

 UK Government

Keep Business Moving: Check, Prepare, Keep Moving.

*What will change for bilateral
trade between the UK and
Portugal at the end of the
Transition Period*

Webinar – November 2020

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WELCOME

- If you wish to comment or ask a question at any time during the presentation, please use the chat area 
- The aim of this presentation is to inform attendees about some of the changes that will occur in trading with the UK at the end of the Transition period.
- We will share the presentation with all the attendees afterwards, as well as a FAQs and additional information, including addressing the questions asked during the presentation.

THANK YOU

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Today is for you

More information

More clarity

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End of the Transition Period

- On 31 December 2020 the **UK will leave the EU single market and customs union.**
- From 1 January 2021 the transition period with the EU will end, and the **UK will operate a full, external border as a sovereign nation.**
- **A negotiated outcome is our goal.** However, whether we reach a negotiated outcome or not, there will be **new processes that the border industry will have to comply with.**
- **Rules for trading with the UK will change** and there will be border requirements placed on the movement of goods between the EU and UK.

These slides do not cover movements in relation to the Northern Ireland Protocol.

The business guidance is available at <https://www.gov.uk/government/publications/moving-goods-under-the-northern-ireland-protocol>



Implications for businesses who trade with the UK

Significant challenges for businesses that move goods between EU and UK:

- Particular challenge for SMEs, especially in light of dealing with the impact of COVID.
- All businesses who trade between the EU and UK need to prepare for the new processes and controls that will apply from 1st January 2021, regardless of the outcome of the negotiations.
- Preparation needed by EU and UK businesses - there are only 5 weeks left.
- Take action as soon as possible.

Agenda

What topics will we be covering today?

- Preparatory actions for businesses which trade between the UK and the EU
- UK Business Operating Model – General Considerations
- Business Activity in the UK
- Closing remarks

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Moving goods between UK and
the EU at the end of the Transition
Period

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Keep business moving

There is still a level of uncertainty of what exactly the UK-EU trade relationship will be after end of the Transition Period. But we do know that **customs procedures will apply to trade.**

Today the paperwork needed to transport goods between both markets consists of a couple of documents: an invoice and contract of carriage. From 1st of January 2021, **at least 9 additional procedures are added**, e.g. certification of goods, export declaration, exit of goods, requirements needed to enter the EU, and requirements to import goods into the UK.

How much time companies will have to spend on customs formalities depends on the individual situation. **BUT.....it all starts with an export declaration.**



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Actions to be taken as soon as possible

- ✓ Rules are changing and there will be **border requirements** placed on the movement of goods between the EU and UK. [Find out more about how the border with the UK will work.](#)
- ✓ Make sure you **talk to your trading partners in the UK** to agree responsibilities and ensure you have completed the necessary border requirements.
- ✓ Check **import procedures** with your country's customs authority.
- ✓ Paying VAT or claiming **VAT** refunds? Make sure you understand the [new rules for paying import VAT on parcels](#) you send to UK buyers.
- ✓ Your business may need to make some changes to allow you to continue to share personal data with businesses or other organisations in the UK. Talk to your local data protection regulator to ensure you are prepared on **data protection and data transfers**.
- ✓ **Providing services in the UK?** Check the regulations for the UK, including visa requirements, and understand how changes could affect your business.

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UK Border Operating Model

The Border with the European
Union: Importing and Exporting
Goods

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UK Border Operating Model

- On 13 July 2020, the UK Government published the “[Border Operating Model](#)”, providing details on how UK-EU border will work and the actions traders, hauliers and passengers need to take. The second iteration of the BOM, published on the 8th October, includes further detail on a number of key policy areas.
- From 1 January 2021, to 1 July 2021, the UK will adopt a flexible approach, in three main stages, to afford industry extra time to make necessary arrangements.
- There are also step by step [import](#) and [export](#) guides available on gov.uk.



