

FOLLOW UP QUESTIONS FROM BCC ‘COUNTDOWN TO CHANGE’ SEMINAR

| Question | Answer |
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| UK-EU FTA negotiations | |
| <p>The Prime Minister has delayed his decision on whether to walk away from negotiations and declare a no deal.</p> <p>When will we know where we stand?</p> <p>Deal or no deal?</p> <p>How likely are we to see a ‘no deal’ Brexit with return to WTO terms, not only for Europe, but for free trade countries such as Canada?</p> | <p>The Prime Minister made clear on 7 September that 15 October was an important date by which agreement on an FTA should be reached.</p> <p>Despite this effort to inject urgency, the negotiations faltered because of EU tactics. Unfortunately, the EU has continued to insist on controlling our legislative freedom and our fisheries. On 3 October we were promised “intensive” talks, but nothing of the sort actually happened. Then on 15 October the European Council conclusions reaffirmed the EU’s February mandate, dropped a further reference to “intensive” talks that had been in the draft, and made clear that all future moves in this negotiation had to be made by the UK.</p> <p>None of this was the basis for a negotiation. Indeed, the effect of the EU position at the European Council was to effectively end the trade negotiations, because it left no basis on which we could find agreement on a trade deal. There was no point in trade negotiations proceeding so long as the EU stuck with that position. Such talks would have been meaningless and take us no nearer finding an actual solution.</p> <p>In the days following European Council we made clear that the EU had to be serious about talking intensively, on all issues, and bringing the negotiation to a conclusion. We were also clear that the EU had to accept once again that it was dealing with an</p> |

independent and sovereign country and that any agreement would need to be consistent with that status.

The Commission eventually acknowledged both points and agreed that movement would be needed from both sides in the talks if agreement was to be reached.

Lord Frost and Mr Barnier agreed that on the basis to resume negotiations. Both sides also jointly agreed a set of principles for handling this intensified phase of talks.

Intensive talks have been underway now for almost three weeks, with both sides examining legal texts. As ever we will ensure that nothing is agreed which is not in line with UK's fundamental principles, as set out in our Approach document many months ago. Wide divergences remain on some core issues, we continue to work to find solutions that fully respect UK sovereignty.

We have approached this intensified process with a determination to get a deal if there is one possible in line with what the EU has previously agreed with Canada and has said was on offer to us.

We're still hopeful that an agreement can be reached, but we'll only do so on terms that are in the interests of the UK. If that's not possible, we will leave on Australia-style terms and will prosper in doing so.

With regards to the UK-Canada agreement, we are engaging constructively with the Canadian government on the transition of CETA for the end of the transition period, to

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| | <p>maintain continuity for businesses in both our countries. Negotiators are in regular contact to discuss the bilateral trading relationship. Securing a trade agreement with Canada remains a priority for the UK – and we stand ready to conclude one at the earliest opportunity. If the agreement has not been reached by 1 January, Most Favoured Nation tariffs will apply.</p> |
| UK FTA negotiations with other partners | |
| We hear about the EU negotiations but where are we with a trade deal with the USA? And if we do not get a deal will we defer to WTO rules? | <p>We are seeking a comprehensive free trade agreement with the US, and negotiations have proceeded at an impressive pace.</p> <p>We have already held 169 sessions, with the fifth UK-US Free Trade Agreement negotiating round taking place from 19 October to 30 October. By the end of Round 5 we will have held 210 negotiating sessions. Shortly before the fourth negotiating round both sides exchanged their first tariff offers, allowing a series of detailed market access discussions to be held during the current negotiating round. The exchange of tariff offers after four months of negotiations is a notable milestone and demonstrates the pace and momentum of the talks. For example during the U.S-Korea FTA negotiations, which concluded after 14 months and eight negotiating rounds, the first market access offer was exchanged just over six months after launching negotiations.</p> <p>We have made particularly strong progress in a number of negotiating areas, in particular on SMEs where we and the US have reached broad agreement on the contents of a dedicated SME Chapter and will now focus on including SME-friendly provisions throughout the agreement. It is clear that there is a deal to be done, progress has been made, and we are ready to continue negotiations following the</p> |

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| | <p>upcoming US elections for the mutual benefit of our economies. From the outset, we have engaged with the US on a bipartisan basis - at the federal and state level - to maintain the widespread support a deal enjoys in the US. We are confident that there is a deal to be done with the US, and the US is already the UK's largest single trading partner under current trading arrangements, with total trade reaching £232.7bn in 2019. There will always be relevant opportunities at both state and federal level that we can pursue to strengthen it even further.</p> <p>Until a US-UK FTA is entered in force Most Favoured Nation tariffs will continue to apply to goods traded between the UK and US.</p> <p>In February 2019, the UK and the US also signed a continuity Mutual Recognition Agreement (MRA) to facilitate trade, retaining all relevant aspects of the current EU-US MRA which can be found at UK-USA Mutual Recognition Agreement - GOV.UK. This ensures that our existing trading relationship with the US will not change after the EU-US agreement ceases to apply to the UK.</p> |
| What is the latest position on a deal with Canada as we currently export via the CETA agreement? | We are engaging constructively with the Canadian government on the transition of CETA for the end of the transition period, to maintain continuity for businesses in both our countries. Negotiators are in regular contact to discuss the bilateral trading relationship. Securing a trade agreement with Canada remains a priority for the UK – and we stand ready to conclude one at the earliest opportunity. If the agreement has not been reached by 1 January, Most Favoured Nation tariffs will apply. |
| Do we have a definitive list of trade deals in place for export to areas (in the | Yes, the government has published clear, accurate and up-to-date guidance for businesses outlining the details of the UK's signed and agreed in principle trade |

Middle East and Africa in particular) to replace the trade deals in place with the EU? Is there a regular update that we can view for progress in this area?

Did I mishear on continuity trade deals - did Liam Smyth state that no deal would mean these fall away? We have based scenario planning on tariffs on assumption that e.g. Lebanon / South Korea continuity trade deals will be effective even if no FTA between EU/UK at 1 January 2021

agreements. This can be found at [existing UK trade agreements with non-EU countries](#).

In addition to the recently signed UK-Japan FTA, we have signed or agreed in principle agreements with the following countries:

- Andean countries (After 31 December 2020, it is expected an arrangement will be in place prior to this agreement taking effect.)
- CARIFORUM trade bloc
- Central America
- Chile
- Côte d'Ivoire
- Eastern and Southern Africa (ESA) trade bloc
- Faroe Islands
- Georgia
- Iceland and Norway (The UK signed a trade agreement in goods with Iceland and Norway on the 2 April 2019. This agreement was signed to maintain continuity of trade and was part of preparations for a potential 'no deal' Brexit. It will not enter into force. The UK's future relationship with these countries is influenced by their relationship with the EU, as they are EEA member states. We will continue to engage with Iceland and Norway to determine the most effective way of maintaining and strengthening trade with them beyond the transition period)
- Israel
- Jordan

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| | <ul style="list-style-type: none"> ● Kenya (This agreement is open to accession by other members of the East African Community.) ● Kosovo ● Lebanon ● Liechtenstein ● Morocco ● Pacific states ● Palestinian Authority ● South Korea ● Southern Africa Customs Union and Mozambique (SACUM) trade bloc ● Switzerland ● Tunisia ● Ukraine <p>Our negotiated trade agreements apply irrespective of the outcome of negotiations with the European Union. We are working with our partners to ensure our ambition that signed trade agreements are able to enter into force on 1 January 2021. Many partner countries have completed their relevant domestic procedures and are ready to ratify, such as South Korea.</p> |
| How likely is it that if a deal [with the EU] is met it will sit in an EEA preferential arrangement (as with Switzerland)? | <p>The EEA EFTA States are members of the Single Market, and in some specific areas have a high level of alignment with the European Union.</p> <p>As a result, in some areas, our future relationship with these states will be closely tied to the UK's future relationship with the EU by virtue of their participation in the EU</p> |

