

BREXIT

Preparing for the end of the Transition
Period.

Impact on ROW importation process

for general goods from the Rest of the World
to the United Kingdom

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OVERVIEW

At midnight 31st December 2020 the Transition Period between the UK and EU will end.

There should be no major changes when importing from outside the EU other than the possible postponement of VAT, referred to later in this document, and the possible change in import duty rates as the UK moves to the World Trade Organisation's (WTO) tariff. Please see links <https://www.gov.uk/check-tariffs-1-january-2021>

By clicking the link below, you can see if the country from which you source your products has, or, will have any preferential trade agreements with the UK. <https://www.gov.uk/guidance/uk-trade-agreements-with-non-eu-countries#trade-agreements-from-1-january-2021>

Authorisations held for special procedures will be valid up to their normal expiry dates and most import procedures will be the same.

Horizon International is fully experienced and ready to handle any import requirements that traders may have.

This guide will help to answer any questions you may have regarding the movement of goods under the new procedures, as well as provide some clarity as to how these measures will be applied.

CUSTOMS CLEARANCE – THE BASICS

From 1st January 2021, there should be no change in the type of information required for customs declarations.

However, below are some considerations to bear in mind:

- Please ensure that you have sent an up to date Direct Representation letter to Horizon International Cargo. If needed you can find a blank form here [Direct Representation Letter Template](#) . This letter formally entitles us to act on your behalf with UK Customs.
- Post 1st January 2021 the current scenario is that the UK will be trading under WTO terms with the rest of the world. Therefore, there will be changes to commodity codes and duty rates applicable at the time of import. Please click on this link to check potential commodity codes to be used and applicable duty rates. <https://www.gov.uk/check-tariffs-1-january-2021>
- If you do have a deferment account you will need to complete a C1207N authorizing Horizon International Cargo to use it.

POSTPONED VAT ACCOUNTING (PVA)

From 1st January 2021, if your business is registered for VAT in the UK, you'll be able to account for import VAT on your VAT Return for goods imported from anywhere in the world.

This means you'll declare and recover import VAT on the same VAT Return, rather than having to pay it upon arrival in the UK and recover it later.

You do not need to be authorised to account for import VAT on your VAT Return and can start doing so from 1st January 2021. However, if we make declarations on your behalf and you wish to take advantage of this option, you will need to inform us in writing so we can update your customer file accordingly.

You can retrospectively account for import VAT if:

- The goods you import are for use in your business.
- You include your EORI number on your customs declaration.
- You include your VAT registration number on your customs declaration, where needed.

If you would like more information on PVA, [click here](#).

WHAT SHOULD YOU DO NEXT?

Horizon is well equipped to handle any of your import requirements so please contact us as soon as you can.

<https://www.hicargo.com/network/contact-us/>

GLOSSARY

[Incoterms](#) – These are the international commercial terms of sale which recognize the responsibilities of the buyer and seller with any goods purchase.

[EORI – Economic Operator Registration Information](#). This is how you are registered with HMRC as a company who moves or is involved in the movement of goods internationally, including now to and from the EU. It is essential even if you are VAT registered for commercial imports or exports. UK EORI numbers only apply to UK mainland, further information is on the HMRC website in the link.

[C1207N authorization](#) – If you have your own deferment account you can authorize Horizon International Cargo to have a standing authority with HMRC to use it.

[Direct Representation](#) – Please complete and return to Horizon International Cargo. This establishes our relationship and authority to act on your behalf in any matters relating to Customs.

Credit application – you can apply for credit [here](#) via Horizon International Cargo's website.