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Guidance

Agent Update: January 2021 Brexit edition

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New rules for trading with Europe

New customs and tax rules for trading with the EU started on 1 January 2021. To continue trading with countries in the EU, there are actions your client must take, to make sure they're compliant and minimise costs and delays.

Before they attempt to move their goods, they'll need to:

1. Get ready to make customs declarations, these are now needed for all exports from the UK and if you're importing controlled goods (<https://www.gov.uk/guidance/list-of-goods-imported-into-great-britain-from-the-eu-that-are-controlled>). If your client imports goods that are not controlled, they may be able to delay making their declarations (<https://www.gov.uk/guidance/delaying-declarations-for-eu-goods-brought-into-great-britain>) for up to 6 months.
2. Get expert help, we recommend your client gets a contract in place as soon as they can with a customs intermediary like a freight forwarder or customs broker (<https://www.gov.uk/guidance/list-of-customs-agents-and-fast-parcel-operators>). This is especially important if they're exporting or importing controlled goods, as they will not be able to delay their declarations.
3. Make sure your client knows how to classify their goods, and how they'll evidence their origin, your customs intermediary will also be able to help your client ensure their goods are classified correctly. If your client does not classify their goods correctly or if they do not accurately record the origin of the goods in their customs declaration, they may be charged the wrong amount of tax or duty. If they choose not to hire an intermediary, your client will need to do this themselves.
4. Follow safety and security requirements for your goods, your client does not need to make an entry summary declaration (<https://www.gov.uk/guidance/making-an-entry-summary-declaration>) for goods they import into Great Britain from the EU between 1 January and 30 June 2021. If they're moving goods outside the UK, your client will need to make an exit summary declaration (<https://www.gov.uk/guidance/find-out-when-to-make-an-exit-summary-declaration>) if they've not fulfilled safety and security requirements with a customs export declaration, unless the goods are covered by the limited temporary waiver or are going directly into Northern Ireland from Great Britain. Check if you need to make an entry summary declaration (<https://www.gov.uk/guidance/check-if-you-need-to-make-an-entry-summary-declaration>).
5. If your client is preparing to move goods under the Northern Ireland Protocol, they can register for the free Trader Support Service (<https://www.gov.uk/guidance/trader-support-service>).

If you or your client need further help, you can:

- attend one of our free webinars (<https://www.gov.uk/guidance/help-and-support-for-uk-transition>)
- watch a short film (<https://public.govdelivery.com/accounts/UKHMRCED/subscriber/new?preferences=true>) about importing and exporting
- use the transition checker (<https://www.gov.uk/transition>) to understand HMRC processes for importing, exporting or customs relief
- call the Customs & International Trade Helpline (<https://www.gov.uk/government/organisations/hm-revenue-customs/contact/customs-international-trade-and-excise-enquiries>)

New rules for business travellers

If your client is travelling abroad after 1 January 2021 for business purposes, there are some changes to rules they'll need to be aware of.

Bringing commercial goods in accompanied baggage or in a small motor vehicle into and out of Great Britain

Your client must complete a simple online declaration when entering or leaving Great Britain if they're carrying goods to sell or use by a business with a value not exceeding £1,500, and not:

- weighing more than 1,000kg
- classed as excise or restricted goods

Your client can do this by either an:

- online declaration (<https://www.gov.uk/guidance/bringing-commercial-goods-into-great-britain-in-your-baggage>) up to 5 days of arriving or leaving Great Britain
- oral declaration to a Border Force officer at the port by going to the 'goods to declare' channel (red channel) or red phone point when going through customs if facilities exist

For commercial goods exceeding £1,500 in value or weighing more than 1,000kg or if your client is carrying excise or restricted goods, your client or their customs agent must submit a full standard customs declaration to HMRC.

Bringing commercial goods in accompanied baggage into and out of Northern Ireland – including travelling to Northern Ireland from Great Britain

Your client can make an oral declaration if the goods:

- have a value less than £873
- weigh less than 1,000kg
- are not classed as excise or restricted goods

Your client can go to the 'goods to declare' red channel or the red point phone in the customs area to declare their goods to a Border Force officer if these facilities exist at the Northern Ireland port. Otherwise, your client can submit a declaration to HMRC through the free to use Trader Support Service (<https://www.gov.uk/guidance/trader-support-service>).

For goods over £873 or that weigh more than 1,000kg or classed as excise or restricted goods, your client must submit a declaration to HMRC through the free to use Trader Support Service (<https://www.gov.uk/guidance/trader-support-service>).

For movements between Northern Ireland and the EU there are no change to the rules and goods can move without a customs declaration.

Find out more information about bringing commercial goods into Northern Ireland in your baggage (<https://www.gov.uk/guidance/bringing-commercial-goods-into-northern-ireland-in-your-baggage>).

Cash declarations

With effect from 1 January 2021, new requirements came into force on the UK borders.

Bringing cash into and out of Northern Ireland – including travelling to Northern Ireland from Great Britain

Your client needs to make a declaration if they're carrying 10,000 euros or the equivalent in any other currency of cash and travelling to or from a non-EU country. They also need to make a declaration if they're carrying 10,000 euros or more of cash and travelling from Great Britain to Northern Ireland.

Your client may make the declaration at any time in the 72 hours before the time of travel.

