

Welcome

Free Bitesize Sessions – Import Basics

20th May 2021

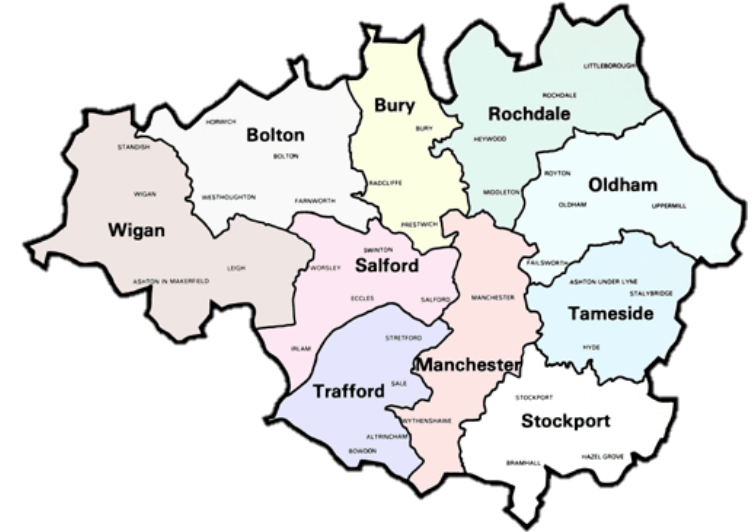


Greater Manchester
Chamber of Commerce



Greater Manchester Chamber of Commerce

- ❑ **Largest** accredited Chamber of Commerce in the UK (4,600 members)
- ❑ Cover the **10 local authorities** in Greater Manchester
- ❑ Wide range of **business support** services available
- ❑ We process over **38,000 export documents** a year



Awards:

2017/18 – Chamber of The Year

2015/16, 2018/19, 2019/20 – Excellence in International Trade Services

Top 3 sectors:

Manufacturing & Engineering



Property & Construction



Business & Financial Services



POLL 1



Greater Manchester Chamber of Commerce

Pauline Puig – International Trade & Customs Advisor



Greater Manchester
Chamber of Commerce



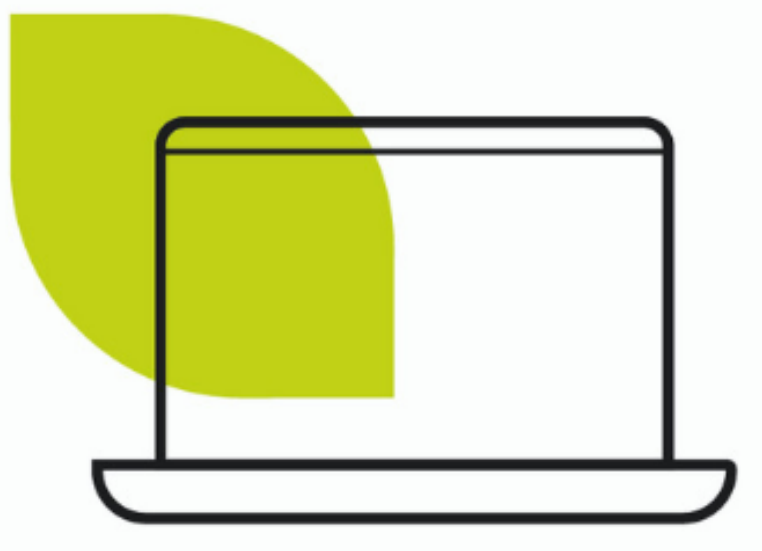
What's an “import”?

- Since 1st January 2021, all goods or services coming from outside the United Kingdom are considered as “imports”



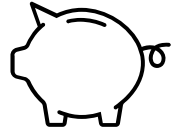
Step 1: Pass an order

Once you have passed an order to an overseas supplier, you will need to consider the following when agreeing the terms of sale:



- Payment Terms
- Shipping and Insurance (Incoterms)
- Commodity Code
- Documentation
- Price

Payment Terms



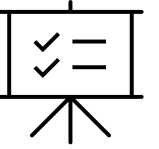
- Based on the country of import and of your relationship with the supplier, you will have a choice between a range of methods of payment. Consider the benefits and disadvantages of each.

