



# Preparing for a no deal EU Exit: step-by-step guide to importing

The UK government is confident of securing an ambitious and comprehensive future partnership with the EU. But as a responsible government we have a duty to prepare for all possible outcomes, including the scenario that no agreement is reached.

If we leave the EU without an agreement on 29 March 2019, UK businesses will have to apply customs, excise and VAT procedures to goods traded with the EU, in the same way that already applies for goods traded outside of the EU. Trading partners in the EU will also have to apply customs, excise and VAT procedures to goods received from the UK, in the same way that they do for goods received from outside of the EU.

We have designed this step-by-step guide to help businesses understand the key actions UK business will need to carry out in order to continue trading with EU businesses in the event that the UK leaves the EU without an agreement. It is based on the existing guidance that already applies to all of the trade that UK businesses carry out with businesses outside of the EU. The guide will be updated as any outstanding details are confirmed – including VAT and excise arrangements – and should be used in partnership with our [‘Starting to import from outside of the EU’](#) guidance on GOV.UK and information on new [Transitional Simplified Procedures \(TSP\)](#). HMRC is introducing TSP to make importing through roll-on, roll-off ports and the Channel Tunnel easier for the initial period after the UK leaves the EU, should there be no deal.

The guide is **for advice and guidance only** and forms part of the government’s ongoing programme of planning for all possible outcomes. The government fully expects to negotiate an agreement with the EU.

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| <b>1</b> | <b>Register for a UK EORI number.</b>   | <p>You need an EORI number in order to trade.</p> <p>Depending on your business you may also need to register for a European EORI number.</p>   | <p>The application form you fill in will differ depending on your circumstances.</p> <p>The form can be found <a href="#">here</a>.</p>  | <p>You’ll receive your EORI number by email, usually within three working days.</p>  |
| <b>2</b> | <b>Find out the commodity code of your goods.</b>   | <p>Commodity codes classify goods so you can:</p> <ol style="list-style-type: none"> <li>1 Fill in declarations.</li> <li>2 Check if there’s duty and import VAT to pay.</li> <li>3 Find out about duty reliefs.</li> </ol> | <p>Classifying your goods correctly means that you:</p> <ul style="list-style-type: none"> <li>• Pay the correct amount of duty.</li> <li>• Know if duty is suspended on any of your goods.</li> <li>• Know if any preferential duty rates can be applied.</li> <li>• Know if you need to obtain an import or export licence.</li> </ul>   | <p>If you are unsure of how to classify your goods, please refer to the <a href="#">product classification guides</a>.</p> <p>Alternatively, the <a href="#">Trade Tariff</a> lists all commodity codes.</p> <p>You can also get advice from: <a href="mailto:classification.enquiries@hmrc.gsi.gov.uk">classification.enquiries@hmrc.gsi.gov.uk</a></p> |
| <b>3</b> | <b>Determine the value of your goods.</b>   | <p>The value of the goods is necessary to determine the level of customs duty applicable.</p> <p>The value is also used for trade statistics.</p>   | <p>You arrive at the value of the goods by using one of six ways or ‘methods’.</p> <p>It is important to note that you must try Method 1 before going on to Method 2 and so on.</p>  | <p>Method 1 is based upon the <i>transaction value</i>.</p> <p>This is the price paid or payable by the buyer to the seller for the goods when sold for export to the UK in accordance with specific rules.</p> <p>These rules, along with the other methods of valuation, can be found in <a href="#">Notice 252</a>.</p>                               |
| <b>4</b> | <b>Check whether your goods are prohibited or restricted in any way or whether any additional requirements are necessary.</b> | <p>There are some goods that you <i>can’t</i> bring into the UK. A list can be found <a href="#">here</a>.</p> <p>Some goods are <i>restricted</i> and you will need a special licence to bring them into the UK.</p>       | <p>Licences are needed for the import and export of military and para-military goods, dual-use and technology, artworks, plants and animals, medicines and chemicals.</p>  | <p>For more information, please see the current guidance on <a href="#">Import and Export Licences</a>.</p>  |
| <b>5</b> | <b>Establish the origin of the goods.</b>   | <p>Establishing the origin of the goods will help to identify whether they qualify for lower or nil customs duty.</p>   | <p>There are two main categories of origin in the rules:</p> <ul style="list-style-type: none"> <li>• Goods wholly obtained or produced in a single country</li> <li>• Goods whose production involved materials from more than one country.</li> </ul> <p>The second category is more complex as there are several criteria to follow.</p> <p>More information can be found <a href="#">here</a>.</p> | <p>Once you have clarified the origin of the goods, you can find out if they qualify for preferential treatment under a tariff preference scheme.</p> <p>More information on tariff preference schemes available, and the documents you’ll need to prove origin, can be found <a href="#">here</a>.</p>  |

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Consider whether you are eligible to use any **facilitations**.

There are a number of customs simplifications and special procedures available to traders:

- Transitional Simplified Procedures (TSP).
- Storage comprising of Customs Warehousing (CW).
- Specific use comprising of Temporary Admission and End Use.
- Processing comprising Inward and Outward Processing.
- Transit.

