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50 days to go.....

Liam Smyth,
Director – Trade Facilitation

AGENDA – GETTING READY!

1. Things we still don't know
2. Things you need to know
3. Things you need to do now

GETTING READY!

1. Things we still don't know

READINESS - NATIONAL AUDIT OFFICE

270m

HM Revenue & Customs (HMRC) estimate of the annual number of customs declarations it may be necessary to process from 2021, compared with current volumes of 55 million

**40%
to 70%**

proportion of laden lorries travelling to the EU that will not be ready for EU customs requirements, under the government's reasonable worst-case scenario

£1.41bn

funding announced by government during 2020 to fund new border infrastructure and systems and wider support for the border industry

219.5 million

tonnes of freight that crossed the border between the UK and the rest of the EU in 2019, not including an unknown amount that crossed the border between Northern Ireland (NI) and Ireland

7,000

maximum number of lorries that may need to queue at the short Channel crossings under government's reasonable worst-case scenario

In March 2020, prior to the lockdown, BPDG reported that eight of the nine key elements of government and border industry readiness it was monitoring were at significant risk of not being delivered by 1 January 2021. Areas rated at the highest level of risk were **IT systems, infrastructure, data, customs agents' capacity, and trader and haulier readiness.**

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UK:EU DEAL OR NO DEAL?

Issues still at stake

- Fish, State Aid & ECJ?
- Protecting NI Protocol
- UK Internal Market Bill
- EU 'principles'

Behaviours

- Language
- False dawns
- Pace & frequency
- Compromise

Politics, Fear, Rhetoric, & Pragmatism

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GETTING READY!

2. Things you need to know

IMPACT OF NO DEAL

- c. 220m more customs declarations
- Export Health Certificates
- Other non-tariff barriers
- WTO Rules apply to EU
- Tariffs payable on some goods
- Rules of Origin and loss of cumulation
- Loss of some Continuity Trade Deals

IMPACT OF A UK:EU FTA

- c. 220m more customs declarations
- Export Health Certificates
- Tariffs free trade for most goods
- Rules of Origin and full cumulation
- Continuity & New Trade Deals
- Alignment of regulations & standards

FREE TRADE AGREEMENTS

Typically Cover

- Security
- Politics & Prosperity
- Build Trust
- Aid + Trade

Good for Traders

- Preferential Tariffs
- Easier Borders
- People & Goods
- Data & Money

TRADE AGREEMENTS ‘DONE’

EU Rollover

Antigua and Barbuda	Georgia	Liechtenstein	Saint Vincent and the Grenadines
Barbados	Grenada	Morocco	South Africa
Belize	Guatemala	Mozambique	South Korea
Botswana	Honduras	Namibia	Switzerland
Chile	Iceland	Nicaragua	The Commonwealth of Dominica
Colombia	Israel	Norway	The Commonwealth of the Bahamas
Costa Rica	Jamaica	Palestinian Authority	The Dominican Republic
Côte d’Ivoire	Japan	Panama	The Republic of Guyana
Ecuador	Jordan	Papua New Guinea	The Republic of Trinidad and Tobago
El Salvador	Kosovo	Peru	Tunisia
Eswatini	Lebanon	Saint Christopher and Nevis	
Faroe Islands	Lesotho	Saint Lucia	Ukraine
Fiji			

48 Countries

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FREE TRADE AGREEMENTS

- Continuity Agreements
 - ✓ c. £125bn / 48 Countries / c. 18% of UK Exports
 - ✓ c. £40bn / 19 Countries / c. 6% of UK Exports
- EU27 Trade
 - £300bn / 27 Countries / 43% of UK Exports
 - £372bn / 27 countries / 51% of UK Imports

YET TO BE DONE

EU Rollover

- Algeria
- Bosnia and Herzegovina (Western Balkans)
- Ghana (Western Africa)
- Montenegro (Western Balkans)
- Serbia (Western Balkans)
- Albania (Western Balkans)
- Cameroon (Central Africa)
- Mexico
- Moldova
- Singapore
- Madagascar
- Mauritius
- Seychelles
- Zimbabwe
- Vietnam
- Canada
- Egypt
- North Macedonia (Western Balkans)
- Turkey

CP-TPP

- Australia
- Brunei
- Canada
- Chile
- Japan
- Malaysia
- Mexico
- New Zealand
- Peru
- Singapore
- Vietnam

Bi-lateral

- United States of America
- Australia
- New Zealand

RED - Stalled / Low Progress

Amber - Progressing but not likely to be agreed by end Dec 2020

Green - May be agreed by end Dec 2020, unlikely to be approved by Parliament

FREE TRADE - GSP

Generalised System of Preference (GSP)

1. Standard GSP for low and lower-middle income countries. This means a partial or full removal of customs duties on two third of tariff lines.
2. GSP+: the special incentive arrangement for sustainable development and good governance. It slashes these same tariffs to 0% for vulnerable low and lower-middle income countries that implement 27 international conventions related to human rights, labour rights, protection of the environment and good governance.
3. EBA (Everything But Arms): the special arrangement for least developed countries, providing them with duty-free, quota-free access for all products except arms and ammunition.

