

# BREXIT

THE UNITED KINGDOM'S EXIT  
FROM THE EUROPEAN UNION

GUIDELINES TO LOCAL BUSINESSES  
EXPORTING GOODS TO THE UNITED KINGDOM



From the 1st January 2021 onwards, the United Kingdom will no longer form part of the European Union.

This will obviously bring changes in the Tax regime between the United Kingdom and the European Union.




# KEY CHANGES

- **Mandatory to provide electronic customs data**
- **The Low Value Consignment Relief will be removed on commercial goods.**
- **A new VAT scheme will apply for commercial items valued between £0 and £135**

## **MANDATORY TO PROVIDE ELECTRONIC CUSTOMS DATA - ITMATT**

Businesses sending packages to the United Kingdom and to all non-EU Countries will be required to provide mandatory data to be used for transport security and customs clearance purposes.

The following data must be provided to the postal operator:

- Sender's details; name and address
  - Recipient's details; name address and destination country
  - Sender contact details
  - Item details: description, quantity, weight, and value of contents
  - Country of origin
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# HOW TO PROVIDE ELECTRONIC CUSTOMS DATA

If you have multiple packages on a frequent basis, the **MaltaPost's eSeller** platform is the ideal solution.

It uses a labeling system thereby drastically reducing the time it takes for you to label individual products. Beyond that, all related administrative tasks are carried out easily from your business base. When ready, the items are collected by a courier or deposited at a Post Office and from then on, MaltaPost will handle the delivery logistics.



MaltaPost   
**eSeller**

# THE LOW VALUE CONSIGNMENT RELIEF WILL BE REMOVED ON COMMERCIAL GOODS


This relief will be withdrawn from 1 January 2021 once the Brexit transitional period ends, meaning ending the current £15 VAT exemption thresholds, known as Low-Value Consignment Stock relief.



# A NEW VAT SCHEME WILL APPLY FOR COMMERCIAL ITEMS VALUED BETWEEN £0 AND £135

A new VAT scheme will apply for commercial items valued between £0 and £135 where esellers or the selling platform must pay VAT direct to UK. Therefore, local esellers are to register with the UK Government for an EORI (Economic Operator Registration Identification) number.

The registration process is open for esellers or selling platforms

- Create a Government Gateway ID and password and complete the online VAT registration form or manually complete the VAT1 form and post to the specified address [[www.gov.uk/government/publications/vat-application-for-registration-vat1](http://www.gov.uk/government/publications/vat-application-for-registration-vat1)].
  - Follow the Government guidance for changes to VAT treatments of overseas goods sold to customers in the UK
  - For further information and to apply for an EORI number please visit **[www.gov.uk/eori](http://www.gov.uk/eori)**
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# **FREQUENTLY ASKED QUESTIONS**

**Does it mean, that all printed matters like magazines, newspapers, periodicals etc. need to be declared and the sender is registered to pay VAT in the UK?**

Yes, magazines, periodicals, bulk sets of blank forms (such as invoices and statements) all need to be declared as these are goods and should have a value applied under valuation methods as usual. Items that are non-compliant may be subject to delay.

**What happens if my business platform do not pay VAT direct (to the UK authorities) or is not registered in GB with an EORI number, will it become the responsibility of the recipient to pay these fees upon arrival or will items be returned to me?**

For goods under £135 HMRC and Border Force (UK's customs agencies) will undertake assurance checks and address any non-compliance directly with the sender. The ability to pay import VAT at the border will be removed from 1st Jan 2021 on goods under £135 and cannot be collected from the recipient.

**At present there are no customs duties or VAT on goods under £15, will this continue to be the case with the only difference being the removal of the LVCR for items of £15 or under?**

From 1st January the £15 threshold will be removed, and all goods will be liable for VAT, excise duty and in the case of items over £135 customs duty will also be applied.

**In the case that my business platform is registered to pay VAT correctly and sends an item worth £15 by post, will I only have to pay the 20% VAT (i.e. £3.00) or are there any additional handling fees payable?**

For items under £135 customers will have to complete a VAT return for HMRC and pay them directly.

**What will happen to undeliverable items being returned to me?**

Undeliverable items will be returned as now (in their original condition). VAT on items from £0-£135 should be claimed back from the seller/platform.



# WE ARE HERE TO HELP

The new regulations are mostly associated with customs, however postal operators play a major role to ensure a smooth process.

If you require more information about the new regulations, please contact:

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If you need information about the eSeller service, please contact:

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