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Leaving the EU: UK border control changes as from 1 January 2021: Introduction

Ornamental Aquatic Trade Association
November 2020





Disclaimer

- This guide is intended as a brief summary introduction **only**. For full and detailed information on the UK's Border Operating Model with the EU, the full document is available [here](#)
- Updates on advice issued by Gov.UK will be made available on OATA's 'Leaving the EU hub' on our website. Current advice is available [here](#). We strongly recommend you visit our Leaving the EU hub on a regular basis as requirements may be subject to change



The UK's departure from the EU single market & customs union



- On 1 January 2021, the UK's transition period ends. The UK's departure from the EU single market and customs union means the end of free movement of goods between the UK and EU.
- A full external border between the UK and the EU will exist resulting in border control changes on the movement of goods.
- Some changes will affect all goods – this is the **core model**
- Other changes relate only to specific goods, these are known as **additional requirements**
- To assist businesses, the UK Government will bring these changes in via three stages occurring on: **1 January, 1 April and 1 July 2021** **Please note that controlled goods from the EU will be exempt from this staged approach*
- Some of these changes relate to HMRC requirements whilst others relate to plant and animal health and goods subject to international agreements e.g. CITES

EU Member States that the UK will treat as 'Rest of the World' countries as from 1 January 2021



- Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Republic of Ireland, Slovakia, Slovenia, Spain and Sweden.





What actions are required now?

- The actions below are required regardless of whether the UK exits the EU with or without a trade deal.
- **Get an Economic Operator Registration and Identification (EORI) number** – importers will need a GB EORI number and exporters will also need a EU EORI number. An EORI number is a HMRC requirement and provides an ID number in all customs procedures.
- **Check whether the goods you are importing/exporting are listed by Gov.UK as controlled and/or subject to additional requirements**
- **Be prepared for customs declarations** – decide whether you are going to use an intermediary or do this in-house. You will also need to check whether you need to get access to CHIEF (Customs Handling and Import, Export Freight) i.e. you will need to be a CHIEF badge holder and authorised by HMRC
- **Prepare to pay duty and VAT or apply for a Duty Deferment Account**
- **If importing aquatic plants and/or aquatic animals** prepare for pre-notification via required IT systems e.g. PEACH, IPAFFS. *Note: current users of PEACH and TRACES will NOT be automatically migrated over to IPAFFS and must register to use IPAFFS separately*
- **Speak to your supply chains** –make sure you have the necessary information to complete customs declarations



How will importing goods into GB from the EU change?



- As from 1 January 2021, border controls with the EU will be subject to the same requirement as Rest of the World (RoW) countries e.g. customs declarations etc. This includes the European Free Trade Association (EFTA) countries i.e. Switzerland, Norway, Iceland and Liechtenstein
- The guidance from Gov.UK principally relates to changes affecting Great Britain i.e. England, Scotland and Wales.
- Arrangements for Northern Ireland will be different due to the Northern Ireland Protocol. This means that Northern Ireland will continue to follow EU regulations due to its linkages with the Republic of Ireland. This will impact on consignments from GB to Northern Ireland.

UK Border Control Posts (BCPs)



- The new GB border controls will result in new infrastructure being required at existing Points of Entry e.g. BCPs, to cope with the additional consignments arriving from the EU
- To give BCPs time to implement the necessary infrastructure, temporary measures are being implemented between 1 Jan until end of June 21 to allow certain goods from the EU e.g. plants, aquatic animals to go straight to a registered First Place of Destination (PoD) in addition to entering via established routes.
- Gov.UK lists 38 Border Control Posts. Of these 22 are seaports and 16 are airports.
- None of the seaports currently accept live animals
- Only 4 airport BCPs accept live fish: these are Edinburgh, Gatwick (IC 1), Heathrow (Animal Reception Centre) and Manchester (IC 1).
- See our separate CITES guide for designated Points of Entry for CITES listed species

Border Control - Inland Sites

Map of intended and potential inland sites
January 2021 and July 2021

1. Intended site location – Ashford Waterbrook**
2. Intended site location – Sevington Ashford* **
3. Intended site location – Ebbsfleet Int. Station**
4. Potential site location – Thames Gateway
5. Intended site location – North Weald Airfield**
6. Potential site location – Birmingham
7. Intended site location – Warrington**
8. Potential site location July 2021 – Holyhead
9. Potential site location July 2021 – South Wales
10. Potential site location July 2021 – Dover



● Intended / potential site for Jan 2021
● Potential site for July 2021

*Will also be required for July 2021

** Subject to securing planning permission

- In addition to the current BCPs, a number of inland sites will provide facilities in relation to. Common Transit Convention, ATA Carnet and CITES permit wet stamping for relevant goods.
- These inland sites are: Ebbsfleet International Station (near Dartford, Kent), North Weald Airfield (near Epping Forest, Essex), Sevington, Ashford (proposed as a multi-functional site and to provide lorry holding capacity) and Warrington
- Waterbrook, Ashford is under consideration to provide ATA and CTC processes. A further multi-functional inland site is being considered to be located near Dover.
- Further sites may be proposed for Scotland and Wales.