General System of Preference

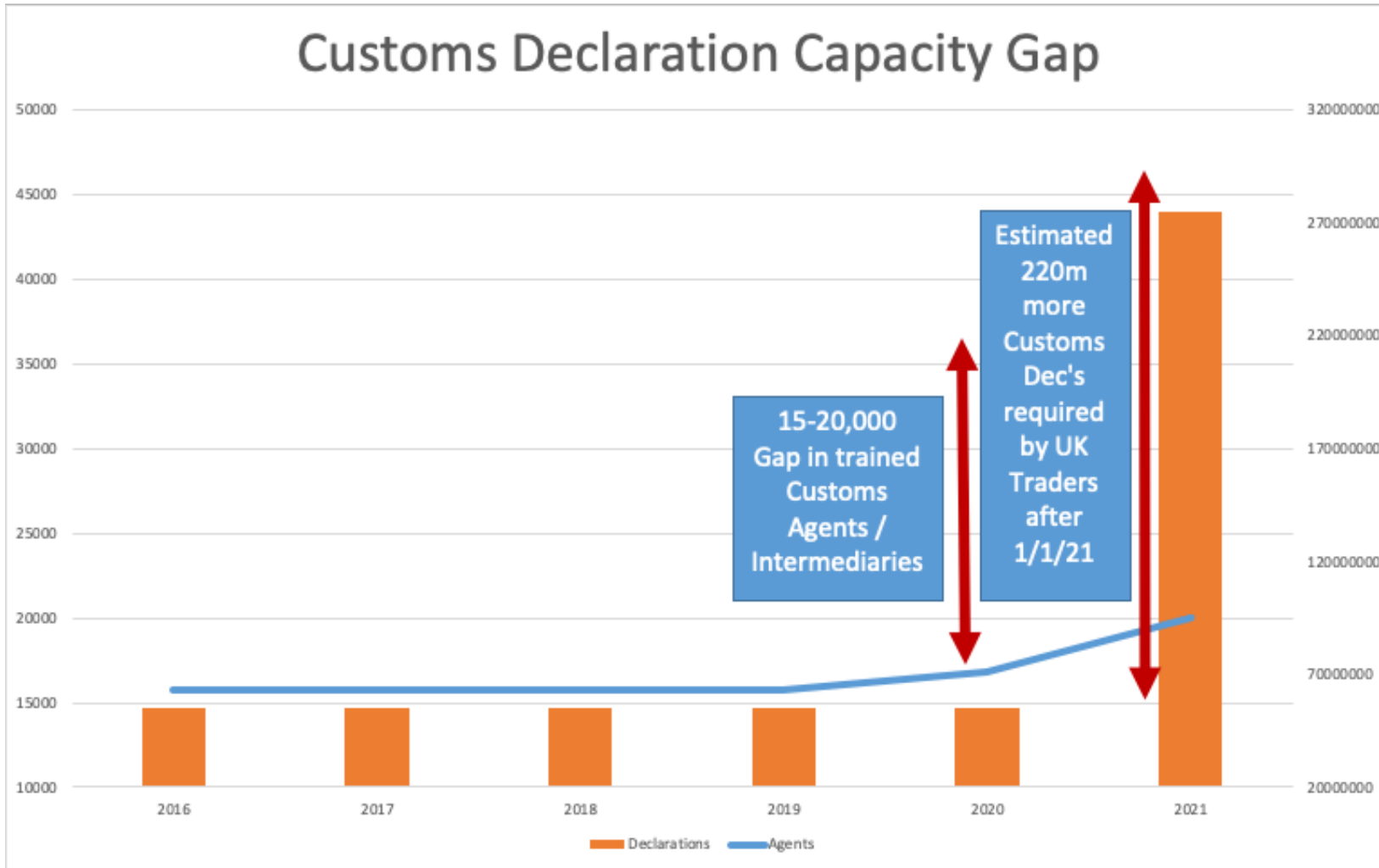
Standard GSP	GSP+	EBA		
Congo	Armenia	Afghanistan	Gambia	Rwanda
Cook Islands	Bolivia	Angola	Guinea	Sao Tome & Principe
India	Cape Verde	Bangladesh	Guinea-Bissau	Senegal
Indonesia	Kyrgyzstan	Benin	Haiti	Sierra Leone
Kenya	Mongolia	Bhutan	Kiribati	Solomon Islands
Micronesia	Pakistan	Burkina Faso	Lao	Somalia
Nauru	Philippines	Burundi	Liberia	South Sudan
Nigeria	Sri Lanka	Cambodia	Madagascar	Sudan
Niue		Central African Rep.	Malawi	Tanzania
Samoa		Chad	Mali	Timor-Leste
Syria		Comoros	Mauritania	Togo
Tajikistan		Congo (DRC)	Mozambique	Tuvalu
Tonga		Djibouti	Myanmar/Burma	Uganda
Uzbekistan		Equatorial Guinea	Nepal	Vanuatu
Vietnam		Eritrea	Niger	Yemen
		Ethiopia	PDR Lesotho	Zambia

15 GSP
8 GSP+
48 EBA

71 GSP Countries

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MIND THE GAP



As at 21 October 2020 BPDG continued to report customs intermediaries' capacity as a red-rated risk for both January and July 2021

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GETTING READY!

