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agency sector management

Importing and exporting goods from and to the EU after Brexit

A guide to the contents of the Border Operating Model

Important

A lot of the processes and requirements described in this document are still evolving and being refined and modified. Therefore this document itself will continue to be updated in line with these emerging changes. The date below denotes the last time changes were made.

For that reason, you should consider not printing this document as the version you print could contain outdated information.

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Overview

On 1 January 2021 the transition period with the EU ends and controls will be placed on the movement of goods between GB and the EU.

In July 2020 the government published *"The Border with the European Union: Importing and Exporting Goods"* (referred to here as the *Border Operating Model or BOM*), outlining the processes to be adopted.

This document is intended to summarise those requirements in a more concise and legible way describing, as far as is currently understood, the processes involved.

It is only concerned with imports to and exports from Great Britain (England, Scotland and Wales). It **does not cover** goods moving to or from Northern Ireland.

This document is primarily concerned with goods moving by road and arriving or departing on ferries or through the channel tunnel, as this is by far the most common mode of transport for EU goods entering GB.

It should be noted that the *Border Operating Model* is far from complete, and that the processes that it outlines are constantly evolving and being clarified. With that in mind, this document and the guidance herein is also very likely to be updated on a regular basis.
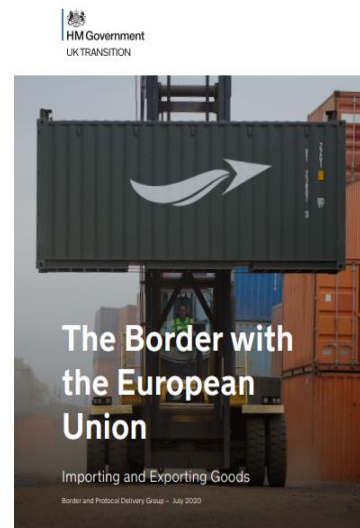
The Border Operating Model.

Click the image above to read the document in full.

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Imports from the EU to GB

For imports, the controls discussed here will be introduced in 3 stages (from January, April and July 2021).

Each section below indicates the date the requirement comes into force and any enhancements and/or modifications required or planned for Sequoia and the date these are being considered.

Import declarations will be required for EU goods entering GB from 1st January 2021 - in the same way as they are already required for goods from the rest of the world. This is regardless of whether there is a trade deal agreed or not.

These declarations will be submitted to CHIEF.

> Sequoia already supports all types of CHIEF import declarations.
>
> There are minor, mainly standing data, changes required to Sequoia for 1st January 2021.

The vast majority of goods from RoW currently arrive in GB at inventory-linked locations by air or sea and are placed in temporary storage (in sheds, ITSF, ETSF etc). These locations have the required space and facilities to operate this temporary storage model.

Conversely, most of the goods arriving from the EU do so by road. These RoRo locations typically do not have the required space and facilities to operate this temporary storage model.

However, from 1st January, RoRo port operators can decide whether to;

a) adopt the temporary storage model - difficult for most as the space is not available and, unlike air and sea where the goods unload from the vessel on arrival, the vehicles are required to move the goods onward immediately.
b) Adopt the 'pre-lodgement' model, whereby import declarations for all goods are lodged prior to the vehicle boarding the ferry.

A port can adopt a mix of the above; some ports have separate terminals/berths for RoRo and other traffic.

As yet, HMRC have not published a list of which ports have adopted which model(s).

These models are described below.

- Temporary Storage (TS)

This is the model used at most existing airports and seaports for dealing with RoW imports. The goods are generally unloaded on arrival and placed in an ITSF with electronic inventory records created.

The goods do not necessarily have to be unloaded however - if the TS authorisation allows. E.g. Dover has a facility called Stop 24. Goods in lorries arrive at Stop 24 and inventory records are created (on Pentant) and clearances are done against these, without the vehicle being unloaded (unless there is a need for examination). Stop 24 however is not within Dover port, it is a service station on the M20 motorway west of Folkestone. It has limited capacity.

Dover has adopted the pre-lodgement model for EU imports - see below. Therefore we will not provide an interface to the Pentant ACA inventory for 1st January 2021.

- Pre-Lodgement

This model requires goods to be declared to customs prior to them boarding the ferry in the EU. Declarations are submitted pre-lodged (i.e. the third character of Box 1 declaration type is one of D, F or H).

The declarant then has until the end of the next working day to 'arrive' the goods. This is done by amending the declaration on CHIEF (e.g. changing box 1 from IMD to IMA).

We are introducing a process in Sequoia to 'arrive' all the declarations associated to a road import shipment or consolidation automatically. This will be available for 1st January 2021.

This arrival process is not explicitly mentioned in the BOM for normal goods but is for controlled goods (section 1.1.3).

Here's the but ..

Traders are being allowed to defer the submission of import declarations for 'normal' goods for 6 months, if those goods are being placed into free circulation..

