



# **The Border Operating Model**

## **Moving goods between GB and EU**

23 July 2020



- On 1 January 2021 the transition period with the European Union (EU) will end, and the United Kingdom (UK) will operate a full, external border
- This means that controls will be placed on the movement of goods between Great Britain (GB) and the EU
- Recognising the impact of coronavirus on businesses' ability to prepare the UK Government has taken the decision to introduce the new border controls in three stages up until 1 July 2021 for UK Imports
- The UK published its approach to importing and exporting goods between GB and the EU on 13 July 2020.
- These slides do not cover movements in relation to the Northern Ireland Protocol.



# Staged Controls – UK Imports

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## January 2021

- Traders importing most goods from the EU will be able to delay submitting information and payment of customs duties to HMRC for up to 6 months after the point of import
- Traders will still need to keep their own records even if they choose to delay submitting their full customs declaration to HMRC
- The requirement for safety and security declarations on imports (Entry Summary Declarations (ENS)) will also be waived for 6 months
- Traders importing controlled goods, for example alcohol and tobacco, will not be able to take advantage of these arrangements
- Physical checks will be carried out at the point of final destination on all high risk products of animal origin

## April 2021

- All products of animal origin (POAO) – for example meat, pet food, honey, milk or egg products – and all regulated plants and plant products will also require pre-notification and the relevant health documentation

## July 2021:

- Traders moving all goods will have to make declarations at the point of importation and pay relevant tariffs
- Safety and Security declarations will be required for all imports and exports
- For SPS commodities there will be an increase in physical checks and the taking of samples: checks for animals, plants and their products will now take place at GB Border Control Posts



## Customs Declarations requirements from January 2021 to July 2021

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- To facilitate readiness, traders moving **non-controlled goods** to GB will be allowed to declare their goods by making an entry into their own records or Simplified Frontier Declarations
- They will need to submit a supplementary declaration within six months and will need to be approved for simplified procedures when the supplementary declaration is due
- Traders moving controlled goods (e.g. excise goods) will need to make a frontier declaration. This declaration can be full or simplified (depending on the trader's authorisation), or traders can use CTC transit
- If controlled goods are coming via a location without systems that would allow the trader to notify HMRC that goods have been imported, the trader must manually arrive the declaration in HMRC systems (including entry to the Excise Movement and Control System for excise duty suspended goods) by the end of the working day following the physical crossing



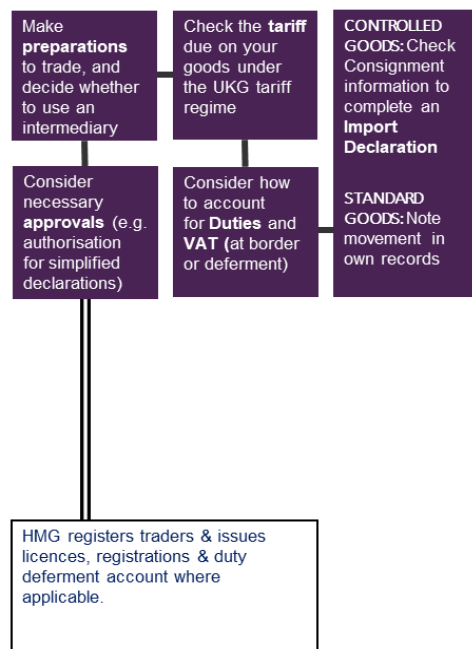
HM Government

# Importing through locations with customs control systems (January to July 2021)

Apply to HMG departments for required goods import licences at least 2 weeks in advance of shipping

