



Deep dive to declaration and additional information on trader journeys

November 2020



Agenda

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- **Recap of what is changing and support available**

Deep dive on declarations

Additional information

What do I do now?

The Northern Ireland Protocol will involve changes to administrative processes required for traders moving goods into or out of NI

The UK has left the EU, and the transition period after EU exit comes to an end on the 31 December 2020

- The process of moving goods into and out of Northern Ireland will change as a result of the Northern Ireland Protocol
- The Government has established the **free-to-use Trader Support Service to support businesses**

The free-to-use digital service will help businesses and traders of all sizes to navigate the changes to the way goods move once the Northern Ireland Protocol comes into effect on 1 January 2021.

The TSS is intended to be a two year programme

TSS will....

- ✓ Offer education and advice to help traders understand and prepare for the coming changes
- ✓ Provide a digital first service with support for declarations for goods moving from Great Britain to Northern Ireland, using data provided by traders
- ✓ Provide contact centre support to help traders with issue resolution on the new mandatory process

TSS will not...

- ✗ Provide a personalized advisory service to individual traders typically offered by customs brokerages
- ✗ Replace services offered by an existing intermediary market
- ✗ Raise non-standard documentation e.g., health certificates and cover other licenses

How does Northern Ireland trade change after the transition period?

Route

- | | | |
|----------|---|---|
| 1 | Great Britain to Northern Ireland | Goods will be subject to new declarations requirements, and may be subject to duties if considered 'at risk' of moving to the EU (including Ireland) |
| 2 | Northern Ireland to Great Britain | Moving goods should take place as it does now , with no additional process, paperwork, or restrictions – except in extremely limited circumstances to take account of international obligations or duty suspension ¹ |
| 3 | Northern Ireland to and from Ireland | Trade in goods will continue unaffected , with no change at the border, new paperwork, tariffs, or regulatory checks |
| 4 | Northern Ireland to and from the Rest of the World | Trading will continue broadly as it does today . Northern Ireland will benefit from future UK Free Trade Agreements, and the UK tariff regime ² will apply to imports – unless goods are considered 'at risk' of moving to the EU |
| 5 | Transit routes | Goods will be subject to specified processes. Transit can be used to move goods from GB to Northern Ireland via Ireland . Transit declarations would apply, and some traders would need to use sealed trucks |

These changes impact many businesses trading into or out of Northern Ireland

Business type

Example persona

Businesses based in NI that purchase goods from GB

A construction company in Derry buying tools from their supplier based in Cardiff

Businesses based in GB that sell goods to customers in NI

A cider brewery in Yorkshire selling to bars and restaurants across the UK, including in Belfast

Businesses that operate across the UK and transfer goods between GB and NI

A computing chain with outlets across the UK, which often organizes supplies movement between stores

Carriers that transport goods between GB and NI

A private haulier who typically serves a number of clients across the UK in the construction industry

Forwarders that facilitate transportation movements for GB and NI traders

A freight forwarder that organizes shipments on behalf of individuals and corporations

How will different routes be served?

Route

Example

Service

Great Britain to Northern Ireland

A construction company based in NI purchasing tools from a supplier in Wales

TSS digital-first service with support for declaration submission

Great Britain to Northern Ireland via Ireland (Transit)

A clothing brand that brings materials in from Great Britain via Dublin

TSS service to support traders with transit documentation

Transit: Other routes

A bike supplier that transfers products purchased from China from an ETSF in GB to NI

TSS working with existing intermediary market to understand how the TSS can help them support traders

Northern Ireland to and from the Rest of the World

An art dealership based in NI buying and selling paintings from clients in the USA

TSS working with existing intermediary market to understand how the TSS can help them support traders

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What do I do now?