3. Things you need to do now

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READINESS – TWENTY QUESTIONS

1. What is my EORI Number?
2. Do I need an XI EORI for NI Trade?
3. Should we register for the NI Trader Support Service?
4. Will I use staged or full EU import controls from 1/1/21?
5. How do I set up Postponed VAT Accounting?
6. Should I apply for a Duty Deferment Account?
7. How many customs declarations do we make each week/month/year?
8. Can my forwarder/agent/broker deliver my additional demands?
9. What are my responsibilities and what records must I keep?
10. What are the commodity codes for the goods we buy and sell?

READINESS – TWENTY QUESTIONS

11. What is the Customs Valuation for our goods (different from invoice value)?
12. What are the customs rules that apply to the borders I will trade across?
13. What passports do my staff hold and where will they be on 31/12/20?
14. Do we require mutual recognition of qualifications, standards or regulations?
15. What ports do we typically use and what are our alternative options?
16. On what terms do we currently trade with our customers and suppliers?
17. Do my team have the skills and knowledge of customs that they need?
18. Do I benefit from FTA's where I sell my goods?
19. Do I rely on tariff rate quotas to be competitive?
20. Does my business move data between the UK and EU?

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HOW WE CAN HELP

ChamberCustoms is the customs advisory, training and brokerage service delivered through Chambers of Commerce across the UK.

We provide customs advisory services.

We train people.

We can make your customs declarations for you.

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WHAT DO WE OFFER?

- 200 Customs Agents – **highly trained and ready now**
- 45 UK locations – **near you, and in every nation**
- HMRC approved IT systems – **We're trusted**
- Direct customs links at every UK port - **Adaptable**
- +500k declarations capacity – **we'll deliver**
- Line by line invoicing – **clear pricing**

A compliance led service that offers peace of mind

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GLOSSARY

EORI	An Economic Operators Registration and Identification number (EORI number) is a registration and identification number for businesses which undertake the import or export of goods, it is issued by HMRC in the UK.
Transition Period	This is the period of time agreed between the UK and the EU when the UK would have the benefits of remaining in the single market despite having left the European Community. It lasted from 31/1/20 until 31/12/20.
EU Single Market	An economic and customs area of 28 countries before 31/1/20 and 27 countries thereafter. Goods, services and people can move freely without customs controls in this defined territory.
Union Customs Code	These are the customs and fiscal rules that members of the single market abide by when moving goods into and outside of their customs territory. A UK Customs Code, referred to as the UK Border Operating Model will replace the Union Customs Code.
CHIEF	The legacy HMRC system for recording import and export declarations, Customs Handling Import Export Freight, it will soon be replaced by a new system called CDS, the Customs Declarations System.
CDS	Known as the Customs Declarations System, CDS will replace CHIEF. The CDS project was started before the EU referendum and was designed to be compliant with the Union Customs Code.
GVMS	This is a new Goods Vehicle Movement System that will give trucks heading for a port of entry or exit the green light to proceed to the port. In essence, it signals to customs authorities and carriers that the paperwork has been accepted by CDS.
Smart Freight	Smart Freight traffic management system aims to provide lorry drivers with an online portal they can use to check if they have the correct paperwork needed to enter the European Union
CFSP	Customs Freight Simplified Procedures allow the importer's representative to arrange clearance of goods via a simplified entry, which is later finalised with a supplementary declaration.
Customs Declaration	A customs declaration is an official document that lists and gives details of goods that are being imported or exported
EIDR	Entry in Declarents Record is a system whereby traders or their intermediaries record data points related to goods on the day on import. The same data is used later to complete a Simplified Frontier Declaration.
SDP	A Simplified Frontier Declaration typically summarises a number of imports that have been accounted for previously using EIDR into one SDP.

GET READY FOR 1/1/21

What is your companies Companies House Number	
What is your company EORI Number	
Number of Export / month	
Number of Imports/ month	
Air Imports volume	
Sea Imports volume	
Road Imports volume	
Do you have a Duty Deferment Account?	Y / N
Will you use Postponed Vat Accounting from 1/1/21?	Y / N

To appoint ChamberCustoms as your customs broker please send your answers and estimates to info@chambercustoms.co.uk

An agent will then contact you to set up your account.

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