## Pre-Import Steps

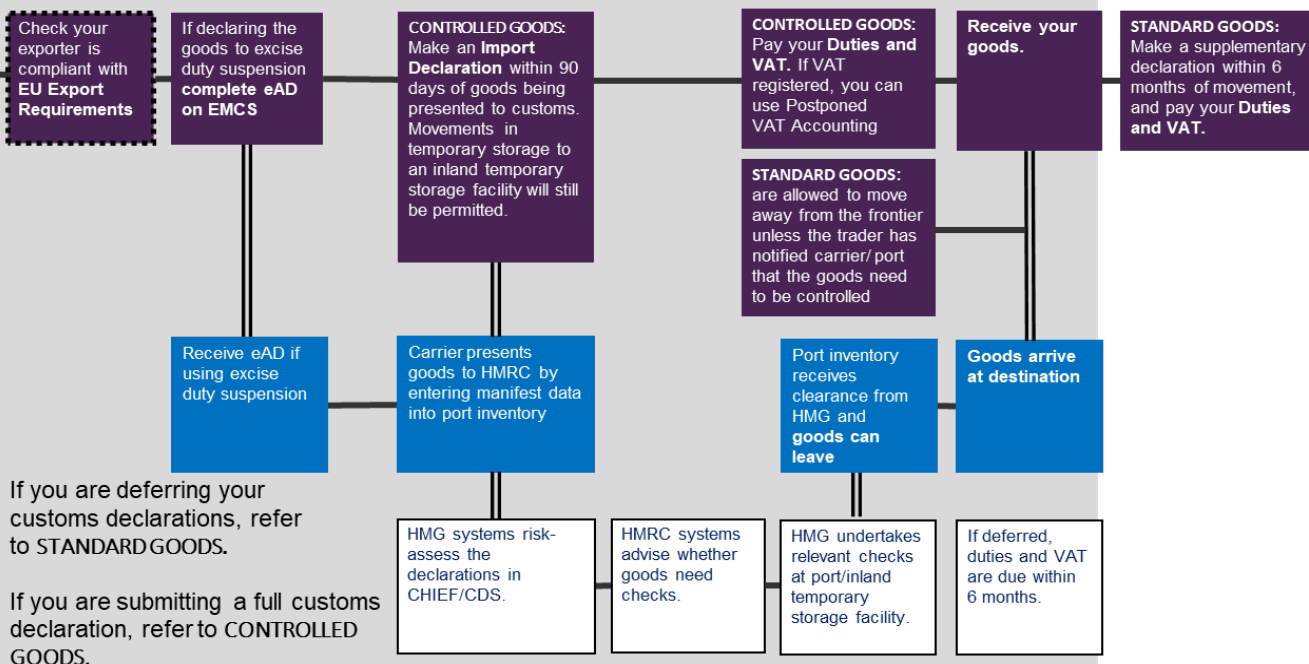
These are the steps that must be completed ahead of attempting the import process. They involve getting any registrations or licences needed, checking compliance and deciding whether to use facilitations.



## Core Import Process

These are the key steps that need to be taken to import a good. To complete them you will need an **GB EORI**, a **CHIEF badge**, your **commodity code**, and the **value of your goods**.

If importing excise goods there are special procedures to follow.



**Key:** Process Step — Interactions == Importer ■ Authority □ Carrier / Port ■

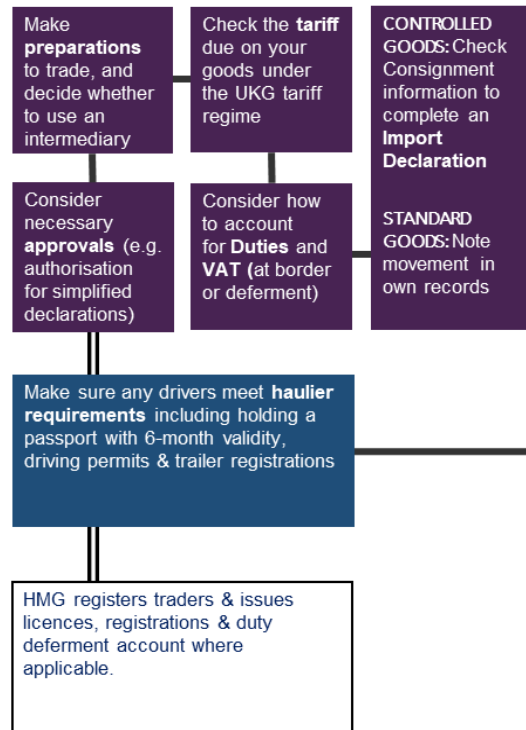


# Importing through locations with no customs control system (January to July 2021)

Apply to HMG departments for required goods import licences at least 2 weeks in advance of shipping