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| | <p>Single Market (via the EEA Agreement) and other EU-led initiatives. In others, these countries have the flexibility to agree separate bilateral arrangements.</p> <p>However, negotiations with these countries are ultimately separate from our negotiations with the EU and we are working hard to ensure we have a close trading relationship independent of the UK-EU deal.</p> <p>We continue to make excellent progress in our negotiations and aim to agree a full FTA with the EEA/EFTA States, to come into effect in 2021. We have a shared ambition for a high-quality FTA; one that works to strengthen the trading relationship between our countries and delivers for our economies. We have agreed with the EEA/EFTA States that we will implement the continuity deal agreed with them in 2019 to ensure that trade flows continue from the end of this year, whilst we finalise the more ambitious FTA we are negotiating. This will keep the vast majority of UK-EEA/EFTA trade tariff-free on 1 January.</p> |
| Is there a continuity agreement with China? | <p>There is not currently a China-EU Free Trade Agreement, therefore we are not currently negotiating an agreement with China to maintain the effects of an existing EU FTA.</p> <p>China is a significant economic partner for the UK, our fifth largest trading partner, sixth largest export market, and fourth largest import market in the four quarters to the end of Q2 2020. Our bilateral trade relationship between the UK, China, and Hong Kong, remains strong. We want to work with China to increase trade and investment flows, improve market access, and set mutual ambition for the future relationship. The next UK-China Joint Economic and Trade Committee (JETCO), between the Secretary of State for International Trade and her Chinese counterpart, will be an opportunity to</p> |

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| | further our bilateral trade relationship with a country that is already an important trading partner. |
| Is there any trade agreement being looked at for fragrance oils currently transported under tariff code 33029090? | <p>The UK's signed trade agreements, and agreements under negotiations, would cover all goods, including fragrance oils under tariff code 33029090.</p> <p>It should also be noted that, for imports into the UK, fragrance oils under this tariff code are currently subject to zero tariffs under the EU's Common External Tariff (the duties the EU applies to imports), and will continue to be zero tariff under the UK Global Tariff (UKGT).</p> <p>More information about the UKGT and the applicable duties can be found on gov.uk: check UK trade tariffs from 1 January 2021.</p> |
| What will happen if deals with non EU countries are not made before 31st December will the current scenario of tariffs stand? | We are continuing our programme to replicate the effects of EU-third country trade agreements with trading partners to ensure continuity for UK businesses following the end of the transition period. Where an agreement is still being negotiated, the UK's Most Favoured National tariff schedule will apply. |
| Multilateral tariffs | |
| What will the WTO tariffs be? My understanding is for moving goods into the bloc the EU will apply their common external tariff - is this correct? | If an FTA is not agreed between the UK and the EU, the Common External Tariff will apply to UK exports to the EU. Further detail on the CET can be found on the European Commission's website at: what is the custom commons tariff? |

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| Is the tariffs default under No Deal UKGT or WTO tariffs? There seems to be confusion over this on UK imports. | It is the UK's aim to reach an agreement with the EU. Following that, on 1 January the UK's MFN Tariff regime, the UK Global Tariff, will apply to imports from all nations that the UK does not have a preferential trading relationship with. |
| Regulatory issues | |
| For goods which don't carry a CE mark at present, are there any changes to labelling requirements from 1 January for these goods being imported from the EU to be placed on the UK market? | <p>Apart from CE marked goods, businesses will have to meet UK labelling requirements in most cases from 1st January 2021.</p> <p>We have decided to continue to accept the CE marking to give businesses time to adjust. This means goods that meet both EU and UK requirements (where they are the same) can continue to be placed on the GB market until 1 January 2022. It is longer in some cases (e.g. medical devices).</p> <p>Non-harmonised goods, which are regulated at a national level, and do not bear the CE mark, will need to comply with UK rules if they are being imported from the EU from 1 January 2021.</p> <p>There are no new requirements for placing goods on the NI market, if you're importing from the EU. The UK Government will guarantee unfettered access for NI businesses to the rest of the UK internal market too, meaning 'qualifying goods' will not be subject to processes or procedures when moved between NI and GB.</p> <p>Guidance on unfettered access will be published soon.</p> |
| As services is by far the largest contributor to UK GDP, is the "passporting" issue of financial and | The UK has consistently been clear that we want an agreement with the EU that reflects the maturity of our financial services relationship. |

legal services still high on issues to resolve?

One of the key issues for financial services firms has been the likely loss of the financial services “passport”, which currently allows financial services firms to provide services on a cross-border basis across the EU. Passports are not available for firms based in countries outside of the EU and the EEA as they are based on the single EU rulebook for financial services. The UK is leaving the Single Market at the end of the transition period and will therefore not be subject to the EU’s financial services passport.

Equivalence is an autonomous, technical process that is taking place in parallel to discussions on the future UK-EU trade agreement. The UK has taken a pragmatic approach to the future relationship on financial services and has been clear that politicisation of equivalence is in no one’s interests. The UK has completed its assessments for the EU and the Government shall make determinations for the EU where it makes sense to do so. Alongside this, the UK authorities have taken all the action we can to mitigate risks of disruption to cross-border financial services at the end of the Transition Period. This includes:

1. confirming that the Temporary Permissions Regime (TPR) will apply from the end of the Transition Period. It will allow EEA firms currently providing services in the UK via a financial services ‘passport’ to continue operating after the TP while they apply for full UK authorisation;
2. confirming that the Temporary Transitional Power (TPP) will apply from the end of the Transition Period. This enables the UK financial regulators to phase-in changes to UK regulatory requirements so that financial services firms can adjust to the UK’s post-TP regime in an orderly way; and

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| | <p>3. implementing a programme of legislation under the EU Withdrawal Act in order to provide certainty for UK citizens and businesses and to ensure that the UK regulatory regime can continue to function effectively when the TP ends.</p> <p>However, the EU has not taken the same action and some firms operating out of the UK have had to set up new legal entities in Europe in order to continue servicing their clients. The investment banking sector has been most impacted by Brexit and has had to undertake the most restructuring work.</p> <p>In their most recent assessment, the Bank of England's Financial Policy Committee continues to judge that "most risks to UK financial stability that could arise from disruption to cross-border financial services at the end of the Transition Period have been mitigated" (Financial Policy Summary and Record - October 2020). Addressing any remaining risks would require action from the EU or individual member states.</p> |
| | <p style="text-align: center;">Travel</p> <p>There are doomsday scenarios being talked about for travel between the UK and EU in the event of a no deal. Can you clarify this?</p> <p>The actions the public and business owners need to take to be ready to travel vary based on their circumstances. Some of the key actions include:</p> <ul style="list-style-type: none"> ● making sure you are ready to travel to the EU26 and EFTA states from 1 January 2021, for example by getting comprehensive travel insurance, ensuring your passport is valid, and checking your roaming policy with your mobile phone provider; ● if you want to travel to the EU26 and EFTA states with your pet from 1 January 2021, contacting your vet at least 4 months before you travel; and |

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| | <ul style="list-style-type: none"> making sure your business is ready to export or import from/to the EU, for example by getting an EU EORI number or registering with the relevant Customs Authority. <p>Key actions that businesses and individuals need to take before the end of the transition period can be found on gov.uk/transition.</p> <p>Note that there will be no changes to the Common Travel Area between the UK and Ireland after the end of the transition period.</p> |
| | <p>Hauliers</p> <p>Can you please advise when we will have clarity on ECMT permits and cabotage rules for UK vehicles operating in the EU post-Brexit?</p> <p>The UK has been seeking a Free Trade Agreement (FTA) that would enable liberalised road haulage arrangements to continue, but as the Prime Minister has made clear it may not be possible to secure an overall agreement on acceptable terms for the UK. Road haulage operators must therefore get ready for the possibility that no further agreement is secured. The EU adopted a contingency measure when there was a previous risk of No Deal on the Withdrawal Agreement. That measure would have provided a temporary basis for continued market access for UK hauliers to the EU and they may well take the same approach if no agreement is possible on the FTA.</p> <p>That is not however certain at this stage, so haulage operators should consider whether they wish to apply for European Conference of Ministers of Transport (ECMT) permits. These permits will allow continued access to EU markets in all circumstances, save for cabotage operations, but limited numbers are available. As in advance of the</p> |