Other measures to note

- To help hauliers and Heavy Goods Vehicles (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 will also generate a **Kent Access Permit**, which will be mandatory for HGVs to proceed to the border, for those who confirm either that they have – or will obtain en route – the necessary customs documentation
- **EU, EEA and Swiss national ID cards will not be acceptable for travel to the UK from October 2021.**

EU to GB imports

1 January 2021

- Declaration and control for excise and controlled goods (full declaration or CFSP)
- For standard goods, keeping records (EIDR or CFSP) - with a 6 month postponement on the full declaration, based on a self assessment
- 6 month deferred payment
- No safety and security declaration
- Physical check at destination for high risk veterinary and phytosanitary goods

1 April 2021

- Pre-registration for all:
 - Products of animal origin (POAO)
 - High risk food not of animal origin
 - Regulated plants and plant products

1 July 2021

- Safety and security declarations
- Full customs declarations, or use of simplified procedures if authorised to do so and the payment of relevant tariffs at import
- Control of veterinary and sanitary and phytosanitary (SPS) goods at GB Border Control Posts (BCPs)

Basics: Establish and agree trading Terms and Conditions

- Talk to your trading partners: ensure responsibility for **customs checks, duties and dispute resolution** is clear.
- Understand your logistics and supply chain including points of entry and exit.
- Decide how to complete customs formalities (e.g. choose a Customs intermediary).
- The International Chambers of Commerce publish standard trading terms and conditions <https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-2020/>.

Basics: Getting an EORI number

EORI numbers

- **UK Importers and exporters** must have an EORI number **issued by the UK**.
- **EU importers and exporters** must have an EORI number **issued by an EU Member State** (EORI numbers issued by UK will not be valid in EU at the end of the transition period).
- A UK haulier will also need an EU EORI if they are, for example, the responsible entity for entering ENS data into a MS ICS system (accompanied freight).

UK EORI

[Get an EORI number - GOV.UK](https://www.gov.uk/get-an-eori-number)

EU EORI

[Europa : National Customs Websites](https://ec.europa.eu/customs/eori/)



Basics: Getting an EORI number

From 1 January 2021, **EU economic operators not established in the UK and UK economic operators not established in the EU** may also need a UK or an EU EORI number (respectively) in order to:

- ✓ Lodge a customs declaration in that customs territory.
- ✓ Submit an [Entry Summary Declaration \(ENS\)](#).
- ✓ Lodge an [Exit Summary Declaration \(EXS\)](#).
- ✓ Lodge a temporary storage declaration in that customs territory.
- ✓ Act as a carrier for the purposes of transport by sea, inland waterway or air.
- ✓ Act as a carrier who is connected to the customs system and wishes to receive any of the notifications provided for in the customs legislation regarding the lodging or amendment of entry summary declaration.

Basics: Established in the UK or EU

A person or business needs to be established in the UK or EU to meet a number of customs rules. This includes being able to get a wide range of customs authorisations and simplifications such as special procedures, AEO authorisation or making simplified declarations,

Further details on being established in the UK or EU for customs purposes can be found [here](#).

Basics: Established in the UK or EU

What does “established in the UK mean”?

It can vary for individuals and corporations, but evidence you may need to provide includes:

- Certificate of registration issued by the Registrar of Companies.
- Details of employed staff.
- Physical premises owned or leased by the business.
- Details of contracts, orders or invoices held or issued by the business.
- Proof that the business has its own accounts.

EU Establishment means:

- Must be established in the EU and involved in the operation, could be a freight forwarder or carrier.
- Must have an EU VAT number.
- UK businesses will need an EU (VAT) registered company to act as an EU exporter or as a representative.

Customs, VAT and Excise update

Customs declarations and duties

- We are introducing customs requirements over a period of time and most traders will not have to make import customs declarations on 1 January 2021.
- Submission of supplementary customs declarations can be deferred up to 6 months after import, for all standard goods from the EU, until July (optional). For importers delaying their customs declarations the payment of duties can be delayed to the time when the supplementary declaration is submitted.
- Traders importing [controlled goods](#) (such as excise goods) will be expected to follow full customs requirements from January 2021.
- The requirement for safety and security declarations on import – Entry summary Declarations (ENS) will also be waived for 6 months.