TSS declarations process for GB-NI direct route

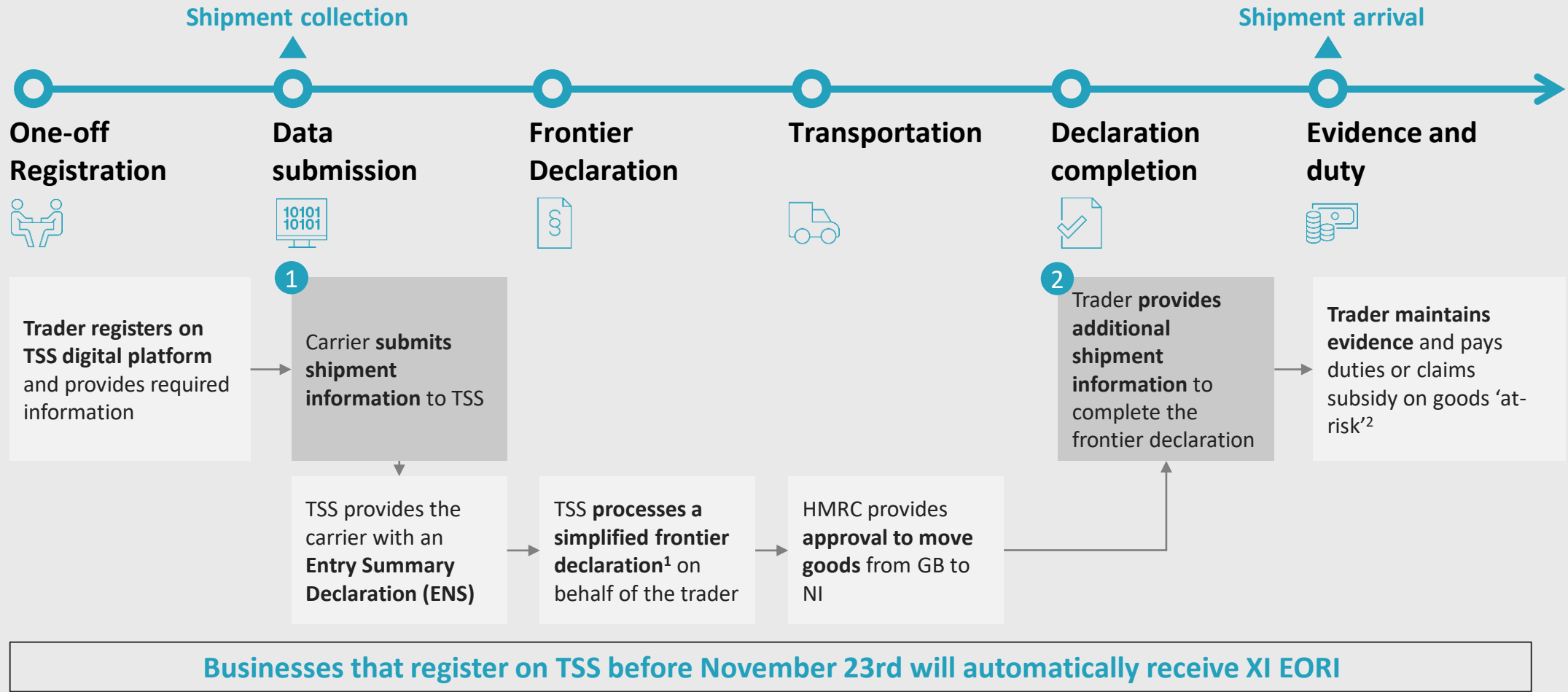
	Safety & Security declarations	Import declarations
Who's responsible for declaring?	Carrier	Forwarders, or senders/receivers
How and when does it get lodged?	Shipment data is used to generate security declarations before goods move	Simplified frontier declaration ¹ is generated by the TSS from the security declaration After delivery, the TSS requests information to complete the supplementary declaration

TSS will support traders with these declarations processes

1. A limited number of traders and goods (including controlled and excise goods) will need to provide additional data before goods movement, so a full declaration can be submitted.

The TSS declarations process

X Data entry points: details follow



1. Based on ENS combined with master data from registration details
 2. 'At-risk' principles to be formalised in negotiations

What data is required to support declaration?

	Purpose	Key data requirements
1. Carrier submits shipment information to TSS	Generation of ENS and Simplified Frontier Declaration	<ul style="list-style-type: none">• Transport identification (e.g., vehicle & trailer number, nationality of carrier)• Method of payment for transport charges• Carrier needs an XI EORI or EU EORI number (and name & address if EU)• Consignee (buyer), consignor (seller), importer and exporter details (EORI or name and address)• Transport document certificates (e.g., CMR / road consignment note)• Mode of transport• Arrival port / departure port• Weight, goods description, packaging description and count of individual packages within each declaration item• Shipping marks to identify items or container number
2. Trader provides additional shipment information to complete the frontier declaration	Submission of Supplementary Declaration	<ul style="list-style-type: none">• Country of origin, destination and dispatch• 10 Digit Import Commodity Code - TSS will generate the derivative codes (e.g. P&R) and work with suppliers to generate Meursing information• Preference (e.g., whether preferential duty applies)• Valuation method and any supporting evidence (e.g., commercial invoice document)• Authorization, license or other document details as required

Simplified process is used when customs procedure code 'release into free circulation, where no previous customs procedure used' can be declared and goods are not controlled/excise

Rules of Origin

- In a Free Trade Agreement (FTA), a preferential tariff rate is agreed to benefit different goods being traded between the members of the FTA, in this case the EU and UK. A proof of origin is needed in order to claim the preferential tariff rate
- The EU-UK FTA is not concluded yet, so we cannot say what the proof of origin or the Rules of Origin will be. But it is likely that the Rules of Origin will be quite restrictive, so traders need to check what the specific rules are on local content requirements
- There are rules which allow parties to cumulate content not only between the EU and UK but potentially with the UK and EU's FTA partners which traders need to analyse
- If there is no deal between the EU and UK, then Rules of Origin are less important, as goods moving between GB, NI and IE will all be subject to the WTO terms of trade
- Traders need to check what specific rules are on accumulation and local content requirement