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| | <p>possibility of No Deal on the Withdrawal Agreement we will therefore be using an online application window to allocate them which can be found at <u>ECMT international road haulage permits</u>.</p> <p>The window for applications opened on 2 November and will close on 20 November.</p> <p>The majority of journeys will not be covered by ECMT permits as the number of projected journeys outweigh the number of permits allocated to UK hauliers. However, should an overall arrangement with the EU not be reached, the UK has historic bilateral agreements with all EU Member States aside from Malta. It is the Government's expectation that 21 of these agreements would come back into effect automatically, and we would be able to rapidly conclude agreements with remaining Member States (Belgium, Denmark, Ireland, Italy and Spain).</p> |
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| Impact of the end of the transition period | |
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| Can you advise us if studies have been done on what the impact on Aberdeen and NE Scotland's economy will be in the case of a Deal and of a No Deal Brexit? If so, what do they tell us? | <p>The economic impacts of our trade deal with the EU has been much debated in the last four years and there are many economic studies on this issue. These vary according to the models used, timescales covered, and the weight given to different factors for example. No single model, number, or scenario can capture that complexity.</p> <p>That is why we proposed in February that we would invite contributions from economists, academics, businesses, and civil society groups.</p> |

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| | <p>The launch of the call for evidence was delayed as a result of the Covid-19 pandemic. We will provide an update on this work in due course.</p> |
| Why would a business locate or operate in the UK rather than EU? Do you believe there is any difference? | <p>We have made clear leaving the EU is about economic independence for the country and we gain more from having our own rules set by ourselves in the best interest of the UK. We will make sure we are ready to seize the opportunities available to a sovereign United Kingdom.</p> <p>Our exporters will be ready to take advantage of new free trade agreements with the world's fastest growing economies. Our small businesses will be ready to grow as we regulate our industries in a way that works for them. Our economy will be ready to attract the best and brightest from around the world as we introduce our new points-based immigration system. Our fisherman will be ready to flourish as we regain control of our coastal waters. We will be ready for the opportunity in front of us.</p> <p>This is possible because as a sovereign, self-governing nation we will have the freedom to frame our own laws, control our own borders, lower all our taxes, set our own tariffs, determine our own trade relationships and ensure we follow the people's priorities, such as security, the economy and democratic accountability.</p> <p>Leaving the EU is about having the freedom to determine our own future – designing our own rules to suit the best interests of our people and our businesses and from 1 January 2021 we will have it.</p> |

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| <p>What support will be given to businesses facing both import and export duties of upto 8% in the event of a no deal situation?</p> | <p>We are committed to working hard throughout this intensive period of talks – and our aim remains a zero tariff zero quota FTA, given that avoiding tariffs is beneficial to both sides.</p> |
| Heated Treated Pallets | |
| <p>Do you expect there to be any agreement with the EU on ISPM15 regulations, given that there is a major shortage of suitable pallets in the UK?</p> | <p>All wood packaging material (WPM) moving between Great Britain and the European Union should be treated and appropriately marked in compliance with international standards (ISPM 15).</p> |
| <p>To clarify, are we expected to ship goods from England to the EU on heat treated pallets?</p> | <p>As there will be no immediate change to the WPM biosecurity threat as a result of the UK leaving the EU, the UK will continue to take a risk-based approach to checks on WPM as we do now, and will not routinely conduct checks at the border. Please see page 71 of the Border Operating Model and gov.uk website for further information. The BOM can be found at the Border Operating Model - GOV.UK.</p> |
| <p>Will HT pallets be required for goods into the EU even in the event of a 'deal' being struck, or only in a no-deal scenario?</p> | <p>For NI, the process by which controls are conducted, and their frequency (including the level of physical checks required) is being discussed with the EU in the Withdrawal Agreement Joint Committee. Discussions are based on the context of the provision in the Protocol that both parties must use their “best endeavours” to avoid controls at Northern Ireland ports. DEFRA and DAERA continue to work with industry, traders,</p> |

Are there any special arrangements with the Republic of Ireland with regard to heat treated pallets? Is there a possibility that we will need them for Northern Ireland as well?

Do you need a heat treated pallet to move goods from Ireland to mainland Europe, even if you use the UK as a landbridge to move the goods across. (i.e Dublin or Belfast into Germany, via the UK)

Will I need to declare my pooled (rented) pallet (wooden packaging) on my customs clearance forms for UK to EU cross border shipments?

Will there be any special, additional documentation needed for wooden packaging movements from the UK to EU?

representative bodies and local authorities to ensure they are engaged, supported and properly prepared to continue trading from January 2021.

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| <p>Will I need a heat treated pallet for products moving from mainland UK into Northern Ireland?</p> <p>There are grave concerns around the issue of ISPM15 pallets from Jan 1st 2021 i.e. all pallets travelling between the EU and the U.K., in the event of a no deal, will need to be heat treated which isn't the case currently. Can Mr Gove offer any assurances at all that this subject has been acknowledged and a pragmatic approach will be found by both parties even in the event of a no deal?</p> | |
| VAT | |
| <p>Currently, for our VAT returns we report under 'triangulation'. In other words we have goods manufactured in Europe which are collected and/or delivered to our Distributors in Europe. The goods therefore never cross the EU/UK</p> | <p>The EU VAT triangulation simplification will cease to exist for GB businesses when trading with the EU. GB businesses will need to apply the same procedures to EU trade that apply to trading with the rest of the world. This means that you will not be able to make use of triangulation after the end of the transition period.</p> <p>Goods that are not in the UK and never come here are outside the scope of UK VAT -</p> |

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| <p>borders.</p> <p>Currently under 'triangulation' these goods are therefore VAT exempt.</p> <p>What I am trying to establish is if we leave without a deal and under WTO terms, how would this situation be affected from a Tariff and VAT perspective?</p> | <p>EU rules will apply reaccounting for VAT in the relevant member state where the business takes place.</p> <p>In regards to tariffs that will apply in the event that the UK does not agree a Free Trade Agreement with the EU, this will depend on exactly what is being traded. We have created a list of the tariffs that will apply to different commodities - this has been published and can be accessed by visiting the gov.uk page called <u>check UK Trade Tariffs from January 2021</u>.</p> |
| <p>The actual mechanics of importing goods from Europe is not clear especially on the subject of VAT. In the new Border Operating Model it states businesses can do postponed VAT accounting where authorised to do so. No one appears to know how authorisation is granted.</p> | <p>From 1 January 2021 UK VAT registered traders will be able to use Postponed VAT Accounting (PVA) to account for import VAT on goods they import from anywhere in the world. This will allow them to account for and recover import VAT on the same VAT return subject to the normal rules on input tax deduction.</p> <p>No authorisation will be needed to use Postponed VAT accounting (PVA). For most purposes the use of PVA is optional, however, if you intend to import non-controlled goods from the EU to GB between 1 January 2021 and 30 June 2021 and either use the Staged Approach to Customs Controls to delay their supplementary customs declaration or use the Simplified Customs Declaration process (where authorised to do so), and make an Entry in Declarants Records (EIDR) you must use PVA.</p> |
| <p>Do you know how many of the 245,000 UK companies who only trade with the EU now have VAT nos and EORI nos &</p> | <p>As of 11 October 2020, there have been 263,000 live EORI registrations since December 2018, which includes all traders, both those trading with the EU and those trading with the rest of the world. We measure EORI authorisations since December</p> |

also how many of them have applied for DDAs and CFSP status to allow delayed declarations?

2018 as this is when we began asking VAT registered businesses who only trade with the EU to obtain an EORI authorisation.

There were 149,000 VAT registered businesses trading goods with EU Member States only in 2019 and an estimated 100,000 businesses below the VAT threshold involved in international trade with EU Member States. This provides a total estimate of around 250,000 businesses who traded only in EU goods in 2019. However, these numbers should not be directly compared with the total number of EORI registrations because that number covers a wider population, including businesses who trade with the rest of the world, not just the EU.