## Pre-Import Steps

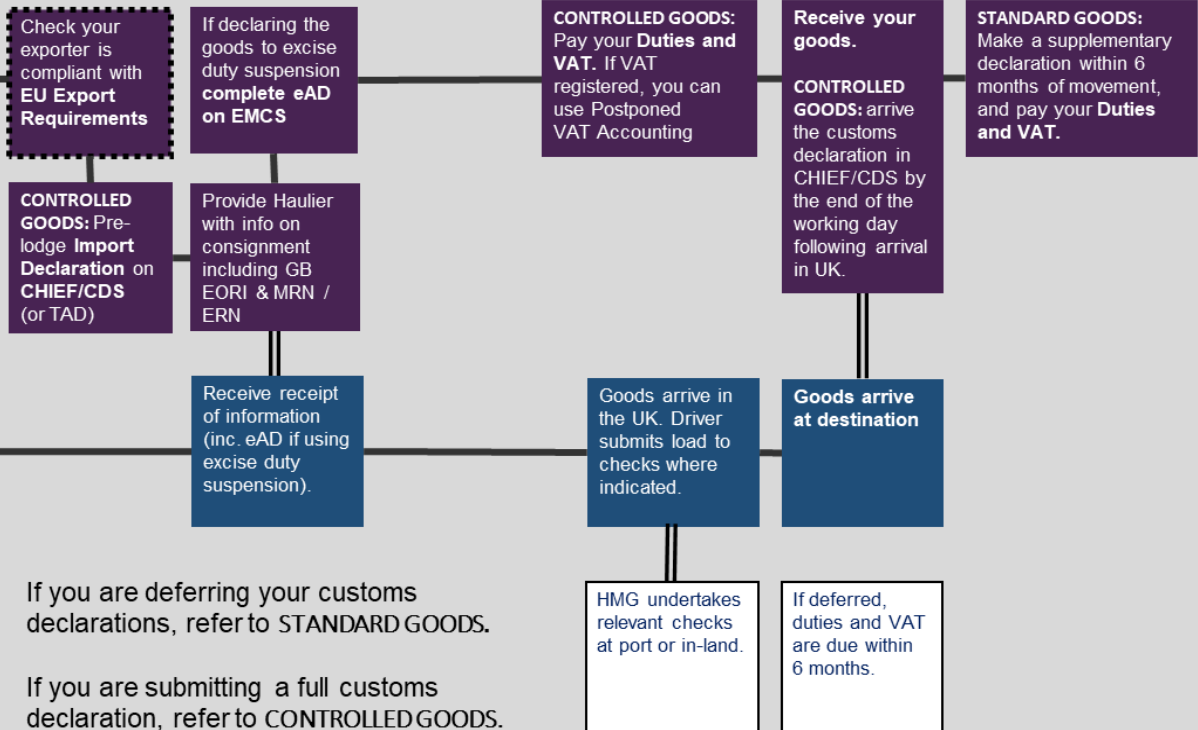
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**Key:** Process Step — Interactions == Importer ■ Authority □ Haulier ■



# UK Exports From 1 January 2021

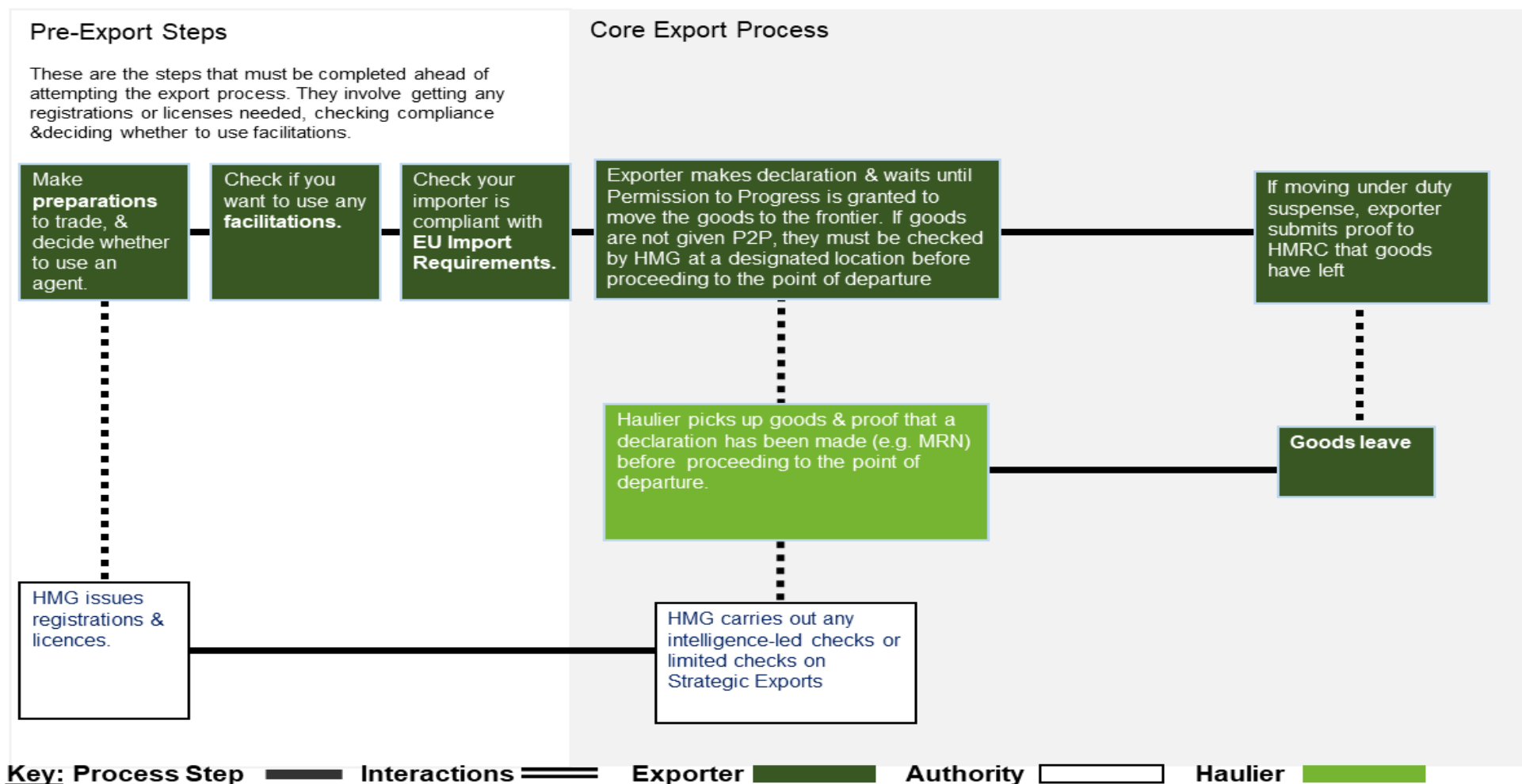
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- Need to submit UK export declarations for all goods
- If goods are moving via a non-inventory linked location (including RoRo), the declaration will need to be submitted as "arrived" while the goods are at the trader's premises
- HMRC will notify the trader automatically if the goods have "permission to progress" or need to be taken to a facility for a check.
- For excise goods or goods moving under duty suspension only through a location that does not have systems to automatically communicate to HMRC that the goods have left the country, the trader must provide proof to HMRC after the goods have left that the goods have exited the UK
- Traders will be required to submit safety and security information either via a combined export declaration, or a standalone Exit Summary Declaration ( Note UK's CHIEF system allows for combined declarations)
- Border locations that do not have existing customs control systems and infrastructure will not have to provide automatic departure messages to HMRC.



