting our office via email :- ops@vipexpressww.com or Tel 020 8569 1038

Yours Faithfully

VIP EXPRESS WORLDWIDE _ CLEARANCE