We are unable to identify exactly how many of the estimated 250,000 businesses have a live EORI registration. This is because we do not know who the non-VAT registered businesses contained in this estimate are. However, we do know who the VAT registered businesses are, and we have taken extensive action to support these businesses to obtain an EORI registration. This includes auto-enrolling approximately 88,000 VAT registered businesses in August 2019. Following this activity, we are confident that the majority of VAT registered businesses who only trade with the EU have a live EORI authorisation. This is underpinned by analysis which shows that approximately 72% (107,000) of the 149,000 EU only VAT registered businesses held a live EORI registration at the end of June 2020. These businesses also account for around 90% of the total trade value undertaken by VAT registered businesses who trade only with the EU. Recent evidence tells us that about a third of EU only VAT registered businesses who trade with the EU in one year do not continue to trade with them in the next. So we are confident that in practice a higher proportion than 72% of

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| | <p>the relevant 2019 VAT registered business will in fact now have an EORI registration; as many of the original group will no longer be trading with the EU and will not need one.</p> <p>Although we are confident that the majority of VAT registered businesses who only trade with the EU have a live EORI registration, we are less confident about those that are non-VAT registered as we do not know who these businesses are. Therefore, we are taking considerable action to target these businesses using digital displays, social media campaigns, videos and Trade Press.</p> |
| For businesses that sell B2C into the EU it seems to me that they must all VAT register in the EU, potentially in multiple countries, from January 1st - with a potential IOSS scheme helping them from July. Lots of compliance costs - is there really an expectation to incur all the set up costs and compliance costs for six months? | If businesses are trading with other EU countries on a B2C basis then it will be necessary for them to ensure that they comply with the regulations in the relevant member state. The IOSS is an EU proposal and information has been published by the European Commission on their website. Ultimately however businesses will need to check the EU requirements for VAT registration and ensure that they are compliant with them. Further information on EU VAT rules can be found at: <u>VAT Taxation and Customs Union</u> . |
| We currently have a customer who is based in Germany who we both purchase goods from and also provide service to therefore there are invoices going both ways which are at present zero rated for VAT. | <p>The EU VAT triangulation simplification will cease to exist for GB businesses when trading with the EU. GB businesses will need to apply the same procedures to EU trade that apply to trading with the rest of the world. This means that UK businesses will not be able to make use of triangulation after the end of the transition period.</p> <p>Goods that are not in the UK and never come here are outside the scope of UK VAT -</p> |

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| | EU rules will apply reaccounting for VAT in the relevant member state where the business takes place. |
| VAT will be due on imports from the EU, is this payable immediately via our deferment account, or can this be paid and reclaimed on the next quarterly VAT return? Is VAT still payable immediately via the deferment account on NON-EU imports? Keen to understand the situation so I can set the deferment account at the correct level. | <p>From 1 January 2021 importers will be able to use Postponed VAT Accounting to account for import VAT for all of their imports into the UK. This will allow them to account for the import VAT on their VAT return rather than at (or shortly after) the point of import. No authorisation will be required to use Postponed VAT Accounting. Import VAT will become due on all goods being imported into Great Britain from the EU and will become due at the point of importation.</p> <p>However, UK VAT registered importers who import non-controlled goods from the EU to GB between 1 January 2021 and 30 June 2021 and either use the Staged Approach to Customs Control to delay their supplementary customs declaration or use the Simplified Customs Declaration process (where authorised to do so), and make and Entry in Declarants Records (EIDR) must use Postponed VAT Accounting. Where Postponed VAT Accounting is used then there is no need to take account of import VAT when setting the level of the Deferment Account. If businesses choose not to use it for any of their customs declarations then they will need to include import VAT when calculating the level of your deferment account.</p> |
| Is the customs warehouse the right solution for our process ? If so, do they (an EU entity) need to be VAT registered in the UK ? | This ultimately has to be a commercial decision for the company - whether a particular solution is right for a company will depend on both what is being traded and how. This decision is not something that the Government is able to provide a recommendation on. Further information on customs warehouses can be found at: <u>apply to operate a customs warehouse</u> . |

Could you expand on VAT triangulation, please? I understood that if the goods stay within the EU but are invoiced from without, VAT would be zero rated (and there is also no trade tariff, as no external borders are crossed)?

We have a subsidiary in the EU that manufacture and ship direct to our distributors. Would we still be able to do this under triangulation?

VAT Triangulation will continue in the EU and provided that a GB business is identified for VAT in the EU they should be able to participate where goods remain in the EU.

Note however that the EU VAT triangulation simplification will cease to exist for GB businesses when trading with the EU. GB businesses will need to apply the same procedures to EU trade that apply to trading with the rest of the world. This means that UK businesses will not be able to make use of triangulation after the end of the transition period.

| Air freight | |
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| What will happen with goods currently sent to Europe by Air? | The process for exporting goods to the EU will be the same as the existing Rest of World process regardless of the transport method used. Customs processes can be complex and most businesses use customs agents or freight forwarders to manage their export (and import) processes. We have also published information on gov.uk that explains the process that exports from the UK will need to follow when trading with the EU by visiting the prepare to Export from Great Britain page. This provides a detailed step by step guide that will take businesses through the actions required. |
| Delays | |
| Are the same delays expected for exports to Europe by air as expected by land? | As a responsible government we continue to make extensive preparations for a wide range of scenarios, including the reasonable worst case scenario, the details of which we published on 23 September and can be found at Reasonable Worst Case Scenario |

There is a lot of speculation in regards to delays and Queues at Dover, what will the expectations be in terms or disruption for exports from England?

Processes and procedures are obviously important but from a day to day running of our imports we currently sense a lack of enthusiasm from European Hauliers wanting to send their trucks to the UK in the new year because of the risk of them being held for days on end in lorry parks in Kent. Can assurance be made that will ease these fears? As a lack of trucks will directly impact our business which is food imports.

for borders at the end of the transition period on 31 December 2020. This is not a forecast or prediction of what will happen but rather a stretching scenario.

Routine contingency planning takes place across government to ensure we are ready for all eventualities and the use of a reasonable worst case scenario is a common planning methodology, and is used by HMG in its National Security Risk Assessment.

We are setting up a Border Impact Centre (BIC) for the end of the year which will bring together information from Government Departments and key stakeholders, like local resilience forums, ports and carriers. The BIC will provide live situational awareness of flow through key crossings and will allow close working with key stakeholders and Local Resilience Forums to manage any disruption.

On most routes, ferry and port operators are putting in place plans to check that HGVs have the right documentation prior to boarding them onto ferries in the UK. Eurotunnel is implementing these checks at its Folkestone terminal and has communicated to its customers that documentation for French customs controls must be held otherwise HGVs will not be allowed to board shuttles to France. However, at some locations, the physical limitations of port infrastructure does not make this process possible and we assume ferry operators will have to board unready freight. In either scenario, if large volumes of trucks arrive at the border unready, it is likely to cause a level of disruption.

As part of plans to help hauliers and HGV drivers understand if they are carrying the right documentation, the UK Government is developing a new web service, known as

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| | <p>"Check an HGV is Ready to Cross the Border" (the Service) for the Roll on Roll off (RoRo) Freight Industry.</p> |
| I would like to know how groupage lorries are going to be dealt with, in a case where a lorry containing multiple consignments from multiple importers has a problem with the paperwork with one of the consignments, will the driver be able to deliver the majority of the goods or will the whole load be held up at the port? As you can appreciate, we deal in fresh produce so any delay could result in the produce having to be dumped. | <p>Groupage refers to a mixed load of consignments of different importers goods contained within one vehicle. It can also refer to a scenario where multiple product lines are brought together into a single consignment. For individual imports within a Groupage load, this does not negate the need for each individual consignment to have cleared the relevant requirements for those goods to be imported.</p> <p>This means that each individual consignment will need to have met both the 'core' model requirements, and where goods within a groupage load are subject to additional requirements, these will also need to be met. The clearance of the entire groupage load is dependent on this, and therefore traders, intermediaries, and hauliers will need to ensure that the relevant declarations, permissions, and where necessary, paperwork, is in place to ensure groupage loads are not subject to delays or compliance action due to customs or other requirements not being met.</p> <p>Therefore an issue with one part of the load will mean that the entire load will be delayed.</p> |
| UK border processes | |
| In the case of a No deal exit, will authorisations such as Inward Processing Relief and Authorised Economic Operators still be recognised or will a UK equivalent be created? | Yes, authorisations that were issued before December 2020 will remain valid after the end of the transition period. |