Controlled goods are required to be declared at the frontier.

This is aimed primarily at 'new' traders - those who only trade with the EU and are therefore unfamiliar with customs processes and procedures - but as far as we know it is available to all. It is available for imports arriving at least until the end of June 2021.

HMRC say they will authorise all traders (those with a GB EORI number) automatically for this facilitation; there is no need for any trader to apply. Any trader who is not to be automatically authorised will be notified by HMRC in advance.

A trader wishing to make use of this facilitation must keep details of the goods they have imported in their 'commercial records'.

This is commonly referred to as Entry in Declarant's Records (EIDR).

They must then submit supplementary declarations within 6 months to cover the goods. The taxpoint date on the supp. dec. is the date of import.

We are introducing a process in Sequoia to store this data. Essentially it is the supplementary (ISD) declaration form, but an 'offline' version of it.

This is so the record does not contaminate any CFSP final supplementary declaration (FSD) counts and so that all such records can be easily filtered and listed.

This will be available from 1st January 2021.

At the point that the first supplementary declaration is due (i.e. up to 6 months after the first import using the facilitation) the trader (importer/consignee) must have 'access to' a CFSP authorisation under which the supp. decs will be submitted. This can be their own authorisation or one of a customs agent.

For those traders deferring their import declarations, the above offline ISD will allow the user to 'calculate revenue' in the normal way (if they have an ocean badge) to provide the VAT amount to the importer.

- Postponed VAT Accounting

For those traders deferring their import declarations,, the trader (importer/consignee) must use postponed VAT accounting (PVA) to account for the VAT due on these goods on their normal VAT return. A new MoP code of 'G' has been introduced to indicate this on the declaration.

PVA is also available to those making import declarations at the frontier when the goods arrive.

It is important that you check with the importer before requesting PVA on a frontier import declaration, and advising them that you have done so subsequently.

Safety & Security Declarations 📅 July 2021

Entry Summary Declarations (ENS) will be required for EU goods entering GB - as they are already required for goods from the rest of the world RoW).

These declarations are the responsibility of the carrier (the road haulier in the case of RoRo goods). For air and deep sea goods, the shipping/airline is responsible.

Sequoia does not currently support ENS declarations.

To date we do not know whether there will be any 'mutual recognition' of s&s regimes between the UK and the EU as part of the current negotiations. If there is then this could mean that ENS declarations are not required.

Until the final outcome of the negotiations is known, ENS declaration functionality will not be considered in Sequoia.

Transit Movements 📅 January 2021

Traders will be able to move goods into the UK customs territory under the Common Transit Convention (CTC). The requirements for moving goods under the CTC are not significantly altered by the staged introduction of import controls.

When transit movements arrive in the UK, the goods and the Transit Accompanying Document (TAD) must be presented at an office of transit. This process can be completed digitally, using the new Goods Vehicle Movement Service (GVMS) - see below.

Most goods coming from the EU (originating in or being in free circulation in the EU) currently do not move under transit as there is no need - the goods are in free circulation moving from one part of the EU to another.

This may well change from 1st January 2021. Whilst there is still no need for the goods to move across the EU from say their origin in Germany to Calais under transit, moving them under transit when they arrive in the UK would remove the need for any pre-lodged import declarations. This could be useful, especially for groupage loads where the data required to make an import declaration may not be available in time. The transit can be discharged at an inland ETSF and import declarations done from there.

Hauliers will be required to submit their Transit MRNs and vehicle/trailer registrations via the GVMS before checking in at the EU port of departure.

This information will be assessed during the crossing to the UK and the person in control of the goods will be notified if they are clear to proceed on their journey or require a check. How this is done is not known!

> GVMS is still being developed by HMRC. It is far from certain that it will be up and running by 1st January.
>
> As the requirement initially is that only transit MRNs have to be recorded in GVMS, Sequoia will not interface to GVMS on 1st January 2021.

Some ports may still choose to operate a paper-based Office of Transit. In this circumstance, hauliers should present their goods and Transit Accompanying Documents to customs officials at the port of arrival in GB. It is not known which ports will use GVMS for this and which will use existing paper based processes.

> It is assumed that, from July 2021, GVMS will include the need to capture import declaration references (CHIEF entry numbers or CDS MRNs) as well as transit MRNs. An interface from Sequoia to GVMS will be considered from that date.

Exports to the EU from GB

Each section below indicates the date the requirement comes into force, any enhancements and/or modifications required or planned for Sequoia and the date these are being considered.

Export declarations will be required for goods to the EU from 1st January 2021 - in the same way as they are already required for goods to the rest of the world. This is regardless of whether there is a trade deal agreed or not.

These declarations will be submitted to CHIEF.

Sequoia already supports all types of CHIEF export declarations.

