

# GOBERT

TAX & LEGAL



**Gobert Tax and Legal**

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## *BREXIT - Customs declaration required for shipments between the European Union and the United Kingdom from 1 January 2021*

The trade agreement promulgated on 24 December 2020 regulates certain details of trade between the United Kingdom and the European Union with regard to the secession of the United Kingdom from the Union. This includes obligations for shipments:

### ***Important:***

- a duty-free free trade agreement has been concluded between the parties
- from 1 January 2021, a customs declaration will be required for consignments between Great Britain and the European Union (and back) when crossing the border. Although the agreement refers to a “zero tariff” (duty free), this does not release you from the obligation to make a customs declaration (the goods must meet the origin requirements). In view of the above, a commercial or pro-forma invoice is also required for duty exemption. You must be able to prove the origin (country of origin) of the goods. It is the responsibility of the trader to establish and certify the country of origin.
- In addition, country-specific restrictions remain in place and certain authorizations may be required.
- VAT liability still exists. Changes to the UK VAT regime will also take effect from 1 January 2021, as this is not part of the agreement and will be levied on consignments to the UK from anywhere in the world. This means that all consignments with a value of more than £ 135 are subject to VAT as part of the import process, including consignments from the EU. Shipments sold to customers under £ 135 within the UK are subject to VAT at the point of sale, so this is the responsibility of the trader.
- Traders in Northern Ireland will be able to continue trading in the same way as before, they will not need a customs declaration when trading with the EU. For consignments between the United Kingdom and Northern Ireland, the requirements still need to be clarified.

**Feel free to contact us in case of any question or assistance with the customs declaration!**