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| <p>We applied last year for a Deferment account starting with 6 and TPS. I called HMRC yesterday and they were not sure these will still be valid on 01 January 2021. I was told to check the www.gov.uk website for instructions to apply for a new Deferment account, but am not sure if we will require a bank guarantee? Please advise and please provide a more accurate link. Thank you.</p> | <p>The rules for duty deferment accounts will be changing from 1 January 2021. HMRC are introducing arrangements that will allow most businesses to use duty deferment without needing to obtain a Customs Comprehensive Guarantee (CCG). This easement will not, however, apply to businesses that have a history of non-compliance or are insolvent.</p> <p>We have published details of how to obtain a duty deferment account on gov.uk at a page entitled <u>how to set up an account to defer duty payments when you import goods</u>.</p> |
| <p>We import plastics for use in packaging of pharmaceuticals and nutraceuticals through EU suppliers and information suggests that we will pay a 6.5% levy on these products going forward. Can we then claim this charge back?</p> <p>If we are re-exporting these products back to the EU in their finished form with product in them etc can we then claim this charge back?</p> | <p>Duty rates will apply to plastics at the point of importation. While it is possible that inward processing relief or a duty relief will be available, this will depend on the specific circumstances in this case.</p> <p>Further information can be found at <u>trade tariff: look up commodity codes, duty and VAT rates</u>.</p> |
| <p>Would declarations be required for low value consignments below £135? If not,</p> | <p>At the end of the transition period, Low Value Bulking at Import (LVBI) will no longer be available to use. In the UK this will be replaced by Bulk Import Reduced Data Set</p> |

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| what other documents would need to accompany those consignments? | <p>(BIRDS) which will enable the bulk declaration of up to 99 parcels in one Customs declaration. Those traders who already use LVBI will have a light touch assessment prior to moving onto BIRDS authorisation, while BIRDS will be available for new traders to apply for if they satisfy the authorisation criteria. There will be a consultation on this proposed approach with trade over the summer. Authorised parcel operators will be able to submit a bulked customs declaration for non-controlled goods with a value not exceeding £135.</p> <p>More information has been published on gov.uk at the page apply to import multiple low value parcels on one declaration from 1 January 2021.</p> |
| Will there be any opportunity to do import customs clearance at our premises rather than the port ? This will allow vehicles to flow rather than getting a queue at the border. | <p>From 1 January 2021, only those importing controlled goods will be required to complete a full declaration at the time of importation. Traders importing 'non-controlled' goods into the UK will be able to make an entry in their commercial records at the time of import followed by customs declarations up to 6 months after the point of importation and pay tariffs when the declaration is made.</p> <p>This will apply until the beginning of July 2021 after which all goods will need full declarations and tariffs at the point of importation.</p> |
| Are there any fast track procedures available for companies wishing to apply for CCGs, DDAs and CFSP status, which will all be necessary for EIDR and Delayed Declarations? | <p>There are no "fast track" procedures in place for CCGs, DDAs and CFSP status. However, you do not need to be authorised to use EIDR.</p> <p>We have produced detailed guidance about how you or an agent working on your behalf must record information on imports and how to account for VAT. The arrangements are staged and will change from July 2021 after which you will not be</p> |

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| | <p>able to make a declaration in your records without authorisation.</p> <p>Detailed guidance can be found on gov.uk: making an import declaration in your records without authorisation from 1 January 2021.</p> |
| Will there be guidance on setting rates for customs clearances? | <p>In respect of the duty rates that will apply for all goods being imported into the UK, these can be viewed by visiting the Trade Tariff page on gov.uk. If the question is about the rates charged by customs agents to deliver a service to importers and exporters, this would be a commercial transaction entered into with a supplier. There is a wide range of intermediaries and fast parcel operators who can provide such services.</p> <p>For importing goods into Northern Ireland, the overall process for trading with non-EU countries will continue broadly as it does today. The UK Government will negotiate and deliver trade deals on behalf of the whole United Kingdom. This means that Northern Ireland will benefit from any free trade agreements (FTAs) the UK makes.</p> <p>The principal change that will apply to such movements will concern the system by which tariffs are applied for goods imported from outside the EU, which will form part of the UK-EU Joint Committee decision on ‘at risk’ goods. The UK’s tariff regime will apply, with Northern Ireland traders benefitting from the application of FTAs struck by the United Kingdom with third countries other than where a good is at a genuine and substantial risk of moving into the EU within the terms of the Joint Committee decision. Further guidance will be provided on the specific operation of this regime in the light of that Joint Committee decision.</p> |

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| | <p>By virtue of the special provisions applied in the Protocol to avoid a hard border on the island of Ireland, there will be no substantive change for the movement of goods covered by the Protocol between Northern Ireland and EU Member States, including Ireland.</p> <p>For goods in free circulation in Northern Ireland moving to Ireland or other EU Member States that means:</p> <ul style="list-style-type: none"> • no substantive change for goods movements; • no customs checks, paperwork or requirements; • no tariffs or quotas applicable, nor checks on rules of origin; • no EU member state able to impose barriers or frictions on goods in free circulation and authorised for the Single Market in Northern Ireland; and • no discrimination against Northern Ireland goods by EU member states. <p>This also applies to goods using the transit procedures.</p> |
| Will there be any funding support to allow these companies to get additional external expertise to accelerate any work that they need to do in advance of the 1st of January? | <p>Yes, a number of grants are available for training, hiring of staff, and upgrading of IT systems. Details of what is available and how to apply are published on gov.uk at the <u>apply for grants if your business completes customs declarations</u> page.</p> <p>In a further move to support the customs intermediaries sector, the Government is announcing that it will exercise an exemption within EU state aid rules to increase the amount of support that businesses can access from the Customs Grant Scheme.</p> |

| EORI | |
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| We have a UK EORI but I understand going forward we will require an EU EORI, how do we obtain this? | UK businesses exporting goods from, or importing goods into, the UK will need an EORI number from the UK to submit a customs declaration to UK customs. Most UK businesses will not need to submit customs declarations to EU customs and so will not need an EORI number from the EU. The business they are trading with will submit the declaration to EU customs. |
| We currently export to the EU and hold stock in a warehouse for distribution to different customers throughout the region. We have a UK EORI, however this isn't going to allow us to receive the goods into the EU. What will the process be for us to continue to ship goods into the EU without customers receiving the goods there directly under their own EU EORI? | If the UK business is responsible for both the export declaration and import declaration then it will need both an EORI number issued by the UK and an EORI number from the EU. If a business is unsure whether they will need an EORI from the EU, they should speak to their agent, if they have one. Alternatively they should contact the customs authority in the EU territory where they make their first declaration or first apply in order to obtain advice. |
| In the event of a no deal, can our business receive non-hazardous goods in the UK from Europe and also send to Europe using our current EORI number and commodity codes for import and export without any new issues? | The European Commission also publishes information on how to obtain an EORI on their web page Economic Operators Registration and Identification number (EORI) . |
| Who do we need to contact to arrange a EU EORI number? | |

| EU Declarations | |
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| <p>We are an SME exporting to the EU. Our EU clients are not so keen to arrange the import declaration, what can we do to assist them?</p> <p>How can we best support our EU customers to avoid them facing the extra burden of completing import declarations and paying VAT and possibly ultimately looking within the EU for their future supply?</p> | <p>Ultimately the way businesses support their customers in managing import declarations will be a commercial decision for those businesses. However, businesses may want to discuss the option of using a customs agent in order to support them. The processes that will need to be followed will depend upon the point of entry to the EU and therefore advice would need to be sought from the relevant member state authority.</p> |
| <p>We ship to our French Subsidiary, will they have to clear customs from the 1st of Jan or will there be a similar 6 month staged process in France?</p> <p>Currently we use a courier/haulier to move food goods from the UK to overseas to France for example - do we as the company need to provide further forms with the haulier or is it up to the 3PL to provide further forms?</p> | <p>When the transition period ends, it is expected that the EU will implement full import controls on goods moving from Great Britain to the EU. This means that drivers taking goods from GB to the EU, regardless of where they are starting, will need to carry evidence that EU import requirements have been met for the goods they are transporting. This evidence includes customs or transit declarations and any other commodity-specific approvals such as Export Health Certificates. Such documentation could be checked at GB points of departure or at the EU port of arrival. In most instances it is the responsibility of the trader to provide the necessary documentation to the driver, it is the driver who must carry and present this when requested by border officials, or members of staff for the relevant carrier. Drivers without the correct documentation risk being stopped from boarding services departing GB or on arrival at the EU port, being fined, or sent back to their point of departure.</p> |

