BVRLA

Customs Procedures for Vehicle Movement from the United Kingdom to Northern Ireland
March 2021

Introduction

From the 1st January 2021, if goods are transported into Northern Ireland (NI) from the United Kingdom (UK) or a country outside of the EU, they may be subject to EU customs duty.

If you intend to transport goods into Northern Ireland which you know are not 'at risk' of moving to the EU, then you can apply for authorisation under the UK Trader Scheme.

If customs processes are new to you, you can sign up for the free Trader Support Service. The Trader Support Service (TSS) will guide you through any changes due to the implementation of the Northern Ireland Protocol and can:

- help if you move goods between Northern Ireland and Great Britain, or bring goods into Northern Ireland from outside the UK
- complete declarations on your behalf without the need for specialist advice or software

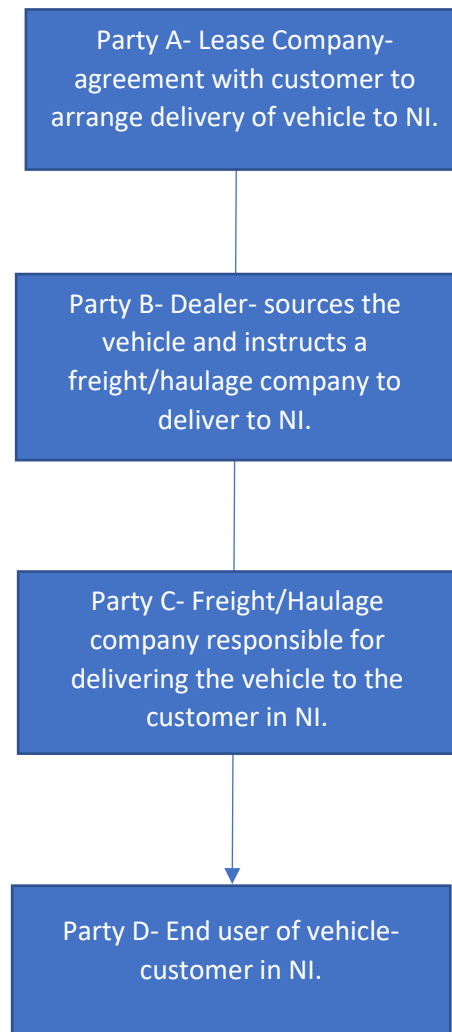Details of who can apply can be found here.

Customs Procedure

In most cases, a typical supply chain arrangement for the movement of goods may look something like this:

Party A- Lease Company- agreement with customer to arrange delivery of vehicle to NI.

Party B- Dealer- sources the vehicle and instructs a freight/haulage company to deliver to NI.

Party C- Freight/Haulage company responsible for delivering the vehicle to the customer in NI.

Party D- End user of vehicle- customer in NI.

The party responsible for arranging the movement of goods is required to register the movement in the TSS to get the necessary authorisation for the shipment. This process requires them to input a Consignor and Consignee EORI number into the system and to confirm the Incoterms for the movement.

The Consignor and Consignee are the sender and receiver of the goods and typically one of these parties will be responsible for the import declarations (the declarant). Which party the Consignor, Consignee and declarant will be typically depends on the Incoterms between the buyer and seller of goods.

The Incoterms set out who has responsibility for the goods and other responsibilities connected to their movement (such as insurance and freight costs), and therefore who makes import declarations.

They are traditionally used in international trade but are now also relevant for GB to NI goods movements as import declarations are needed. Incoterms are published by the International Chamber of Commerce. If members are uncertain about who has responsibility, they should speak to the other parties in their supply chain. More information on Incoterms can be found here and here.

Parties to the supply chain should each have their own individual UK and NI EORI number. This will ensure the ownership of the vehicle is clear and the end customer is not presented with unexpected documentation.

The Lease company may be sent a Supplementary Declaration (SD) once the shipment arrives in NI, which will need to be complete on the 4th day of the month following the delivery.

VAT

Different to the process with the EU, there is no amendment to the use of VAT numbers for output VAT and import VAT and HMRC will remain responsible for this for a United Kingdom (UK) to Northern Ireland (NI) transaction.

VAT payments will be required even where vehicles are moved on an intra-company basis from the UK to NI. Both inbound and outbound declarations will be required.

Information on where zero-rated VAT can be applied to exported goods can be found here.

Tariffs

From 1 January 2021, those responsible for movement of goods into NI from the UK need to make declarations and the Northern Ireland Protocol explains that goods from the UK that are not deemed to be at risk of leaving the UK customs territory will not pay any tariffs. However, goods 'at risk' of entering the EU's single market will pay EU tariffs.

The key considerations to be made are as follows:

- If the vehicle is of UK origin (evidence of manufacture required) a claim could be made under the UK-EU trade agreement for the zero tariff. If this is the case then the car would not be at risk on entry to NI and no tariffs would be payable. In order to evidence the manufacture, a statement on origin should be supplied. Details on producing this can be found here.

- If the vehicle was not manufactured in the UK then the person moving the car into NI could consider if they could get authorisation under the UK Trader Scheme to declare the goods "not at risk". The business moving the car into NI and making the declaration would need to be authorised to do so.

Document prepared by Compliance and Governance Officer, Hayleigh Morris

- If the importer can apply before the end of February 2021 then they will get provisional authorisation for up to four months while HMRC processes the application and can declare the vehicles "not at risk".

- To declare the vehicle "not at risk" they would need to be able to evidence that the car was for use by the leasing business in NI. This doesn't mean it could not be taken out of NI, but the use would need to be based in NI.

If none of the above applied, then the firm making the declaration would have to declare the goods at risk and the EU tariff would be applied. They would then have the option of claiming a waiver, subject to meeting the conditions for that.

Recovery of Assets

The issue of recovery of assets is not covered in the TCA. Members should check the immigration rules of the country they are travelling to as they will vary Member State by Member State.

If a staff member is travelling to an EU Member State for the sole purpose of collecting a vehicle and then travelling back home again, this may qualify as a meeting in the same way as attending a conference. This should always be double checked before travel and the EU MS rules can be found here. It should be noted that each country may have their own rules surrounding this and so it is recommended that members check the information applicable by contacting the relevant authorities prior to travel.

Further Information

Members can sign up for updates from the Department for Business, Energy & Industrial Strategy here.

The Government have also produced a 'Trading with the EU and Northern Ireland- SME Toolkit'.

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