If your client is carrying cash of 10,000 euros or more in or out of Northern Ireland, they do not need to declare if they're entering or leaving a country in the EU. Your client also does not need to make a declaration when they're taking cash from Northern Ireland to Great Britain (<https://www.gov.uk/guidance/taking-cash-in-and-out-of-northern-ireland>).

Bringing cash into and out of Great Britain

Your client needs to make a declaration if they're carrying £10,000 or more into or out of Great Britain from any country, including the EU. They do not need to make a declaration when they're taking cash from Northern Ireland to Great Britain (<https://www.gov.uk/guidance/taking-cash-in-and-out-of-great-britain>).

New rules on social security coordination

If you're sending a client to work in the EU, Iceland, Liechtenstein, Norway or Switzerland, or if your client is from one of those countries coming to work in the UK, you should be aware that the social security coordination rules have changed following the end of the transition period.

If your client is working in the EU, Norway or Switzerland, they'll only have to pay into one country's social security scheme at a time. This will usually be in the country where the work takes place. But if they are only working temporarily in the EU, Norway, Iceland, Switzerland or Liechtenstein they may be able to get a certificate or document from HMRC to carry on paying National Insurance contributions in the UK. This means your client will not have to pay social security contributions abroad.

You should check where your client will need to pay social security contributions. You can find further information on going to work in the EU (<https://www.gov.uk/guidance/national-insurance-for-workers-from-the-uk-working-in-the-eea-or-switzerland>), Norway, Iceland, Liechtenstein and Switzerland.

If your client comes to work in the UK from the EU, Norway or Switzerland, they'll only have to pay into one country's social security scheme at a time. This will usually be in the UK if that is where the work takes place. But if they are only working temporarily in the UK, they may be able to get a certificate or document to carry on paying social security contributions in the EU, Norway, Iceland, Switzerland or Liechtenstein. This means your client will not have to pay social security contributions in the UK.

You should check where your client will need to pay social security contributions. You can find further information on coming to work in the UK (<https://www.gov.uk/guidance/social-security-contributions-for-workers-coming-to-the-uk-from-the-eea-or-switzerland>), from the EU, Norway, Iceland, Liechtenstein and Switzerland.

Postponed VAT accounting – account for import VAT on the VAT Return

Your clients should act now so that they can benefit from postponed VAT accounting (PVA) if they are VAT-registered and import goods into:

- Great Britain (England, Scotland and Wales) from anywhere outside the UK
- Northern Ireland from outside the UK and EU

PVA allows them to declare and recover import VAT on the same VAT Return, rather than having to pay it upfront and recover it later.

There is more guidance on how to:

- check when you can account for import VAT on your VAT Return (<https://www.gov.uk/guidance/check-when-you-can-account-for-import-vat-on-your-vat-return>)
- complete your VAT Return to account for import VAT (<https://www.gov.uk/guidance/complete-your-vat-return-to-account-for-import-vat>)

Your clients will not need approval to benefit from **PVA**, but they will need to access the Customs Declaration Service (**CDS**) to view and download their monthly statements – in PDF format.

They need these statements to complete their VAT Returns or to send them to whoever completes the VAT Return on their behalf.

Businesses should subscribe to the new service (<https://www.gov.uk/guidance/get-your-postponed-import-vat-statement>) as soon as possible.

Importers that already have access to **CDS** will go straight from the start page, to their **CDS** financial dashboard where they can view and download their statements.

Businesses without access to **CDS** will be automatically directed to subscribe to **CDS** first.

Customs Handling of Import and Export Freight (**CHIEF**) users who subscribe to **CDS** to access their statements can continue to use **CHIEF** to make customs declarations.

Signing up for **CDS** is straightforward and takes only a few minutes. Businesses will need details of their:

- Government Gateway user ID and password (<https://www.gov.uk/government/organisations/hm-revenue-customs/contact/online-services-helpdesk>)
- Economic Operator Registration and Identification (**EORI**) number (<https://www.gov.uk/eori>) that starts with GB
- Unique Taxpayer Reference (**UTR**) – find your **UTR** (<https://www.gov.uk/find-lost-utr-number>) if you do not know it
- address
- National Insurance number – if they are an individual or sole trader
- the date they started their business

A common error is inputting the address incorrectly. If the address on the application is not identical to the address that we hold, there will be delays in the processing. To avoid this, businesses should check all the details they plan to input, and make sure the address we hold is correct and up to date.

From 1 January 2021, when an importer completes the customs declaration, on **CHIEF** or **CDS**, and indicates that they'll be accounting for import VAT on their VAT Return, that import VAT will be shown on their monthly statement.

CHIEF users will need to enter:

- their **EORI** number starting with 'GB' which includes your VAT registration number into box 8 (Header Consignee), or, if applicable, your VAT registration number in box 44h (Registered Consignee)

- 'G' as the method of payment in box 47e

~~CDS~~ users need to enter their VAT registration number at header level in data element 3/40 – VAT will be recorded against the ~~EORI~~ and will be at declaration level only.

The first monthly ~~PVA~~ statements will be available in early February showing the total import VAT postponed in January. Your clients should sign up to ~~CDS~~ now so that they are ready to complete their first VAT Return under the new rules.

Until the end of June, importers bringing non-controlled goods into Great Britain from the EU must account for import VAT on their VAT Return (<https://www.gov.uk/guidance/complete-your-vat-return-to-account-for-import-vat>) if they choose to either:

- delay their customs declaration
- use a simplified customs declaration to make a declaration in their own records

The message for your clients is sign up now to avoid any delays.

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