A map showing the intended and potential inland sites can be found in the UK Border Operating Model (October 2020) [here](#).

What are considered controlled goods?



- Controlled goods are EXEMPT from the staged approach. This is provided in Annex C of the UK Border Operating Model (pages 230-237) but include:
 - Excise goods e.g. alcohol, tobacco, biofuels, goods subject to climate change levy, road fuel gases & hydrocarbon oil
 - Controlled drugs as listed under the Misuse of Drugs Regulations 2001
 - Drug Precursor chemicals
 - Toxic chemicals as per Schedule 1 of the Chemical Weapons Convention
 - **Endangered species e.g. CITES listed animals & plants and their products**
 - Fishery products
 - Marketing standards – fertilisers (ammonium nitrate)
 - Anti personnel mines
 - Explosives
 - Firearms
 - Pyrotechnic articles
 - Military goods
 - Nuclear materials
 - Offensive weapons
 - Realistic imitation firearms
 - Torture equipment
 - Ozone depleting substances & hydrofluorocarbons
 - Rough diamonds
 - Anti dumping duty & countervailing duties
 - Steel safeguards
 - Sanction goods

Which goods are subject to additional requirements?



- Certain goods will be subject to additional requirements. Some of these requirements will take place BEFORE the core model, others will take place after. Examples of additional requirements include pre-notification, special certifications, entering GB via specific locations, undergoing additional checks at/near the border or first place of destination
- Those goods which are subject to these additional requirements and of relevance to the ornamental aquatic industry are:
- **Goods covered by international conventions/commitments** e.g. CITES listed goods
- **Goods subject to sanitary and phytosanitary controls** e.g. animal products (by-products and of animal origin), live aquatic animals (ornamental and aquaculture), plants and plant products
- Requirements for aquatic plants, ornamental aquatic animals and CITES listed species will be covered in separate guides.

UK Border controls – The Core Model: Import Preparations



To fulfil the import process, importers must have:

- A **GB EORI number** before moving goods
- The **correct commodity code** of the goods (for customs declarations and calculation of import duty)
- The **customs value of the goods** and their **origin** (for customs declarations and calculation of import duty)

In addition, importers may wish to consider whether, for *non-controlled goods*, they might benefit from using a simplification or facilitation (which includes delaying customs declarations for up to 6 months from the point of import)

- If customs declarations are not being delayed, businesses need to consider how they will make customs declarations to the HMRC. Those making declarations via the CHIEF system must hold an authorisation i.e. CHIEF badge. Customs declarations can also be made via commercial software or Community System Providers.



UK Border controls – The Core Model:

Customs Declarations – Stage 1



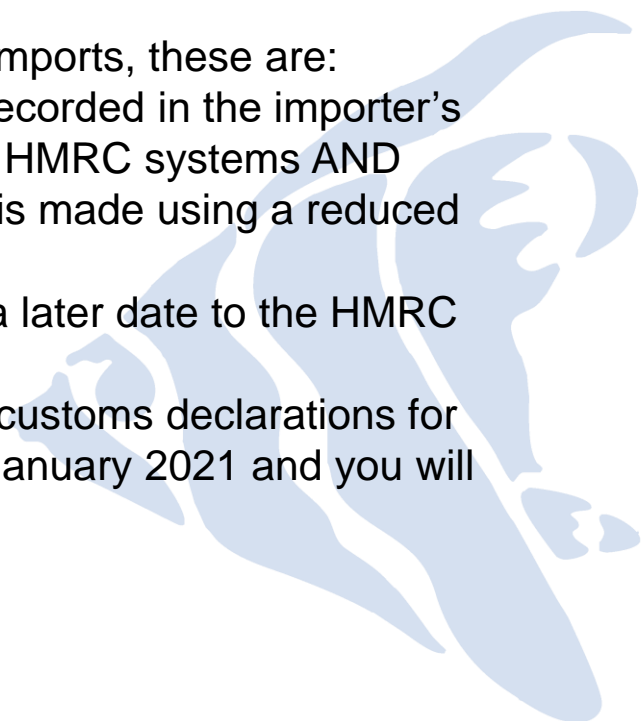
- For **controlled goods**, full customs declarations must be made (authorised businesses can use the Simplified Customs Declaration Procedures). Such goods are NOT eligible for delayed declarations.
- **Additional requirements** will be required for specific goods e.g. plants, live aquatic animals, CITES listed species.
- For **non-controlled goods**, businesses will have two options which are:
 - Use *Delayed Declarations* – the business keeps its own commercial records on point of entry, with a supplementary declaration submitted to HMRC within 6 months of the point of import (subject to certain criteria being met) OR
 - A *full customs declaration* can be submitted
 - The **UK Global Trade Tariff** comes into effect as from 1 January, therefore any tariff due will be calculated based upon the commodity code declared and must be paid
- **Border Force checks** will continue as they do now. *Controlled goods* which enter GB via a border location which does not have customs control systems, GB importers must submit a declaration before the goods board in the EU. Importers will have until the end of the next working day to declare entry once they arrive in GB. For border locations which have existing customs control systems, importers will have 3 hours from when the goods arrive to submit a declaration. Goods which do not require an import declaration until Stage 3 i.e. 1 July 2021, will be allowed to flow through.

