

Summary of key points for importers

For a UK business which is:	Key points/actions are likely to include the following:
Importing goods from the EU in consignments in excess of £135 in value	<p>Review contractual terms and consider how responsibilities are distributed.</p> <p>Consider if the UK business will be the importer of record (for example as required under all versions of Incoterms other than DDP). If supplier will be the importer of record, check it can comply.</p> <p>Check the business has been allocated a UK EORI number (this should have been done automatically).</p> <p>Check codes and rates for the relevant goods and consider the impact of new duties on pricing and margin.</p> <p>If the UK business will be the importer of record and bear duties and VAT, ensure it has adequate information and also that contractual arrangements are consistent with it being treated as the owner, as HMRC will otherwise refuse recovery of import VAT.</p> <p>If goods will be warehoused, and import VAT will become due only on their release, ensure ownership arrangements on release support recovery of import VAT.</p> <p>Bear in mind that while customs returns and payment for EU imports can be deferred till 1 July 2021, import VAT will need to be dealt with under postponed accounting (it would be unusual for this not to be beneficial) or VAT and duties dealt with together through a duty deferment account.</p> <p>For businesses which have only dealt with the EU before:</p> <ul style="list-style-type: none"> • Consider whether to deal with the customs and VAT requirements in house or outsource. • Consider liability issues if outsourcing is used and whether the outsourcer's duty deferment account is to be used. • Consider if the simplified declaration process is appropriate or not (where this is to be used and dealt with in house it will be necessary to arrange for HMRC authorisation, access rights to the programme used by HMRC (called a CHIEF badge), software that can be used to access the system, and a duty deferment account).
Directly importing goods from the EU up to £135 in value	<p>The reverse charge mechanism is expected to apply: ensure paperwork is appropriate.</p> <p>There should be no customs duties, but a customs declaration is still required.</p>
Importing goods from the EU up to £135 in value via an online marketplace	<p>The reverse charge mechanism is expected to apply.</p>

For a UK business which is:	Key points/actions are likely to include the following:
Importing goods from outside the EU	<p>The process and requirements should not change and existing contractual requirements should determine whether the supplier or recipient business is the importer of record.</p> <p>Critically, however, the rates of duty will change and should be checked by country of import and the impact on profitability and margins assessed. There will still be no duty for consignments with a value not exceeding £135.</p> <p>Additionally,</p> <ul style="list-style-type: none"> • The benefit of postponed VAT accounting will be available. • The new VAT rules for importing consignments with a value of up to £135 will apply – so the UK business needs to operate a reverse charge mechanism. This will mainly impact UK resellers. • Businesses which are on-selling imported goods to UK consumers or through an online marketplace will need to comply with their new VAT obligations.

For an EU business without a VAT establishment/branch in the UK which is:	Key points/actions are likely to include the following:
Selling goods to UK businesses in consignments in excess of £135 in value	<p>Check that formalities can be complied with to ensure zero rating/exemption with right to recover VAT in the home state.</p> <p>Review contractual terms and consider how responsibilities are distributed.</p> <p>Specifically, consider which business will be the importer of record. If the DDP option is being used under Incoterms, or the contracting arrangements contain other terms which mean that duties and import VAT are supplier responsibility, review arrangements for compliance, the role of any freight supplier or customs agent, and consider recoverability of import VAT.</p> <p>If the supplier does assume import liability it may need to register for VAT in the UK to recover this.</p>
Selling goods to UK consumers in consignments in excess of £135 in value	<p>The position here is unchanged for businesses – but there may in practice be more pressure for the supplier to provide a positive customer experience by dealing with duties and customs and to align legal arrangements and pricing on this basis.</p>
Selling goods mainly in consignments up to £135 in value direct to UK consumers	<p>No flexibility – the supplier must register and account for VAT. Import VAT is not payable.</p> <p>No customs duty, but currently it appears that a declaration will be required.</p>
Selling goods mainly in consignments up to £135 to UK consumers via a marketplace	<p>No flexibility – supplier must zero rate the supply to the online marketplace and the online marketplace must charge VAT to the consumer.</p> <p>No customs duty, but currently it appears that a declaration will be required.</p>