HM Government

# Exporting through locations without Customs Control Systems (January to July 2021)





### **Customs controls :**

- All goods are presented and declared to customs (for imports and exports)
- Necessary checks and risk assessments will be carried out on goods that require documentary or physical checks (for imports, exports and transit movements)
- Notification is received when goods have physically left the country (for exports only).

### **Under the Temporary Storage model, currently used at locations handling RoW traffic, this is achieved as:**

- All goods coming into the UK arrive at a suitable Temporary Storage location approved by HMRC, a declaration is made within 90 days of presentation, and HMG carries out any checks before goods are released from the facility.
- At locations using the Temporary storage model for imports, all goods leaving the UK are also presented and declared to customs so that they can be checked if needed and HMG is notified when goods have physically left the country.

### **Under the Pre-Lodgement model, to achieve control whilst maintaining flow we must:**

- Ensure all goods coming into the country have declarations before they board on the EU side
- Risk-assess and clear as many import and transit declarations as possible before goods physically arrive in the UK
- Communicate to the person in control of the goods (e.g. the driver of a lorry) by the time they arrive in the UK whether goods are cleared to proceed on their journey or need a check
- For exports, ensure goods do not proceed to the point of departure until they have permission to progress and that HMG is notified when goods have physically left the country



## Goods Vehicle Movement Service (GVMS)

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- The UK government will introduce a new IT system called the Goods Vehicle Movement Service (GVMS) to support the Pre-Lodgement model for both imports and exports and to facilitate Transit movements.
- It will be for border locations to decide whether to control goods using the Pre-Lodgement model and the use of the GVMS

From January 2021 GVMS will

- Automate the Office of Transit function, marking the entry of goods into the UK customs territory

From July 2021 GVMS will

- Enable declaration references to be linked together so that the person moving the goods only has to present one single reference (Goods Movement Reference or GMR) at the frontier to prove that their goods have pre-lodged all the necessary declarations
- Allow the linking of the movement of the goods to declarations, enabling the automatic arrival / departure (where applicable) of goods in HMRC systems so that goods boarding on the EU side can be processed en-route
- Allow notification of the risking outcome of declarations (i.e. cleared or uncleared) in HMRC systems to be sent to the person in control of the goods by the time they physically arrive in the UK so they know where they need to proceed

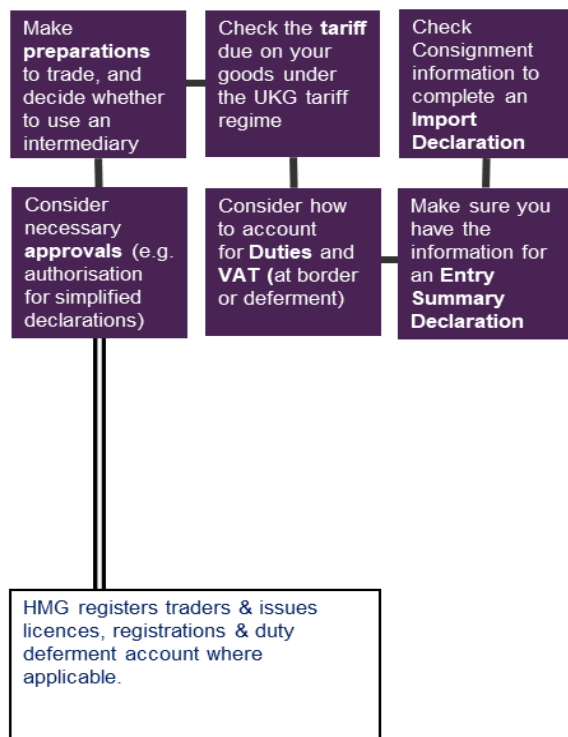


# Importing through ports with temporary storage (July 2021 Onwards)

Apply to HM Government departments for required goods import licences at least 2 weeks in advance of shipping