UK Border controls – The Core Model:

Customs Declarations – Simplified Customs Declarations for imports



- For businesses moving controlled goods, such authorised businesses may be able to use simplified customs declarations for imports in order to reduce the process requirements at the border.
- Authorisation to use this process depends upon certain criteria being met e.g. good compliance record etc.
- There will be two options for simplified customs declarations for imports, these are:
- **Entry in Declarant's Records (EIDR)** where the information is recorded in the importer's commercial records rather than being declared to customs using HMRC systems AND
- **Simplified Declarations Procedure (SDP)** where a declaration is made using a reduced data set submitted upon import.
- For both options, additional customs information is submitted at a later date to the HMRC via a supplementary declaration
- Note that if you wish to apply to be authorised use the simplified customs declarations for imports in terms of goods from the EU, it will not be valid until 1 January 2021 and you will need to have a Duty Deferment Account (DDA) in place.



UK Border controls – The Core Model

Payment of duty and VAT: Stage One



- **Payment of duty and VAT.**- goods will be subject to the UK Global Tariff and therefore import duties will need to be paid on EU goods. They will also be subject to VAT being levied at the same rate and structure as applied to goods coming in from the Rest of the World (RoW).
- The tariff will be calculated based upon the commodity code submitted on the customs declaration
- Those who import regularly might benefit from applying for a **Duty Deferment Account (DDA)**. This enables holders to pay customs charges, excise VAT and import VAT once a month by direct debit instead of per consignment. Applicants need to be authorised by HMRC and have a Deferment Account Number.
- UK VAT registered traders who are authorised to use the Simplified Customs Declaration Process to import non-controlled goods must account for import VAT (on their VAT return) by using postponed VAT accounting
- Those who do not use delayed declarations are able to use postponed VAT accounting when importing non-controlled or controlled goods
- Those who DO use Delayed Declarations must use postponed VAT accounting and will need to account for import VAT on their periodic VAT returns

The Core Model – What happens at Stage Two & Stage Three?



Stage 2 - 1 April 2021:

- There will be no changes to the Core Model process.
- However, some goods i.e. those subject to Sanitary and Phytosanitary controls will have additional requirements from 1 April. Importers of Products of Animal Origin and regulated plants and plant products must submit pre-notification and relevant health declarations. *Note: aquatic plants come under the category of high priority plants i.e. plants for planting and so pre-notification and health certification requirements come into force as from 1 Jan 2021.*



Stage 3 - 1 July:

- Full customs declarations will be required for **ALL** goods in addition to payment of duty and VAT. Delaying customs declarations will NOT be available from 1 July onwards.
- Safety and Security declarations must be submitted for goods arriving from the EU (in line with requirements for goods from RoW)
- Prepare for customs compliance checks – these will take place either at a port or an inland site
- All goods subject to Sanitary and Phytosanitary Controls e.g. live aquatic animals, aquatic plants etc **MUST** enter GB via a Border Control Post accompanied by the relevant documents