Preferential tariff rates lower than WTO can only be taken advantage of if you take advantage of the rules of origin agreement

Therefore if no trade agreement, in terms of WTO terms there is no issue

Additional guidance on XI EORI

Register before
November 23rd to
automatically
receive XI EORI

Scan QR code to register now



- As Northern Ireland is part of the UK, traders will still require a **'GB prefixed EORI'** when interacting with UK customs systems
- Traders may also require an **'XI prefixed EORI'**. **From 1 January 2021:**
 - Businesses in NI who move goods to GB
 - Businesses in NI who move goods outside the EU
 - Businesses in GB who need to make declarations or transit declarations in NI
 - Business from outside the EU who move goods into NI and do not already have an EU EORI
- **An XI prefix EORI will also be required for:**
 - Customs declarations and declarations when moving goods under transit
 - Submitting safety and security declarations
 - Accessing certain authorisations
- Businesses that **register for TSS before November 23rd** will automatically receive XI EORI
- Most businesses will be covered by auto enrolment for XI EORI. For those not allocated an EORI automatically, application takes 5-10 minutes: <https://www.gov.uk/eori>

NI Protocol – VAT rules

- NI Protocol means NI remains aligned with EU VAT rules for goods, including on goods moving to, from and within NI
- NI remains part of the UK VAT system
- GB:NI and NI:GB trade to stay subject to UK VAT
- HMRC will continue to be responsible for operation of VAT and collection of revenues in NI
- No post-transition requirement for a new VAT registration for sales of goods in NI
- VAT will continue to be accounted as it is on goods sold between GB and NI (i.e. seller will continue to charge its customers VAT and show this on its invoices)
- VAT charged will be accounted for as output VAT on VAT return

GB:NI and VAT – what stays the same

- VAT will continue to be accounted for as it is now in GB:NI sales using single UK VAT return
- Seller will continue to charge customer VAT and should show this on invoice
- VAT charged will be accounted for as ‘output VAT’ on the VAT return
- Customer receiving invoice showing VAT has been charged, may use this as evidence to reclaim VAT subject to normal rules
 - Will do so as ‘input VAT’
- Small number of exceptions if goods are:
 - Declared into special customs procedure when entering NI or GB
 - Currently subject to domestic reverse charge rules
 - Subject to Onward Supply procedures
- In these exceptions, customer or importer will account for VAT on their UK VAT return