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| | <p>As part of plans to help hauliers and HGV drivers understand if they are carrying the right documentation, the UK Government is developing a new web service, known as “Check an HGV is Ready to Cross the Border” (the Service) for the Roll on Roll off (RoRo) Freight Industry. Other changes will affect only specific goods movements (e.g. foodstuffs), which this document refers to as the additional requirements for importing and exporting goods. These controls include the requirements for:</p> <ul style="list-style-type: none"> • import pre-notifications; • health certification (such as an Export Health Certificate or Phytosanitary Certificate), with documentary checks carried out remotely or at BCPs; • entry via an established point of entry with an appropriate BCP; and • identity and physical checks at BCPs. |
| We currently hold consignment stock in EU countries. This is manufactured in the UK, and shipped to Europe on a proforma invoice. We don't create the official invoice until the goods have been used by the customer. Where do we stand with regards to consignment stock being held in our customers warehouse? | <p>This is a matter for the relevant EU Customs Authority in the country where the goods are warehoused. This is something that will need to be discussed with that authority in the country where the goods are warehoused as the rules that will apply may vary depending by location.</p> <p>Consignment stock held in the EU will be considered an export rather than a dispatch - in these circumstances businesses may need to cover duty and/or tariff costs; and any duty deferment costs if that is an option in the relevant country. The business may also need to be registered for VAT in the EU country concerned.</p> |

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| <p>All of our clients are outside of the EU, but we often buy from and ship from the EU (without goods touching the UK) using our shipping paperwork and our EORI number. If we want to continue to use our paperwork and be the exporter of record is this classed as doing business in the EU? Do we need a separate EU EORI number and what are the revenue tax implications?</p> | <p>If a UK business buys goods from the EU, and then ships them out of the EU, they will be responsible for making the export declarations to the EU customs authority. To make a declaration in an EU country an EU EORI is required. An EU EORI can be obtained from the customs authority in the EU country where a person submits their first declaration or first applies for a decision. Whether a UK business is also carrying on business in the EU would be a matter for the customs authority of the relevant country but generally a fixed place of business or subsidiary company in an EU country would be required.</p> <p>The European Commission publishes advice on how to obtain an EORI on their web page Economic Operators Registration and Identification number (EORI)</p> |
| <p>What information will be needed in preparation to export to the EU, such as documentation, EORI numbers etc?</p> | <p>There will be a number of processes that UK businesses will need to follow to export to the EU. As a first step they should ensure that you have an EORI number, they will need this in order to be able to make the relevant declarations. They should also consider whether you want to engage an intermediary to carry out customs formalities on your behalf.</p> <p>We have created a series of guides that can take you through the process that you will need to follow. We recommend that you start by viewing our process flows to guide you through the individual actions. We also suggest that you visit the exporting and doing business abroad page on gov.uk.</p> |

| IT systems | |
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| Where are we with new systems CDS and GVMS and the NI border model? | Delivery is complex but work is on track to complete delivery of core GVMS requirements needed for 1 January 2020. Further incremental releases will be delivered through 2021 as full controls are introduced in Great Britain. |
| Is the Government sure that GVMS will be ready for 01.01.21 and when will we be able to test and familiarise ourselves with it? | Operational testing of the GVMS User Interface with hauliers is under way. HMRC are working with carriers and operators to develop delivery plans, providing technical support and guidance on their key milestones of development, build and test and monitor progress. The technical specifications (service guides) have been available via the Developer Hub hosted on GOV.UK from July so carriers and operators can access the specifications and understand technical requirements. |
| If GVMS is not ready in time for 01.01.21, what back-up procedures will be in place, given that it seems necessary for the pre-lodgement of import shipments? | The Border Operating Model clearly sets out the new customs requirements all businesses trading with the EU will need to undertake from January 2021 (stage 1) and from July (stage 3). The nature of these requirements is largely aligned to existing 'Rest of World' controls and as such businesses are offered a level of clarity on how those requirements will operate in practical terms, for example how processes are completed for Common Transit Convention movements, and how checks will be conducted at Border Control Posts. |
| The BOM says GVMS is the way forward, but we hear it will not be ready until 1/7/21. What is the actual situation, please, as this is key critical to the processes we need to set up for our clients. | Yes, systems and procedures are going through a rigorous testing process. This includes new systems such as GVMS, where operational testing of the GVMS User Interface with hauliers is under way. HMRC are working with carriers and operators to |

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| <p>ensure from January 2021 - it will be as smooth as possible with the least amount of disruption for GB exporters - what helplines are going to be made available?</p> | <p>develop delivery plans, providing technical support and guidance on their key milestones of development, build and test and monitor progress. The technical specifications (service guides) have been available via the Developer Hub hosted on gov.uk from July so carriers and operators can access the specifications and understand technical requirements.</p> <p>HMRC has been updating and augmenting existing gov.uk guidance, and this is an on-going process. Existing helplines remain available both by phone and through HMRC's Community Forum. A forum covering non-HMRC related queries is being set up and will go live shortly. We publish details of useful phone helplines and the forums on gov.uk on the page help and support if your business is trading with the EU.</p> |
| <p>Mr Gove talks about Kent and the lorry and movement registration system. Will the same system apply to eg Lincolnshire for HGV's coming into Immingham?</p> | <p>No, there are no plans to introduce this system outside Kent.</p> |
| <p>Remembering the days before our full entry to the EU, is it possible to update us at this stage as to whether we will be reverting back to having T1 type documents for goods shipping to Europe. These used to require Guarantee Bonds that had to be lodged with HMRC&E. Will this be immediately</p> | <p>No, the declaration system is electronic so will not be reverting to a manual, paper based process. The Border Operating Model details the arrangements that will be in place from 2021.</p> |

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| required or a further transition allowed. I feel that both Customs Agents and Exporters alike need to know now. | |
| Northern Ireland | |
| Do we need EORI numbers from Northern Ireland customers? | UK businesses exporting goods from, or importing goods into, the UK will need a UK EORI number to submit a customs declaration to HMRC. Further guidance on NI EORI requirements is due to be published soon. |
| <p>We have registered for exporting to Northern Ireland. Since an acknowledgement for doing this we have heard nothing. What is the situation going forward on this registration as we have customers in NI and we are in Essex?</p> <p>If goods are shipped from UK to NI will import duties be applicable?</p> <p>Will import/export documentation have to be completed for the movement of goods from GB to Northern Ireland</p> | <p>The UK as a whole will leave the EU's customs union and Northern Ireland will remain part of the UK's customs territory. The Government is committed to working closely with businesses as we implement the Northern Ireland Protocol, as reflected our commitments: to unfettered access to the whole UK market; to no tariffs on goods remaining in the UK's customs territory; to NI benefiting in full from the UK's FTAs with third countries; and to streamlining the processes under the Protocol to the maximum extent - to ensure there is no new customs infrastructure.</p> <p>We set out guidance on 8 August on what the Protocol means for moving goods into and out of Northern Ireland. With EU discussions still underway, we cannot provide all details at this stage. In any case, to ensure that trade flows freely, the Government will make full use of the provisions in the Protocol giving us the powers to waive and/or reimburse tariffs on goods moving from Great Britain to Northern Ireland, even where they are classified as 'at risk' of entering the EU market.</p> <p>Unfettered access means no new customs or regulatory checks and controls on NI</p> |

qualifying goods moving to the rest of the UK market. The UK Internal Market Bill will give effect to the UK Government's commitment to give unfettered access to Northern Ireland goods to the whole of the UK internal market by ensuring that they benefit from mutual recognition and are not discriminated against; and preventing any new checks or controls on those goods. In addition, the Bill imposes a duty on public authorities to have regard to Northern Ireland's place in the UK's internal market and customs territory and to support the streamlining of trade between Great Britain and Northern Ireland. The Bill also takes limited and reasonable steps to create a safety net in domestic law to ensure that the UK Government is always able to deliver on its commitments to the people of Northern Ireland by ensuring that businesses in Northern Ireland will have full unfettered access to the rest of the United Kingdom.

The Government set out on 2 October 2019 that "Northern Ireland would also align with all relevant EU rules relating to the placing on the market of manufactured goods." That position was reflected in the final Protocol, which provides for regulatory alignment on industrial goods on the basis of democratic consent.

Moving goods from GB to NI will require electronic import declarations, and safety and security information. However the new and unprecedented Trader Support Service will provide an end-to-end service which will guide traders through all import processes at no additional cost. This is a unique intervention, backed by £200m in Government funding, ensuring that businesses of all sizes can draw on the support it provides.