Customs, VAT and Excise update

Transit in the UK customs territory under Common Transit Convention (CTC)

- The UK will join the CTC in its own right from 1 January 2021 and will be subject to the requirements of the Convention. Moving to these in stages will not be applicable.
- **From January 2021, EU goods arriving in the UK under transit will need to complete Office of Transit formalities** (e.g. the goods and the Transit Accompanying Document (TAD) must be presented at an office of transit).
- We intend to use a digital model to automate this process, making early use of the Goods Vehicle Movement Service (GVMS) which will support the Pre-Lodgement model for both imports and exports from July 2021

Customs, VAT and Excise update

VAT update

- The Government announced that from 1 January 2021 postponed VAT accounting will be available to VAT registered businesses for imports of goods from all countries, including from the EU.
- Traders will not be compelled to do so unless they import non-controlled goods and either delay their supplementary customs declarations; or use the Simplified Customs Declarations process, and make an Entry in Declarants Records.
- Import VAT from overseas businesses: If you sell goods sent in parcels worth over £135, the import VAT and Customs Duty **should be paid by the UK buyer and collected by the parcel operator**. [claim VAT refunds on goods and services](#) you buy from the UK from 1 January 2021.

Customs, VAT and Excise update

Excise goods moving between UK and the EU

- From 1 January 2021, imports of excise goods from the EU to UK will be treated the same as imports from the rest of the world. This includes [moving imported excise goods within Great Britain](#).
- If your excise goods are dispatched from an EU member state from 1 January 2021, you must complete a [customs declaration](#) and use the relevant customs procedures when they arrive at the place they enter into the UK.
- If businesses move duty suspended excise goods to and from a tax warehouse to the place they enter and exit the UK they must use the UK version of Excise Movement and Control System (UK EMCS).

All goods subject to excise duty including: alcohol products; tobacco products; hydrocarbon oils, biofuels and fuel substitutes; road fuel gases; goods subject to Climate Change Levy; tobacco product manufacturing machines



UK Global Tariff

- UK's new MFN **tariff regime**, the UK Global Tariff regime will replace the EU's Common External Tariff on 1 January 2021 at the end of the Transition Period.
- It will apply to EU products, **if there is no Free Trade Agreement**.
- The UKGT will be denominated in pounds instead of euros and introduces a simpler tariff regime, with lower rates and a lower level of customs duties than the EU CET by:
 - Simplification and Reduction** - We are going to round down all tariffs, for example reading glasses from 2.9% to 2% or alarm clocks from 4.7% to 4%, and simplify the calculation formulas in other products;
 - Liberalisation** - Elimination of duties below 2%, as well as duties applied to some products of intermediate consumption.

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UK Global Tariff

As a result, we estimate that about **50% of imported products will enter the UK without any customs duties**, compared to currently 27% under the EU CET. [Check UK trade tariffs from 1 January 2021.](#)

UKGT for Portuguese exports

39% of Portuguese exports to the UK will be tariff free (Some examples: medicines; chemicals; cork and wood; paper and paper pulp; iron and steel products; machines and appliances).

61% of Portuguese exports to the UK will be subject to tariffs (Some examples: textiles and clothes; footwear; wines; ceramics and glass produces; vehicles and componentes; fish preserves). Of which, 41% of exports with tariffs above 5% or specific duties.

Source: DGAE Direcao-Geral das Atividades Economicas



- ✓ **Check the location** you wish to move goods from UK-EU or import to UK (over the 3 stages).
- ✓ Think about if you need to appoint an **authorised representative** to act on your behalf.
- ✓ Understand **new requirements** across your supply chains/distributors and make sure your suppliers/distributors/customers understand the actions they need to take.
- ✓ **Product regulations?** To determine what steps you or others in your supply chain need to take, identify what EU or UK regulations are relevant to you. Think about the stages as well as end products, for example complexities around moving goods such as excise goods, live animals, products subject to SPS controls etc.
- ✓ If you need a new **product approval**, begin the process as soon as possible. If your product requires third-party approval, you may need a new approval especially if you sell in both the UK and EU.
- ✓ What **marking/labelling** changes apply to your product? You may need to make changes to the information or regulatory markings that appear on your product.