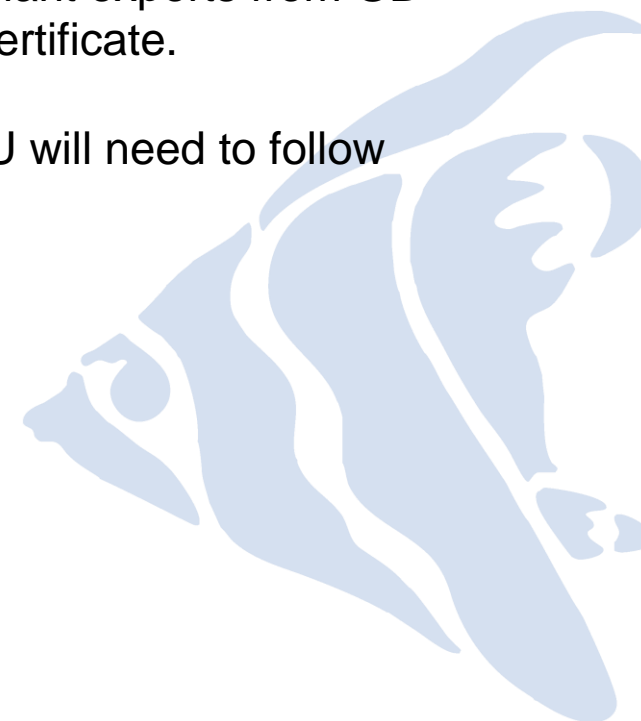
What changes will apply to exports from GB to the EU as from 1 January 2021?



Note that this applies to GB i.e. England, Scotland and Wales. Separate guidance will be issued by Gov.UK in relation to Northern Ireland but you should be aware that in accordance with the Northern Ireland Protocol, Northern Ireland will be required to align to EU Regulations due to its linkages with the Republic of Ireland. This is likely to mean the export requirements from GB to Northern Ireland will be stricter e.g. plant exports from GB to Northern Ireland will need to be accompanied by a phytosanitary certificate.

As from 1 January 2021, GB businesses who wish to export to the EU will need to follow the Core Model which is:

- **Export Preparations**
- **UK Customs Declarations**
- **UK Safety and Security Declarations**

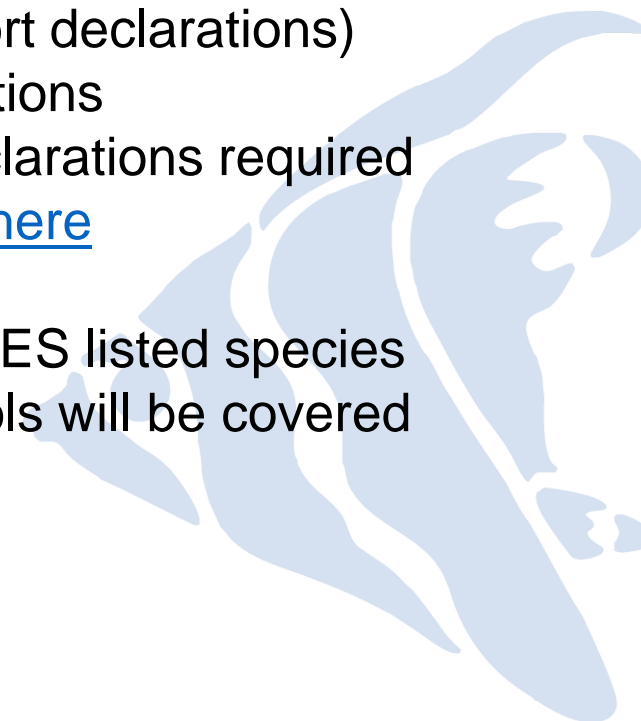


The Core Model – GB exports: Export Preparations

To fulfill export processes, GB businesses will need:



- **GB EORI number**
- **Access to the GB Safety and Security System** to submit Exit Summary Declarations (if you will not be submitted combined export declarations) and **access to CHIEF** to submit export customs declarations
- **Check** the rules and restrictions, taxes and customs declarations required by the country you are exporting to using Gov.UK's tool [here](#)
- You may also need to apply for an **EU EORI number**
- **Note** that additional requirements for goods such as CITES listed species or which are subject to sanitary and phytosanitary controls will be covered in our accompanying guides



The Core Model – GB exports: UK Customs and S&S Declarations



- **A UK Customs Declaration will be required** – these can be submitted through an intermediary agent, through the National Export System or other commercial software
- **An EU Customs Declaration will be required** for goods moving from the UK to the EU
- **The following information will be required when submitting an export customs declaration:** a GB EORI number, the commodity code of the goods, the value of the goods and the origin of the goods, access to HMRC systems
- **Simplified Declaration Procedures** will also be available
- **Between 1 January until the end of June and from 1 July 2021** there will be transport options available. It is beyond the scope of this presentation to list them here but full details can be found on pages 142-143 of the Border Operating Model.
- **ALL exports will be subject to UK Safety and Security Declarations as from 1 Jan** – this will require information on the consignor, consignee, goods description, the route the goods will take (country by country), location of the goods and customs office of departure. A GB EORI number will be required.