## Pre-Import Steps

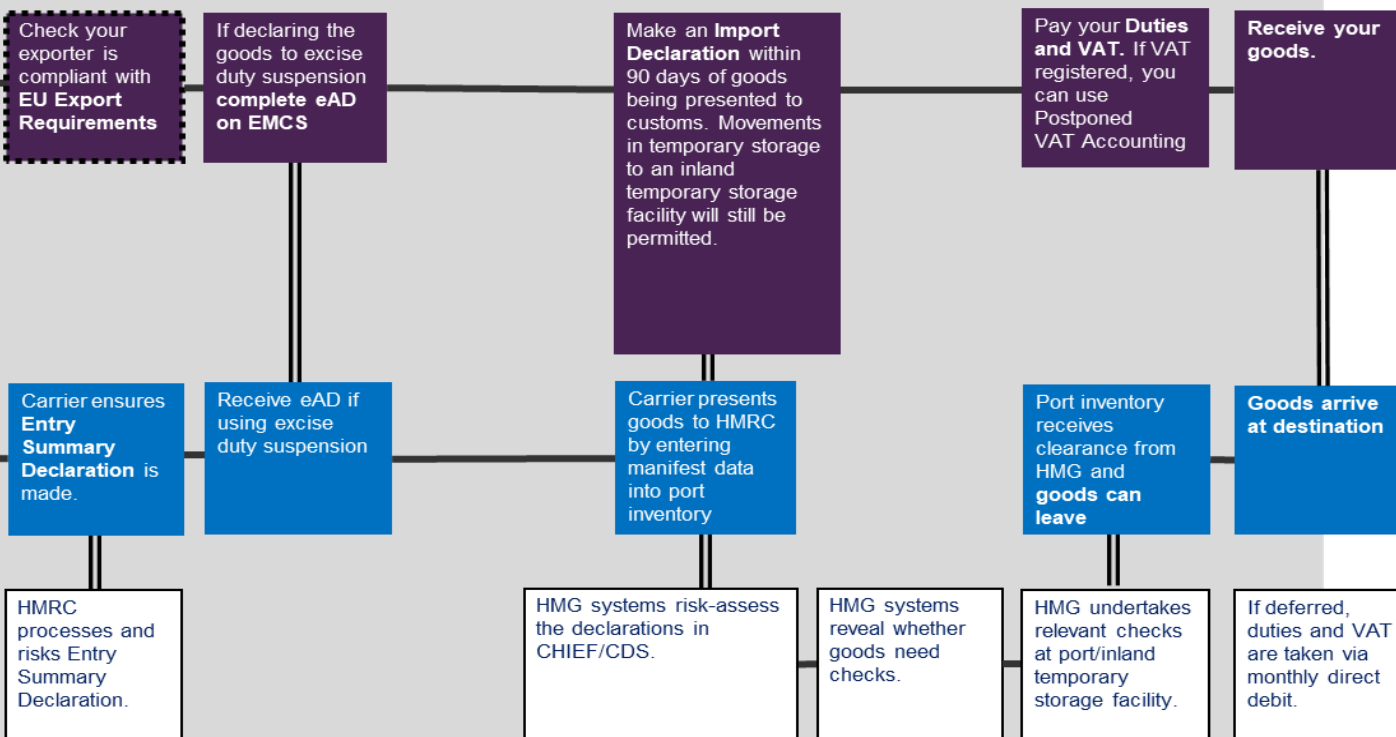
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## Core Import Process

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If importing excise goods there are special procedures to follow.



**Key:** Process Step — Interactions == Importer Authority Carrier / Port

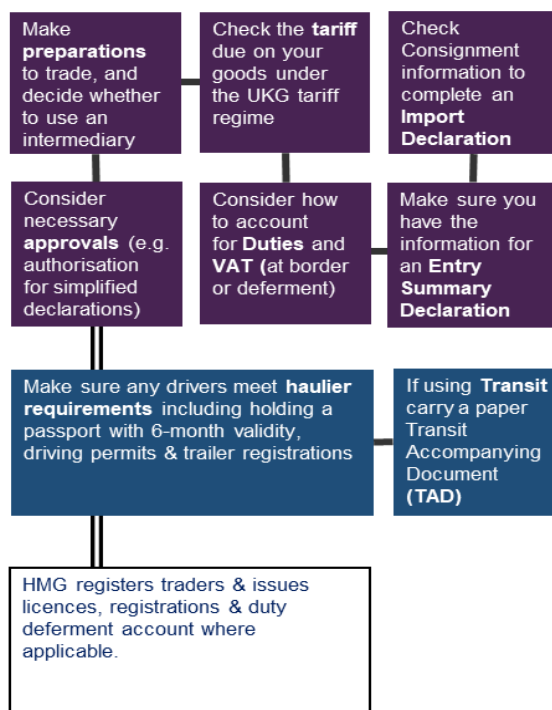


# Importing through ports with pre-lodgement systems (July 2021 Onwards)

Apply to HMG departments for required goods import licences at least 2 weeks in advance of shipping