There are minor, mainly standing data, changes required to Sequoia for 1st January 2021.

From January 2021 to the end of June 2021 for goods moving via locations without existing customs control systems, including RoRo listed locations and other non-inventory linked locations, an arrived declaration must be submitted before the goods have left the trader's premises.

Hauliers will need to carry evidence that a declaration has been made.

If a physical check is required, the haulier or declarant will be instructed to move to a specified location for a check. How this will be done is not yet clear.

It is expected that, from 1st July 2021, most export declarations will revert to being pre-lodged.

At locations using the Goods Vehicle Movement Service (GVMS) - i.e. non-inventory linked locations - hauliers will then need to use GVMS to link export declaration references together into one single Goods Movement Reference (GMR). The driver will be required to present the GMR at the port or terminal of exit and GVMS will arrive and depart the declarations automatically.

Safety & Security Declarations January 2021

In normal circumstances, it is not necessary to submit a separate Exit Summary Declaration (EXS) for safety & security purposes. The requirement is fulfilled by submitting an export declaration which combines fiscal and safety & security information.

> Sequoia does not currently support EXS declarations directly. However, in the very limited circumstances they are required currently, HCI can be used.
>
> As all movements from GB from 1st January 2021 will be exports - requiring an export declaration - it is unclear if there will be any requirement for a separate safety & security declaration.

Transit Movements January 2021

Traders will be able to move goods from the UK customs territory under the Common Transit Convention (CTC). The requirements for moving goods under the CTC are not significantly altered by the introduction of export controls.

This was previously referred to in the BOM as 'Smart Freight'.

When the transition period ends, it is expected that the EU will implement full import controls on goods moving from Great Britain to the EU.

This means that drivers taking goods from GB to the EU, regardless of where they are starting, will need to carry evidence that EU import requirements have been met for the goods they are transporting.

This evidence includes customs or transit declarations and any other commodity-specific approvals such as Export Health Certificates. Such documentation could be checked at GB points of departure or at the EU port of arrival. This will be true regardless of whether the UK and the EU conclude a Free Trade Agreement.

While in most instances it is the responsibility of the trader to provide the necessary documentation to the driver, it is the driver who must carry and present this when requested by border officials, or members of staff for the relevant carrier.

Drivers without the correct documentation risk being stopped from boarding services departing GB or on arrival at the EU port, being fined, or sent back to their point of departure. There is a risk of queues and delays, especially of Heavy Goods Vehicles (HGVs) weighing more than 7.5 tonnes, on the roads approaching ports on GB-EU routes if high volumes of HGVs do not have the correct documentation.

As part of plans to help hauliers and HGV drivers understand if they are carrying the right documentation, the UK Government is developing a new web service, known as "Check an HGV is Ready to Cross the Border" for the RoRo Freight Industry.

> There is currently no documentation available as to exactly how this service will work or whether interfaces to it will be provided.
>
> Therefore as it stands Sequoia will not interface to the service.

For the end of the transition period, the Service will be introduced for RoRo freight leaving GB for the EU. It will help ensure that only vehicles carrying the correct customs and import/export documentation for the EU's import controls travel to the ports.

For use by industry, the Service will signpost information related to exporting goods from GB to the EU. The Service will ask that details of the HGV being used to transport goods to an EU port are submitted in advance of the journey commencing, ideally at the point of loading the goods.

These details will be individually submitted for every HGV leaving Great Britain and will include the Vehicle Registration Number (VRN) as well as the destination, expected date of

travel, details for the consignment(s), and a short series of self-declarations to confirm the appropriate customs and import/export documentation required are in place and carried with the vehicle.

Specifically, the Service will ask whether applicable customs documentation is held, for example:

- Movement Reference Number (MRN) for the EU customs import declaration
- Transit Accompanying Document
- ATA Carnet
- TIR Carnet

For commodities, the Service will ask whether particular documentation is held for example:

- Export Health Certificates
- Phytosanitary Certificates
- Catch Certificates
- Documentation for certain restricted goods e.g. CITES goods

The process of completing an entry on the GOV.UK web service will be quick and easy. The HGV driver can submit the information requested at the point of loading their goods on the trailer. Alternatively, they could ask colleagues at their haulage firm or even the trader to provide the details on the web service on their behalf.

Where an HGV is deemed 'border ready' (in other words, carrying the necessary documentation) based on responses to standard questions, the web service will tell the user that the vehicle could travel to the port, while HGVs which are not border ready will be advised not to travel until the missing documentation had been provided by the exporter. This will help HGV drivers become ready and reduce disruption at GB and EU ports. It is imperative that someone using the service on behalf of the driver makes the driver aware of the results.

In addition, provision of the data in the web service will help the relevant authorities know that consignments on an HGV have been declared as border ready and thus more likely to get across the GB/EU border.

More information on this can be found in the Border Operating Model, section 4.1.7