The most commons are:

- Advanced Payment
- Letters of Credit
- Documentary Collection
- Open Account

- If payment is made in another currency, consider the impact of foreign exchange on your transaction.





ALL MODES OF TRANSPORT

EXW Ex-works



FCA Free Carrier



CPT Carriage Paid To



CIP Carriage and Insurance Paid To



DPU Deliver at Place Unloaded



DAP Deliver at Place



DDP Delivered Duty Paid



SEA AND INLAND WATERWAYS ONLY

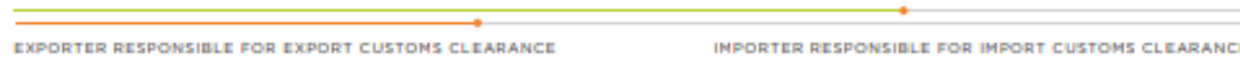
FAS Free Alongside Ship



FOB Free on Board



CFR Cost and Freight



CIF Cost, Insurance and Freight



— COST — RISK — INSURANCE • RESPONSIBILITY IS TRANSFERRED

DELIVERY

Named Place

Named Place

Agreed Destination

Agreed Destination

Agreed Destination

Agreed Destination

Agreed Destination

Named Loading Port

On Board Ship

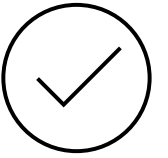
Named Destination Port

Named Destination Port

This chart is to be used as a guide only and should be used in conjunction with the full legal details published by the International Chambers of Commerce. No responsibility can be taken for consequences occurring from errors or omissions in this chart.



Check the tariff code and duties applicable



- A tariff code is a product-specific code which allows countries to classify traded goods on a common basis for customs purposes. It determines the duty payable and regulations applicable.
- The exporter is responsible for classifying your goods but as the importer you must ensure this is correct as not classifying them correctly can lead you to pay the incorrect amount of duties as well as fine and penalties such as the loss of your licences and other special procedures.
- For import, your tariff code should be 10 digits long.

Demonstration here: <https://www.gov.uk/trade-tariff>



Commodity Codes

The screenshot shows a web browser window with the URL `trade-tariff.service.gov.uk/sections`. The page header includes the GOV.UK logo and a navigation menu with items like Search, Additional Code, Certificate, Footnotes, Quotas, CAS, A-Z, Exchange rates, and Forum. The main heading is "Trade Tariff: look up commodity codes, duty and VAT rates". Below this is a search bar with the placeholder text "Enter the name of the goods or commodity code" and a green search button. A note indicates the tariff is for 4 August 2020, with a link to "Change date".

All sections

Section	Chapters	Section title	[BETA] Trade Tariff PDF (94MB)
I	1 to 5	Live animals; animal products	
II	6 to 14	Vegetable products	
III	15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	
IV	16 to 24	Prepared foodstuffs	

The Windows taskbar at the bottom shows the search bar with "Type here to search", several application icons, and the system tray with the date "05/08/2020" and time "10:23".



Import Documentation and Regulations

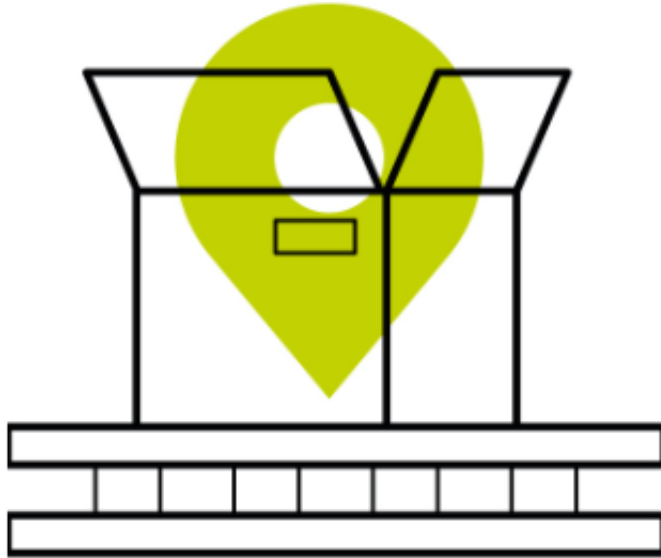
- Check what documentation is required for customs controls to claim preferential rates, prove the origin of the goods or prove that goods are fit for human consumption.