## Pre-Import Steps

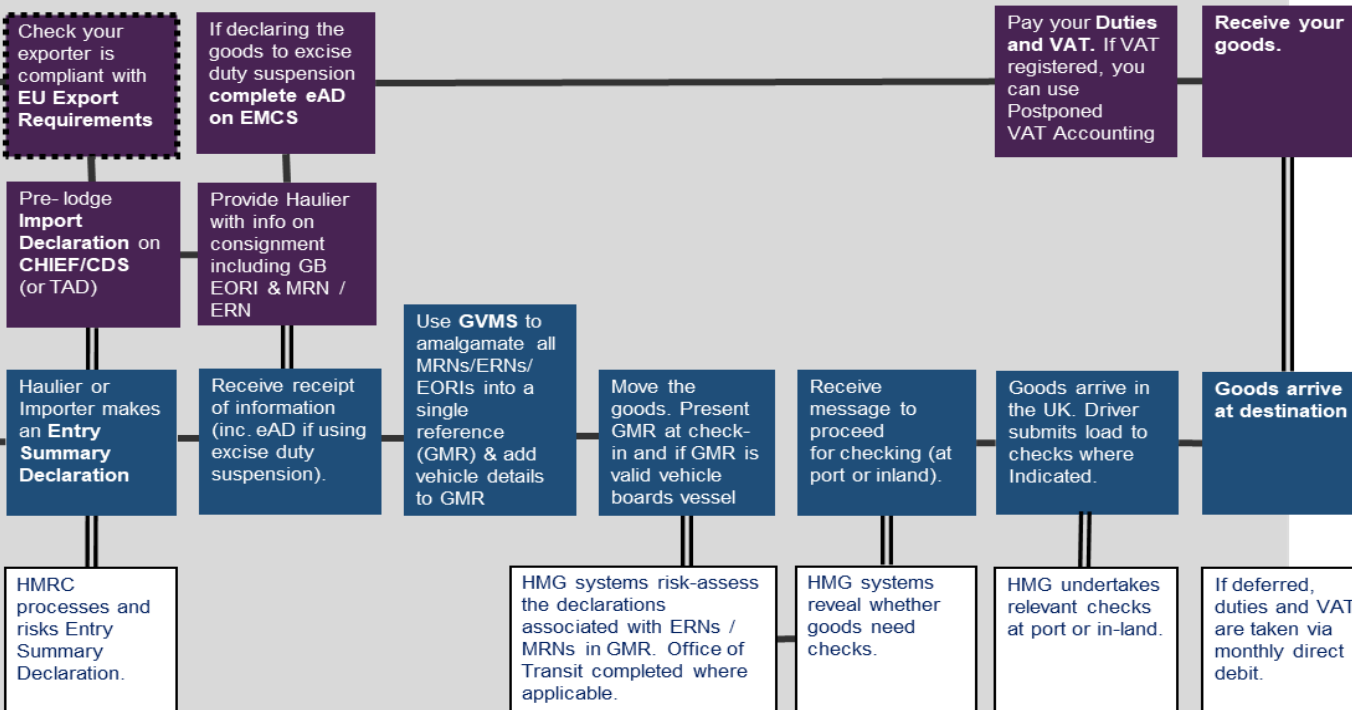
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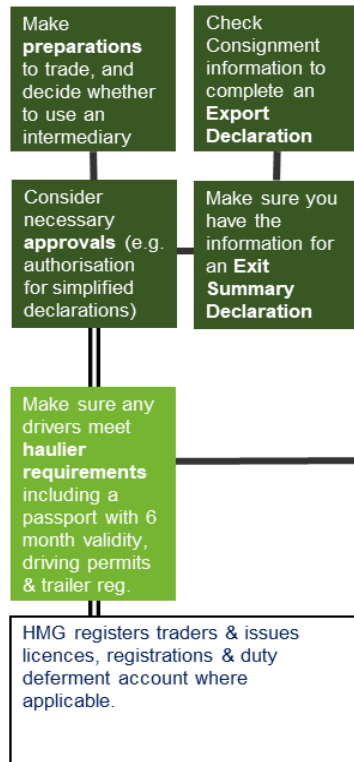
HM Government

# Exporting through border locations with Pre-lodgement (July 2021 Onwards)

Apply to HMG departments for required goods import licences at least 2 weeks in advance of shipping