Before deciding whether to use a simplification or special procedure, you should research the procedure to make sure that you can meet all the obligations attached to it.

To note, the use of simplifications or special procedures usually requires prior authorisation from HMRC.

More information on special procedures can be found in [Notice 3001](#).

Information on TSP can be found [here](#).

Information on Transit can be found [here](#).

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Choose the correct **customs procedure code (CPC)** for your goods.

CPCs identify the customs and/or excise regimes which goods are being entered into and removed from (where this applies).

The CPC is based on a two-digit community code which identifies a customs procedure. The CPC is built up into a seven-digit code from this.

For more information on what customs procedure codes are, with examples, please visit [here](#).

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**Declare** your imports to customs.

It is possible to make your own customs declarations. This is done by completing a SAD (form C88).

SADs can be submitted electronically using CDS.

To complete a SAD successfully, you will need the information gained from the previous steps.

For more information on how to complete a declaration, please visit the following [guidance](#).

You should consider using an experienced third party, such as a customs broker or agent, to make customs declarations for you. This can make importing simpler and faster if you're not authorised to make electronic declarations yourself.

#### Freight Forwarders

Freight forwarding is a service industry that involves moving goods around the world on behalf of importers and exporters.

One of a freight forwarder's main functions is to arrange customs clearance of goods crossing the frontier. A freight forwarder or their subcontractor will have specific software that can communicate with the HMRC central computer.

More information can be found at:

- [BIFA](#)
- [Institute of Export](#)

#### Express Courier Industry

The express courier industry involves operators who specialise in time-definite, transportation services for documents, parcels and freight.

These operators offer world-wide, integrated, door-to-door movement of shipments which are tracked and controlled throughout the journey.

More information on using an FPO to import and export goods can be found [here](#).

#### Customs Agent/Broker

A freight forwarder will typically deal with ensuring your goods are transported from one country to another and provide other services such as customs clearance.

Customs agents and brokers make sure that your goods can be cleared through customs en route to the final place of delivery in the UK.

A customs agent/broker will either act as a direct representative or indirect representative. Information on what those terms mean can be found [here](#).

If you have decided to use a third party, you must, in a formal written authorisation, outline whether the third party is empowered to act as a 'direct' or 'indirect' representative.

For a definition of direct and indirect representation, and information on the legal responsibilities attached to each, please visit the following [Notice](#) (Chapter 3).

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**Pay duty\*** and import VAT on the goods.

You might have to pay import duty and VAT depending on the classification of the goods and where they come from.

The duties applicable to your goods will be set out in the UK's no deal customs tariff schedule. This will be published as soon as possible.

Some goods benefit from a duty suspension regime. Information on this can be found [here](#).

Goods aren't normally released by HMRC until you've paid all the charges due.

Exceptions to this include if the importer of the goods takes advantage of duty deferment. We are currently streamlining the application process for duty deferment and we will make an announcement setting out when you need to apply shortly.

There will be changes to how VAT registered businesses account for import VAT. See 'Things to consider: VAT treatment for imports' below.

For more information on import duty in general, please visit the following [page](#).

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You're required to **keep records** for all traded goods you declare to HMRC for up to six years.

The reason for this is for duty and tax purposes, and for government statistics.

Guidance for best practice in regards to archiving your paperwork can be found [here](#).

#### **\*Things to consider: Excise Duty**

As mentioned above, goods are not normally released by HMRC until you've paid all the charges due. This normally relates to any VAT or import duty that may be due.

On top of this, some goods may be liable to Excise Duty. Excise Duty is chargeable, in addition to any customs duty which may be due.

A list of goods liable to excise duty can be found [here](#).

#### **Things to consider: VAT treatment for imports**

In the VAT for businesses technical note, the government has announced that in a no deal scenario it will introduce postponed accounting for import VAT on goods brought into the UK. This means that UK VAT registered businesses importing goods to the UK will be able to account for import VAT on their VAT return, rather than paying import VAT on or soon after the time that the goods arrive at the UK border. This will apply both to imports from the EU and non-EU countries.

#### **Things to consider: Authorised Economic Operator (AEO)**

AEO status is an internationally recognised quality mark indicating that your role in the international supply chain is secure, and that your customs controls and procedures are efficient and compliant.

You can apply for AEO status for customs simplification (AEOC), AEO status for security and safety (AEOS) or both.

More information on the application process, benefits, and more, can be found in [Notice 117](#).

Only businesses that are heavily involved in importing and exporting are likely to benefit. Most businesses will find that the straightforward registration for [Transitional Simplified Procedures](#) is their best option for preparing for no deal. You won't be able to achieve AEO status before 29 March so you may wish to consider at a later point if you think it would be helpful.

#### **Key links:**

[Importing](#)  
[EORI Registration](#)  
[UK Trade Tariff](#)  
[Transitional Simplified Procedures \(TSP\)](#)  
[Licences for International Trading](#)  
[Customs declarations and the Single Administrative Document \(SAD\)](#)  
[Freight Forwarders](#)  
[Tariff Preference](#)  
[Duty Relief for Imports and Exports](#)  
[Valuation of Goods](#)  
[Authorised Economic Operator \(AEO\)](#)