Examples:

- EUR1s
- Certificates of Origin
- ATA Carnets
- Health Certificates
- Import Licence
- Etc.



Step 2: The goods leave the country of origin



The order is now confirmed and the terms have been agreed, the goods are ready to leave the country of origin. Depending on the Incoterms chosen, you might need to arrange the below:

- Export Customs Declarations
- Transport and Insurance

Your responsibilities at this stage will depend of the Incoterms you have chosen to use and agreed to with your customer.

According to Incoterms – Arrange export customs clearance

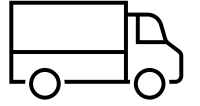
- If trading under EXW (EX Works), you will be responsible for arranging the export declarations in the country of origin and the payment of duties and taxes.

Main consideration:

- ✓ Who's the exporter? Do they have a EORI number if EU?
 - ✓ Who can process the declaration for you?
 - ✓ Is there any duty and VAT?
 - ✓ How to pay duty and VAT?
 - ✓ Etc.
- Department of International Trade new digital tool to [check overseas duty rates and regulations](#).



According to Incoterms – Arrange transport/pick-up



- ❑ Depending on Incoterms, you will be responsible for the transport from the country of supply to the UK.

- ❑ Examples:
 - ❖ With Ex Works – Importer is responsible for pick-up of the goods and transport to the UK
 - ❖ With FCA – Importer is responsible for transport once the goods have been loaded on carrier.

- ❑ Talk to your Freight Forwarder about the best routes and check costs.

If you do not have a freight forwarder, please request a list of our members at exportbritain@gmchamber.co.uk



Step 3: The goods arrive in the UK

The goods have left the country of origin and are now arriving in the UK. As the importer, you might need to consider the below:

- Import Customs Declarations
- Duty and VAT

Some of your responsibilities at this stage will depend of the Incoterms you have chosen to use and agreed to with your supplier.



According to Incoterms – Arrange import customs declaration

- ❑ You need a Economic Operator Registration and Identification (EORI) number to move goods between the UK and third countries. Request yours for free with HMRC.
- ❑ Since 1st January 2021 – you need a EORI to move goods with the EU and you need to complete customs declarations.
- ❑ Completing a customs declaration can be complex and you may need compatible software to do it. Speak to your freight forwarder or customs broker to check processes and costs.
- ❑ Your import customs declaration must contain a number of information, including:
 - ❖ Commodity code, weight, value...
 - ❖ Any licences or additional documentation
 - ❖ Exporter and importer
 - ❖ Transport details

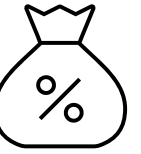


POLL 2

**New to customs declarations? Consider
Chamber Customs**

CHAMBER
CUSTOMS



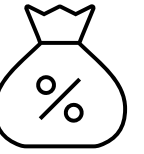


Pay duty and VAT

- All imports coming from the EU and outside the EU are now subject to Import VAT – the standard rate in the UK is 20%.
- Depending on your products, there might also be duty applicable at import.
- There are different methods of payments available to you:
 - Deferment account
 - Flexible Accounting System (FAS)
 - Postponed VAT Accounting



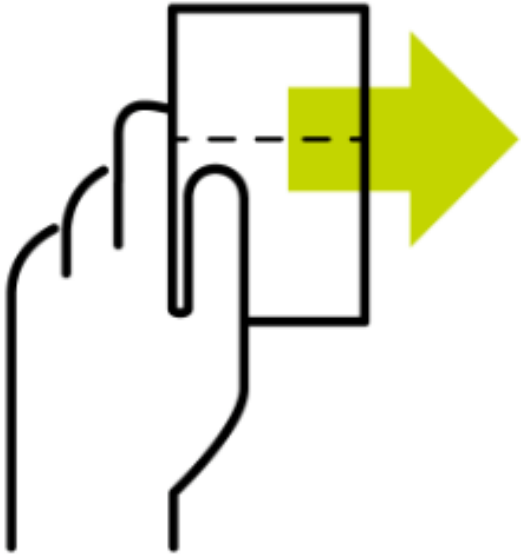
Pay duty and VAT



- ❑ Whether you can delay or reduce the amount you pay depends on what the goods are, where they're from and what you plan to do with them. There are a number of customs processes and schemes which can be used in specific situations:
 - Customs Warehouse
 - Inward Processing Relief
 - Temporary Admissions
 - Returned Goods Relief



Step 4: Post import



You must keep a clear trail of your import and customs procedures for potential audits from HMRC. Most documents must be kept for at least 4 years.