The system will be administered by UK authorities, and operate at their discretion - even now, HMRC make physical customs checks on fewer than 1% of goods from the

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| | <p>rest of the world. The risks on goods moving from GB will clearly be lower and will not justify even this level of checks - particularly given the strong risk management processes, technology and smart anti-fraud techniques that we are able to deploy. No export or exit declarations for goods leaving Great Britain for Northern Ireland will be required.</p> <p>The Trader Support Service will guide you through any changes that arise from the implementation of the Northern Ireland Protocol. The service is available at the following page: sign up for the Trader Support Service.</p> |
| A considerable number of UK importers from the EU have their goods delivered from one EU registered truck that makes a number of deliveries to other UK customers off that same vehicle. Will this still be the case post - Brexit as long as each of those deliveries have import customs clearance? | Yes, this will remain possible. |
| Can you please clarify whether goods sent from the UK into Northern Ireland will be subject to the same customs controls as goods going into Europe? | Yes. The UK as a whole will leave the EU's customs union and Northern Ireland will remain unequivocally part of the UK's customs territory. No export or exit declarations for goods leaving Great Britain for Northern Ireland will be required. |

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| <p>As there is lots of talk and speculation around the potential delays and queues after 01/01/2021 at Dover for exports out of the UK, can you advise on any delays which may happen regarding Imports and Exports from the UK to the Republic of Ireland?</p> | <p>Under the Northern Ireland Protocol, there are no new checks being introduced for goods moving from Northern Ireland to Ireland. Goods moving from GB to Ireland may be subjected to checks under the Union Customs Code, but this would be a matter for Irish Customs.</p> <p>The Irish Revenue department has published information on procedures that will apply to imports from GB on their website on the page <u>customs implications of trade with GB</u></p> |
| Republic of Ireland | |
| <p>We sell direct to Hospitals in Eire. We anticipate that they will not have a VAT Deferment account in which case the VAT would become payable by them upon entry. This would be a serious admin inconvenience as their Finance Dept are unlikely to be able to react in a suitable time frame and so the goods would most likely be seriously delayed, causing the customer to view dealing with us as unworkable. To smooth things over, a suggestion was that in this scenario we could quote on DDP (Delivered Duty Paid) INCO Terms allowing us to pay the VAT on the</p> | <p>The policies and processes that will apply to VAT in Ireland are a matter for the relevant Irish authorities. However, it is correct to say that import controls will apply from January 2021 and that VAT may become payable at the point of import. We are aware that the Irish Government has brought forward proposals to allow postponed VAT accounting for imports from GB, however, this has not yet passed into law.</p> <p>We would recommend seeking advice from the Irish Revenue Department - they have a website at <u>revenue.ie</u>.</p> <p>Choices about which INCOTERM to quote are a commercial decision for the trader and we are unable to provide advice on whether this would meet a given businesses' requirements.</p> |

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| customer's behalf and charge them an inclusive price (so essentially the customer pays us the VAT when they pay for the goods). Would this be ok? | |
| Our Southern Irish customers are concerned with costs for clearance and import documents, what cost implications with this have? | <p>Under the Northern Ireland Protocol, there are no new checks being introduced for goods moving from Northern Ireland to Ireland. Goods moving from GB to Ireland will do so under the Union Customs Code, but this is a matter for Irish Customs.</p> <p>The Irish Revenue Department has published information about importing from GB to Ireland on their website which can be found at revenue.ie.</p> |
| Rules of Origin | |
| For Certificates of Origin currently we send EU Certs of Origin to our customers. What will be the replacement version of this certificate after January 1st 2021 please? | New replacements for EUR1 forms will be issued in due course, amended to reflect that they have been issued by the UK rather than the EU. |
| Following the question on the certificates of origin will the blank forms remain the same or will we be supplied with new ones? | |
| Can we draft our own certificates of origin or will they have to be done | There will be no changes, EUR1s will be issued in the same way as they currently are. |

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| through the chamber as per the Middle East region? | |
| Will the procedures for completing Certificates of Origin change or is there anything that we will have to input on these for exports? | There will be no changes in procedure with processes remaining as they are now. |
| We send orders to EU customers every week; are we going to have to provide a certificate of origin with every shipment? If so how do we get these from our local chamber of commerce quickly and will it be a chargeable service? | The terms of the deal have yet to be agreed, including the methods of proving origin. The proposed texts for origin that the UK and EU have tabled in a draft Free Trade Agreement both propose moving to a more modern self-certification method using an invoice declaration rather than a traditional certificate. |
| The EU has said it will not accept cumulation of Japanese and Turkish parts in UK-made cars. What could the impact be of the EU not recognising third country cumulation in UK products? If we get a FTA with the EU will we be required to do certificates of origin? | Rules of Origin commitments exist in all FTAs, and as negotiations progress, we remain committed to working with the automotive industry to try to ensure an outcome that reflects business interests across the UK, including through simple and modern rules of origin. A negotiated outcome remains our clear preference. We have put forward our proposals and are working hard to reach a deal with the EU - our aim is a zero tariff zero quota FTA, given that avoiding tariffs is beneficial to both sides |

| Rest of the World processes | |
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| We currently export throughout the world but have a freight forwarder working on our behalf. Is there any extra documentation that we will require for these movements after 1st January? | There will be no extra documentation required by UK customs for exports to Rest of World as processes will remain as they are now. For exports to EU countries, export declarations will now be required. |
| Currently we use couriers to deliver goods to customers worldwide, as well as receive goods from the US and EU. Are there any special measures we as a business need to take from Jan 2021, or would this be down to the couriers we use to prepare for? | From 1 January 2020 the customs declaration requirements currently in place for the movement of goods by post and parcel between the UK and RoW countries will also apply to movement between GB and the EU. We have published information on gov.uk that provides advice on the steps that you will need to take. These can be found at the page: prepare to export goods from Great Britain to the EU from 1 January 2021 . |
| If we already are experienced in ROW exports and imports, how does that change for the requirements for Britain leaving the EU? | There will be no extra documentation required by UK customs for exports to Rest of World as processes will remain as they are now. For exports to EU countries, export declarations will now be required. |
| Returned goods | |
| We have goods coming back to us for warranty repair from time to time. Where do I start in order to make arrangements for this i.e. presume they would be temporary imports? | Goods coming back to the UK for warranty will need to be re-imported back to the UK via the Returned Goods Process. This provides relief of VAT and duty subject to some conditions. We have published information about the process and what reliefs are available on gov.uk , this may be accessed by visiting this page: pay less import duty and VAT when re-importing goods to the UK and EU . |

| Staffing | |
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| Are there enough clearance staff to cope with the extra entries? Can you confirm if the government has hired enough staff to cover all the additional import and export documentation and checks? | The Government has invested to ensure that suitable resources, including staff, are in place in time for implementation on 1 January 2021. We will continue to employ people with the right skills and in the right location to support our business priorities, which includes preparing for the end of the transition period. |
| Staging of controls | |
| Did I hear correctly that new Import controls will be suspended until July 2021? | <p>The Government has agreed to introduce full import controls on GB-EU trade over a period of time at the end of the transition period recognising the impact of Covid-19. Most traders with a good compliance record will be able to defer import declarations on most goods for up to six months after 1 January 2021.</p> <p>There are some exceptions to this - if a business is importing controlled goods or has been told by HMRC that they have a poor compliance record you will need to follow the full import procedure processes from January 2021. Further information is available on the page: <u>delaying declarations for EU goods brought into Great Britain from 1 January 2021</u>.</p> |
| What documents and procedures will need to be followed when exporting and importing from January 1st? | The processes and procedures are complex and most companies use a customs agent or freight forwarder to manage the process for them. We have published Step by Step guides to both exporting from the UK, and importing into the UK which can be |