Goods subject to SPS

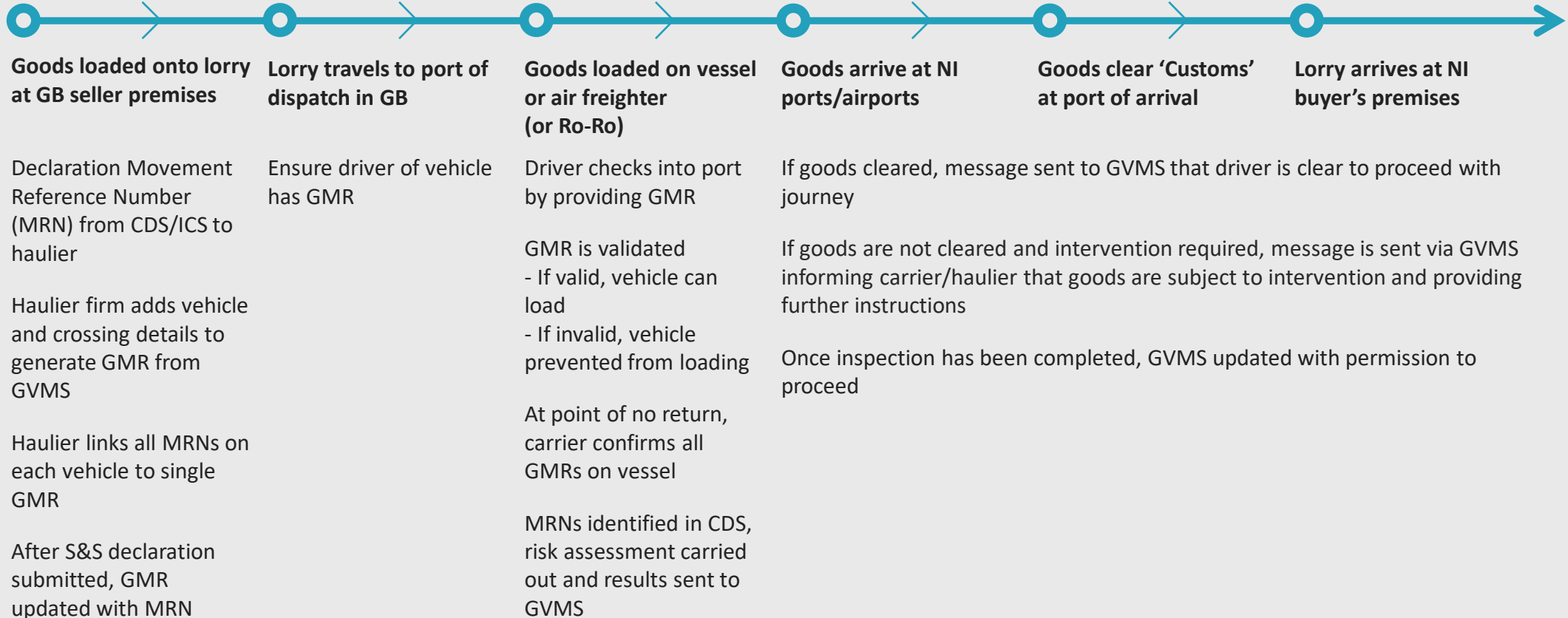
SPS – Sanitary and Phytosanitary

- Under the NIP, NI is in a common SPS Zone with IE and will be applying EU rules
- SPS documentary checks will therefore be required for GB to NI trade, as well as a risk-based percentage of physical checks at Border Control Posts or other authorized facilities
- Traders will need Export Health Certificates for SPS goods, and will need to make TRACES registrations with DAERA in NI from Jan 1, 2021
- HMG has launched GEFS, a membership scheme which simplifies the process for certification of groupage loads where EHCs are required
- DEFRA and DAERA lead on SPS issues and will have a business support system in place for SPS requirements

Goods Vehicle Movement System (GVMS)

- GVMS is an IT service supporting pre-lodgement model to ensure goods have required declarations
- GVMS will ensure smooth and continuous flow of goods between GB and NI, by linking movements of goods to declarations
- GVMS will be operational from 1 January 2021
- Haulier has to register for GVMS with a GB EORI
- Haulier inputs declaration references into GVMS, generating a single reference - Goods Movement Reference (GMR); one GMR required per single vehicle
- Consignments arriving at “locations operating the pre-lodgement model” will be prevented from boarding in GB if they do not have a GMR number

GVMS role in the freight journey



GMR is the 'passport' to moving goods GB:NI > No GMR = no loading

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● What do I do now?

**Register now –
don't get left
behind!**

**Thousands of
traders already
registered**

Scan QR code to register



- Register for TSS by visiting tradersupportservice.co.uk
- Sign up to TSS training courses: Introduction to Customs and GB-NI Trade are available now
- Apply for an EORI number – the Introduction to Customs course can provide more details
- Businesses may need to take additional professional advice on the most suitable customs arrangements to meet their specific needs



**If interested in the TSS
GB-NI digital solution**

Stay posted for **further
information and trainings**

Other journeys

Find an intermediary or **engage
with your intermediaries to
understand and prepare for
changes** affecting your business

Contact centre is now available for registrations enquiries

What's coming

The service will:

Phase 1: October

Trader registration and awareness drive for TSS

NICTA basic training available including seminars, webinars and selected "How to" guides

Phase 2: November

Contact Centre "soft launch" for registration support

TSS will publish customs data requirements

NICTA trainings on GB-NI trade covering classifications & tariff codes, trade & logistics and procedures & documentation

Continuation of seminars and publication of policy clarifications such as "at risk" processes

Phase 3: December onwards

Contact Centre support available from mid-December for core TSS functionality

NICTA online user lead trainings launched and content expanded to cover declarations

Overview of key NICTA training modules and guides

Already available

- Introduction to Customs
- Introduction to TSS, including intro to the NIP and new processes
- GB to NI Trade
- How to guide for registration

For all courses:

Pre-recorded webinars and virtual classrooms

November

Half 1

- **Classification and Tariff codes** covering classification of goods (w/c 9/11) (*Incoterms and Commodity codes how-to guide*)
- **VAT arrangements** how-to guide (w/c 9/11)

Half 2

- **GB-NI Trade & Logistics** including TSS journeys and how different parties will interact with TSS (w/c 16/11)
- **GB-NI Trade Procedures & Documentation** including deep-dives on SPS, excise, and controlled goods (w/c 16/11)
- **Data checklist** for GB-NI trade, and how businesses can prepare their systems to collect relevant data (w/c 23/11)

December

Half 1

- **Declarations (on TSS)** including step-by-step walkthrough of portal and declarations (w/c 7/12)
- **Supplementary guidance on new policies**, e.g., At-risk goods, transit routes, authorisations (*as needed*)

Half 2

- **Final reminders and checklists for 1st January**



Standalone “how to guides” published across core topics



Digitised content available



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Thank you