## Pre-Export Steps

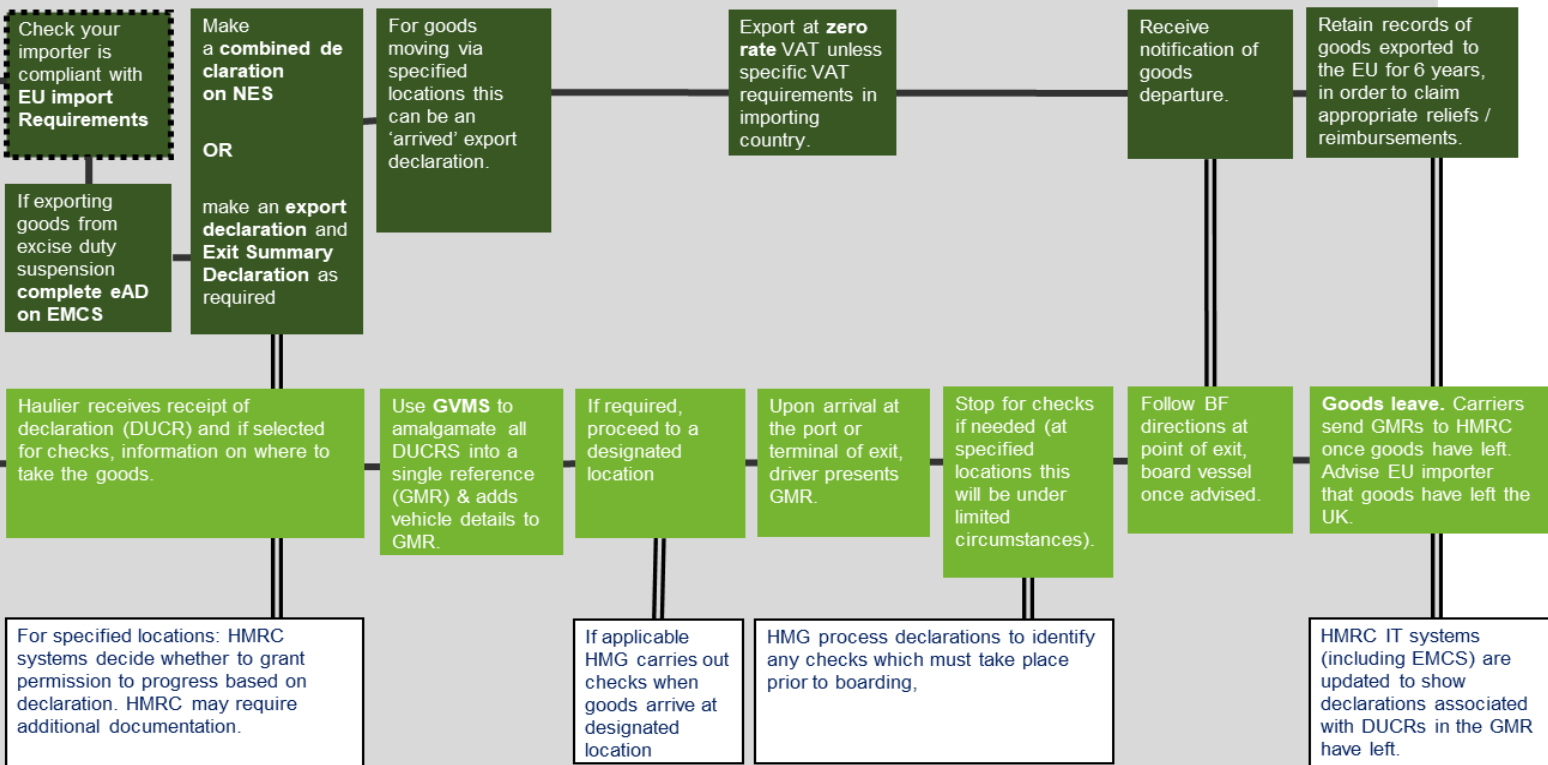
These are the steps that must be completed ahead of attempting the export process. They involve getting any registrations or licenses needed, checking compliance and deciding whether to use facilitations.



## Core Export Process

These are the key steps that need to be taken to export a good. To complete them you will need an **GB EORI**, **your commodity code** and **the value of your goods**

If exporting excise goods there are special procedures to follow.



**Key:** Process Step — Interactions == Exporter ■ Authority □ Haulier ■



- VAT will be levied on imports of goods from the EU, following the same rates and structures as are applied to Rest of World imports.
- VAT registered importers will be able to use Postponed VAT Accounting
- If they are eligible to defer their supplementary declarations, they will not be compelled to use postponed accounting
- Non-VAT registered importers have the same options available to report and pay import VAT as they do for customs duties
- All VAT registered businesses currently required to submit Intrastat arrivals declarations will be required to carry on submitting these in the normal way
- For goods not exceeding £135 in value (excluding excise and consumer to consumer goods) Low Value Consignment Relief will be withdrawn and VAT will be charged on the goods as if they were supplied in the UK and accounted to HMRC on the UK VAT return.