It is a joint responsibility to prepare

- The business community must prepare for the additional formalities.
- Cooperation between government and logistics is vital to reduce the impact.
- Preparation is needed in EU Member States, as well as in the UK.



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Business activity in the UK

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Providing Services in the UK

Your business might be affected by the changes from 1 January 2021.

There may be new rules if:

- you have branches or subsidiaries in the UK.
- your business is part of a service sector within the UK.
- you are planning a merger with a UK company.
- you or your employees travel to the UK for business.
- you or your employees provide services in a UK regulated profession.

Check the regulations for the UK, including visa requirements, and understand how changes could affect your business.

New rules on the movement of people

- From 1 January 2021, freedom of movement between the EU and UK will end.
- For visits **under 6 months**, EU citizens will be able to enter the UK without applying for a visa. They may participate in business-related activities, such as meetings, events and conferences. [Find out more about permitted business-related activity for visits to the UK under 6 months.](#)
- EU citizens entering the UK for **work purposes** will need to apply for a visa through the UK's points-based immigration system. [Find out more about the UK's immigration laws.](#)
- If you employ or intend to employ an EU citizen to commute into the UK, you'll need to consult guidance for frontier workers. [Find out more about frontier working into the UK.](#)

Hiring Staff from outside the UK

What does my business need to do?

From **1 January 2021**, free movement will end and a Points-Based Immigration System will be introduced. Anyone coming to the UK must meet a specific set of requirements for which they will score points. (70 POINTS MINIMUM)

If you want to recruit workers from outside the UK, you will need to ensure:

- **You are a Home Office licensed visa sponsor.**
- The job you are offering is at the required skill level – RQF 3 or above (A Level and equivalent).
- The job you are offering is above the required minimum salary level.
- The candidate speaks English to the required standard.

To become a licensed sponsor from January 2021, [you should register now](#).



Hiring Staff from outside the UK

Applicants will be able to trade characteristics such as; qualifications against a lower salary to get the required number of points. If the job offer is less than the minimum salary requirement, but not less than £20.480 you are still eligible if you have:

- A job offer in a specific shortage occupation
- A PhD relevant to the job
- A PhD in a STEM subject relevant to a job

[Link for shortage occupation list](#)

Intra-Company Transfers - facilitates temporary moves into the UK for key business personnel through their subsidiary branches, subject to sponsorship requirements being met. The route will require applicants be in roles skilled in RQF6 (graduate level equivalent)



Hiring staff who already live in the UK

What does my business need to know?



From 1 January 2021, free movement will end and the UK will introduce a points-based immigration system



The new system will not apply to **EU citizens living in the UK** before **31 December 2020**. They can apply to the EU Settlement Scheme before **30 June 2021**.



You can search for **'EU Settlement Scheme'**: employer toolkit' on [GOV.UK](https://www.gov.uk) to find out more.

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Final Remarks

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Transition Period webinars for businesses



Dec 2, 2020, 13h30 - 14h45 (GMT)

EU Exit: Business Travel & Movement of People after 1st January 2021

This is an opportunity for **European business staff working in the UK** to understand what will change next year for: business trips, hiring in to the UK from an EU workforce, intra-company transfers, among others. The presenters will talk you through changes to both long-term immigration and short-term business travel to the UK after the end of the transition period, and how businesses should prepare for these changes

Sign up [here](#)!

There will also be a second phase of webinars, targeting key issues including personal data and regulations on manufactured goods.

Please register on:

[BEIS webinars](#)

[Defra webinars](#)

You can also watch a recording of DIT's transition period webinar on [YouTube](#).

Get in touch with us



If you have any queries, please contact us get in touch:

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Useful links:

- For [EU businesses](#)
- On [Business Readiness](#)
- The [UK Border Operating Model](#)
- Step by step guides to [importing](#) and [exporting](#)



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01 JAN 2021

NEW RULES FOR BUSINESS ARE COMING

THERE ARE DEFINITE ACTIONS
BUSINESS SHOULD TAKE NOW

ACT NOW AT
GOV.UK/TRANSITION

-  Check
-  Change
-  Go

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