Checklist ahead of 1 January 2021



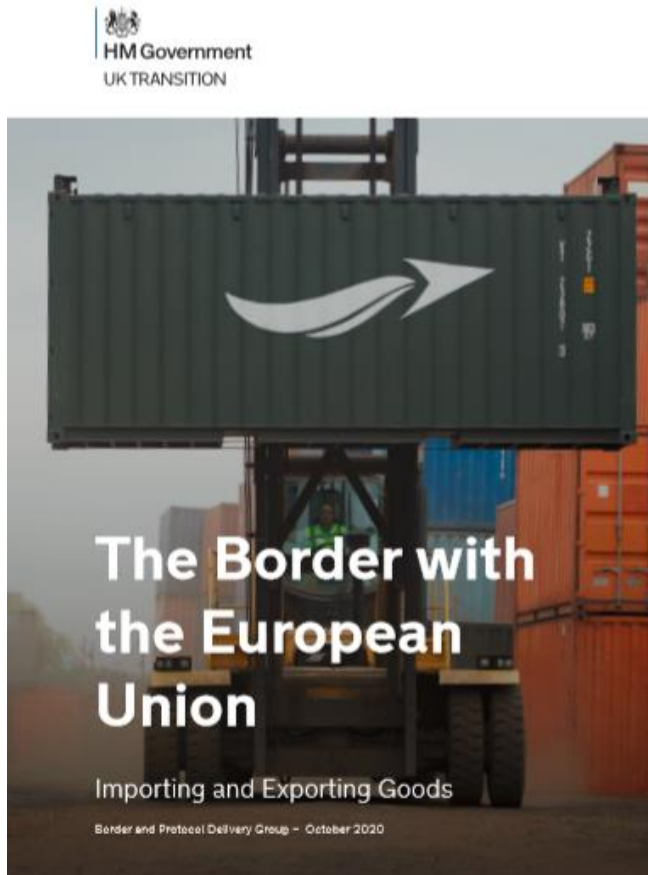
- **Apply for a GB EORI number** – it will take approx. one week to get one and about 5-10 minutes to apply for one
- **Will you be completing customs declarations yourself or use an intermediary** e.g. customs agents etc. HMRC opened a grant scheme to businesses completing customs declarations on 29 July 2020, details [here](#).
- **Apply for a Duty Deferment Account** – if this would benefit those who import regularly, are authorised by HMRC and hold a Deferment Account Number.
- **Prepare to pay/account for VAT on imported goods** – check the UK Global Tariff and decide how you will account for VAT
- **Check the list of controlled goods** and make sure you know what goods are also subject to **additional requirements**
- **Ensure drivers have correct international driving permits** and that they are aware of the requirements
- **Register for CHIEF and other systems such as IPAFFS** (if applicable)
- **Check a UK Border Control Post or Point of Entry** can accept the goods you wish to import/export from the EU
- **Speak to your supply chain**



Glossary of Terms

- **ATA Carnet** – a document recognized by 87 countries which acts as an international customs and temporary export-import document and is used to clear customs in those 87 countries for qualifying goods that will be re-exported within 12 months, without paying duties and import taxes.
- **BCP** = Border Control Post, a designated inspection post which carries out checks on goods such as live animals, plants etc.
- **CITES** = Convention on International Trade in Endangered Species
- **Common Transit Convention** – a treaty to which the UK will remain part of, that allows for common procedures with regards the international transit of goods between or through signatory countries. These countries are: Iceland, Norway, Liechtenstein, Switzerland, Turkey, North Macedonia, Serbia, the UK and the EU. Businesses have to register for the CTC and have to declare when exporting.
- **EORI** – Economic Operator Registration and Identification
- **IPAFFS** = Imports of Products, Animals, Food and Feed System (UK system which is replacing PEACH and TRACES)
- **PEACH** = Procedure for Electronic Application for Certificates
- **PoD** = Point of Destination. Under temporary measures, imports of certain goods e.g. aquatic plants could enter GB via a registered first Point of Destination subject to certain conditions e.g. pre-notification etc.
- **RoW** = Rest of the World. From the 1 January 2021, this will be all EU and non-EU countries
- **TRACES** = Trade Control and Expert System (EU)
- **UK Global Tariff** – a UK specific tariff for imported goods which will replace the EU's Common External Tariff as from 1 January 2021.

Further Information



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- See OATA's other guides in this series: Aquatic plants, Ornamental aquatic animals and CITES listed species

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See our other guides in relation to border operating requirements for:

- Plants and plant products (including aquatic plants)
- Live ornamental aquatic animals and veterinary medicines
- CITES listed species