- Import Customs Declarations
- Preference Document and Proof of Origin
- Etc.

<https://www.gov.uk/guidance/archiving-your-trade-documents>



POLL 3



SME Brexit Support Fund

- **Up to £2,000** to pay for support to help with new customs and tax rules with the EU.
- **Training Grant-** customs declarations, customs processes, VAT, rules of origin, licences, etc.
- **Consultancy Grant-** can be used to receive consultancy advice to enable you to meet your customs, excise, import VAT or safety and security declaration requirements with HMRC. Packages can be found [here](#).

SME BREXIT SUPPORT FUND IS OPEN FOR APPLICATIONS!

Home SME Brexit Support Fund Grants available Application information Help Register Now

Login

SME Brexit Support Fund

You can apply for up to £2,000 through the SME Brexit Support Fund to pay for practical support, including training and/or professional advice, if you are a trader with up to 500 employees and no more than £100 million annual turnover.

What is the SME Brexit Support Fund?

What would you like to do?

The government has made £20 million available through the

To apply and for the full criteria, click [here](#).



Virtual Calendar of Courses and Events

Event Name/Type	When	Info and Booking
Austria & Vienna – Getaway to Europe	Thursday 27/05/21 10:00-11:30	<u>Book</u>
Trading with Turkey Training Course	Friday 04/06/21 9:30-12:30	<u>Book</u>
Rules of Origin (half-day)*	Tuesday 08/06/21 9:30 – 12:30	<u>Book</u>
Understanding Free Trade Agreements Training Course*	Monday 10/06/21 9:30-12:30	<u>Book</u>
NI Protocol*	Tuesday 18/06/21 9:30-12:30	<u>Book</u>
Export Customs Procedures (half-day)*	Friday 16/07/21 9:30 – 12:30	<u>Book</u>
Import Procedures and Documentation (half-day)*	Wednesday 07/07/21 14:00 – 17:00	<u>Book</u>
Incoterms 2020 (half-day)*	Wednesday 07/07/21 9:30 – 12:30	<u>Book</u>
Export Documentation: (full day)*	Thursday 08/07/2021 9:30 – 16:00	<u>Book</u>
Inward and Outward Processing Relief (half-day)*	Tuesday 08/06/21 14:00 – 17:00	<u>Book</u>
Introduction to Export Controls and Licences (Half Day)	Thursday 24/06/21 9:30 – 12:30	<u>Book</u>

[*HMRC Grant available](#)

To check for more courses and events, please click [here](#)



Upcoming GMCC Free Bitesize Sessions

Event Name/Type	When	Where
GMCC Bitesize Session - VAT Triangulation in a post-Brexit World	3 Jun 2021 12:00	<u>Book</u>
GMCC Bitesize Session - Rules of Origin Post-Brexit	17 Jun 2021 12:00	<u>Book</u>
GMCC Bitesize Session – Postponed VAT Accounting	1 st Jul 2021 12:00	<u>Book</u>

*[*HMRC Grant available](#)*

To book in any of our free bitesize sessions, click [here](#)



Q&A



Disclaimer

This presentation has been put together based on information and guidance available from official and trusted sources and our understanding/interpretation of it.

We cannot be held liable should there be any errors related to guidance which was sourced from 3rd parties. Whilst we have made every effort to check the accuracy of these, we can not make any guarantees.



Thank you for joining us!

For more information please contact:

General trade queries: exportbritain@gmchamber.co.uk

Export Documentation:

Customs declarations: chambercustoms@gmchamber.co.uk

Twitter: [@GMCCTradeteam](https://twitter.com/GMCCTradeteam) [@NWExportBritain](https://twitter.com/NWExportBritain) [@gmchamber](https://twitter.com/gmchamber)