## Transit Requirements form January 2021

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- The Common Transit Convention (CTC) is an international convention that allows goods to move between or through EU Member States and Contracting Parties, under duty suspense
- Port operators, carriers, hauliers and traders will need to comply with these requirements, from January 2021
- From January 2021 EU goods arriving in the UK under transit will need to complete Office of Transit formalities
- GVMS can be used to automate the Office of Transit only, where ports do not wish to adopt the system for customs controls, or from January where other controls aren't yet in place.
- In these cases, only Transit MRNs would need to be submitted to GVMS ahead of entry to the UK. This will automate the Office of Transit function, marking the entry of goods into the UK and communicating where transit movements are required to report for further checks
- Ports, carriers and hauliers would interact with the GVMS system in much the same way as set out earlier
- Hauliers will still need to follow existing port processes to complete non-Transit customs obligations, (e.g. submit S&S declarations by the time limit and comply with any instructions issued by the port operator)



### Infrastructure

- Funding announcement of £705m with £470m for infrastructure in the UK to ensure compliance with border procedures and controls, supporting ports with their specific infrastructure requirements
- Discussing with border locations the requirements for managing goods under customs control, funding to build multi-functional inland sites (which will meet customs compliance requirements as well as BCP requirements) to serve ports where there is no space on site

### Intermediaries

- A pack of measures, including £50m additional funding to support the intermediary sector
- The additional funding will help to fund improved IT, more training and additional recruitment, all of which will increase capacity within the sector and build on the success of the grant scheme to date
- A change in representation rules to remove the financial risk from intermediaries will allow intermediaries with CFSP to use their authorisation to act directly for UK registered traders without the intermediary becoming jointly liable
- Low value bulking for imports allowing parcel operators to continue declaring multiple consignments in a single customs declaration



## Sanitary and phytosanitary (SPS) checks and regulations

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- New Sanitary and Phytosanitary controls will apply to goods imported from the EU from 1 January 2021.
- Controls will introduce a number of new processes and procedures which will apply to the import of Animal Products, Fish, Shellfish and their Products, Live Animals and Plants and Plant Products.
- These controls include the requirements for:
  - Import pre-notifications
  - Health certification (such as an Export Health Certificate or Phytosanitary Certificate)
  - Documentary, identity and physical checks at the border or inland (temporarily)
  - Entry via a Border Control Post (BCP) from July 2021

Will need to register to use the new Import of products, animals and foods system (IPAFFS) to notify UK authorities about these imports



## Sanitary and phytosanitary (SPS) continued

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**Animal by-products** not intended for human consumption (ABP) are categorised as either high-risk or low-risk.

- Import requirements for high-risk ABP will apply from January 2021
- New import requirements for Products of Animal Origin (POAO) will not apply until April 2021
- New import requirements for low-risk ABP will not apply until July 2021

### **Fish, shellfish and their products**

- From January 2021, most imports of **marine-caught fish** and some shellfish will need to be accompanied by a catch certificate.
- Fish within the scope of **animal products** and **live animals** will be subject to import controls applying to animal products

### **High risk food and feed not of animal origin (HRFNAO)**

- Import requirement for pre-notification will apply from April 2021,
- HRFNAO will also be required to enter GB via a Border Control Post from July 2021.
- For HRFNAO that originates from RoW and transits through the EU, controls will continue to apply as per those which apply from January 2021



## Smart Freight System (SFS)

- For January 2021, 'Smart Freight' will be used to enable a 'border readiness' check for outbound GB-EU freight vehicles before they get close to the port
- It will enable those using the service to check that they have the correct processes and 'paperwork' in place at the point of goods being collected, and to self-certify that a vehicle is 'border ready', before it proceeds to a port
- Smart Freight is designed to minimise any disruption to the flow of freight between the GB and the EU and minimise traffic congestion caused by traders not having the correct documentation for Member State border controls
- It will reduce the need for physical 'border readiness' checks as part of traffic management plans, for example those previously envisaged on the M20 and at Manston in Kent
- Reduce the volume of HGVs that travel to ports without having consulted relevant information or making the necessary preparations for the range of EU import controls
- **SFS** would be introduced for RoRo freight travelling from GB to the EU, and would help ensure that only vehicles carrying the correct documentation for EU Member State border controls travel to ports.
- Where an HGV was deemed 'border ready' the web portal would tell the user that the vehicle could travel to the port, while HGVs that are not border ready would be advised not to travel until the missing documentation had been obtained.



## Communications and Events

- Check
  - Change
  - Go
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- <https://www.gov.uk/transition>
  - <https://www.gov.uk/government/publications/the-border-operating-model>