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| | <p>accessed on gov.uk. We have also published a list of customs intermediaries who can provide clearance services should you wish to use an agent.</p> <p>To learn about importing from the EU visit the page: <u>prepare to import goods from the EU to Great Britain from 1 January 2021</u>.</p> <p>For details about exporting to the EU visit the page: <u>prepare to export goods from Great Britain to the EU from 1 January 2021</u>.</p> <p>A list of customs agents and fast parcel operators can be found by visiting the page: <u>list of customs agents and fast parcel operators</u>.</p> |
| SPS Checks | |
| When will UK Food manufacturers have confirmation of the change in health codes from DEFRA? | <p>The period of adjustment will be available to UK food businesses for Products of Animal Origin (POAO) placed on the market in Great Britain. It is not applicable to POAO produced in Great Britain and Northern Ireland for placing on the EU or non-EU markets. Further guidance on placing POAO on the Northern Ireland market will be published shortly.</p> <p>The Food Standards Agency is responsible for health and identification marks that will apply from January 2021 and have published more detailed information on their website at the page: <u>guidance on health and identification marks that applies from 1 January 2021</u>.</p> |
| What about Port Health? Lots of Ports don't have Port Health Facilities, our largest port, Dover, has no Port Health | New infrastructure at ports will be needed whether or not the UK secures a negotiated agreement with the EU as we are leaving the Customs Union and Single Market and new procedures will be coming into place. To support ports in getting ready for these |

Facility for frozen goods. Other ports have no considerable vessels for RoRo traffic, such as Felixstowe of which ferry charges are much more expensive. Does Mr Gove know how many trucks arrive through Dover per day and does he agree that Brexit will cost every single business more money, deal or no deal? Thank you.

changes, in July 2020 the government announced the Port Infrastructure Fund. This £200m fund will provide grants to enable maritime ports, airports and international rail termini across the UK currently handling goods imported from the EU to build the necessary infrastructure and facilities to enable customs and sanitary/phytosanitary checks to be carried out at ports following the end of the transition period. Where infrastructure is not best situated at ports, the Government has allocated an additional £270 million to build inland facilities.

In recognition of the impact of coronavirus on businesses' ability to prepare for leaving the EU, the UK has taken the decision to introduce new border controls in three stages up until 1 July 2021. This flexible and pragmatic approach will give industry extra time to make necessary arrangements. The controls being introduced at each stage can be found in the Border Operating Model.

DEFRA have been working closely with ports and airports across the UK, including Dover, to determine the volume and type of goods arriving from the EU which will require sanitary and phytosanitary checks, which has informed our planning for infrastructure required at ports and inland sites for the phased approach to border controls outlined above. DEFRA continues to work with other Government Departments and the wider borders industry to deliver on these specific SPS facilities, including facilities for frozen, chilled, and ambient products, which will be required from July 2021 as there will be an increase in physical checks and the taking of samples for animals, plants and their products at GB Border Control Posts.

The Chancellor of the Duchy of Lancaster laid out in a speech in February that there

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| | <p>will be extra processes for the import and export of goods in the UK, but “as a result of that we will be in a stronger position, not just to make sure that our economy succeeds outside the European Union but that we are in a position to take advantage of new trading relationships with the rest of the world.”</p> |
| We are in the process of applying under the EU Biocidal Product regulations for a number of our products - initially with the GB authorities and now with the German authorities. We understand that we will now also be required to reapply after 1 January 2021 with the UK HSE to apply for permission to access the UK market. Do you have any update as to this and as to timing of processing of the application and cost? | <p>The following response is based on our understanding that:</p> <ul style="list-style-type: none"> • the enquirer originally made applications for biocidal products under the EU Biocides Regulation with the UK as reference/evaluating member state and other EU member states asked to mutually recognise the product; • the role of reference member state has been transferred to Germany in line with the EU Withdrawal Agreement; and • Germany’s evaluation is not being expected to be completed by the end of the Implementation Period. <p>Businesses with applications for biocidal product authorisation still ongoing at the end of the Implementation Period will need to resubmit their applications and supporting information to HSE for their products to be considered for authorisation in GB - as the biocides regulatory authority for GB, HSE will no longer have access to information previously submitted under the EU system after 31 December 2020.</p> <p>If the UK has previously been the reference/evaluating member state for a product, resubmission to HSE should be within 90 days of the end of the Implementation Period (otherwise it should be within 180 days).</p> <p>HSE will not charge specifically for receiving a resubmission but does recover the costs of processing individual biocides applications from applicants.</p> |

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| | <p>Further information on application processes is available on the HSE website at <u>biocides: what you'll need to do after the transition period ends</u>, and on fees at <u>biocides fees</u>.</p> |
| Will there be any changes to the lead times involved with obtaining health certificates in the event of no deal? These currently can take up to 7 days if testing is required? | <p>From the end of the TP, exports of Live Animals and Products of Animal Origin to the EU and NI will require an EHC. In readiness for the end of the TP, we are moving from a manual certification process to a digitised service (EHC Online) to support exports from GB.</p> <p>EHC Online has been developed by Defra and APHA, and is a quicker and easier way to get an EHC. It allows exporters to fully apply, complete and submit their EHC online. The EHC can then be viewed and checked online by a Certifying Officer (CO) (Environmental Health Officer (EHO) or an Official Veterinarian (OV)). For EU and NI exports, the certificate will then be printed on white paper by the certifier and stamped and signed as usual.</p> <p>EHCs can be sent straight to the certifier via EHC Online in instances where additional disease clearances are not needed to be provided by APHA.</p> <p>EHC Online has been available to third country trade since June 2020, with the top 150 third country EHCs by volume having been digitised and made available online. There are over 1,000 organisations registered to use the service. Insight from a range of commodity trades was used to develop and adapt the service and feedback from users has been positive.</p> |

| Travel | |
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| Do we have any idea how the Number Plate recognition at the border is going to work, will it be on the numbers by themselves or will it also be where the vehicle is registered for as well? | Automatic Number Plate Recognition (ANPR) will be used as an enforcement mechanism for Operation Brock. Through the use of ANPR, enforcement officers will be able to detect HGVs (both GB and non-GB) that are over 7.5 tonnes and by using a range of filters, they will establish if the HGV has a valid Kent Access Permit. |
| Will the additional overflow site in Kent be ready for Dec 31st 2020? | Through the £705m funding package made available for border infrastructure the intention is that borders will be fully operational by the end of the transition period. |
| We provide a service to our customers in Italy. How will we invoice going forward? | This would be a commercial decision for a given business to make in discussion with their customers. We have published detailed guidance about exporting to the EU from January. This includes a Step by Step guide that you can use by visiting this page: <u>prepare to export goods from Great Britain to the EU from 1 January 2021</u> . |
| A strong travel industry (both inbound and outbound) will be vital to growth in the UK after Brexit. In light of the restrictions in movement of travel due to the coronavirus pandemic how will the UK Government revitalise this industry so it can become strong once more? At the moment it is on its knees. | <p>A strong travel industry is vital to economic growth. Tourism directly contributes £60bn GVA to the economy.</p> <p>At the start of the year all parts of the Tourism industry - domestic, inbound and outbound - were in good shape. On inbound, 41 million visitors travelled to the UK from overseas in 2019. On the domestic side, we looked set to hit 100m domestic overnight trips in England for the first time ever in 2020.</p> <p>We recognise the severe impact of Covid-19 restrictions on tourism across the UK, which is why we've provided a range of targeted measures to see the sector through this period</p> |

On top of our wider economic support package, we've provided business rates relief and one-off grants for eligible hospitality and leisure businesses – and we've cut VAT for tourism and hospitality activities from 20% to 5% until the end of March.

Tourism businesses can continue to make use of the Government's broader support package - including various loan schemes, the Self-Employed Income Support Scheme and the Coronavirus Job Retention Scheme.

We will continue to engage with stakeholders - including through DCMS' Cultural Renewal Taskforce and the Visitor Economy Working Group - to assess how we can most effectively support tourism's recovery across the UK. Both DCMS and VisitEngland remain in regular contact with regional tourism stakeholders to assess the substantial economic effects around the country.

In response to the impact of and specific challenges posed by COVID-19 to international travel, the Prime Minister has asked the Secretary of State for Health and Social Care and the Secretary of State for Transport to establish the cross-government Global Travel Taskforce, to consider further how government can support the sector to meet these challenges. The Taskforce's work will include:

- considering how a testing regime for international arrivals could be implemented to boost safe travel to and from the UK;
- what steps we can take to facilitate business and tourist travel on a bilateral and global basis, through innovative testing models and other non-testing means; and

- more broadly, what steps we can take to increase consumer confidence and reduce the barriers to a safe and sustainable recovery of international travel.

The Taskforce will report to the Prime Minister, setting out recommendations for how the UK can support the recovery of international travel, including how we can increase consumer confidence, and continue to provide global leadership in the setting of standards for border health measures.