



TRADING POST BREXIT: FAQS

We have put together an extensive list of answers to frequently asked questions about trading post Brexit to help support the trade navigate these new waters. This document was created in collaboration with DCMS and will be updated when new information is available. Head to www.lapada.org for the latest edition of the FAQ's.



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BREXIT FAQS

1. Customs Procedures

What do I need to do to be able to trade with the EU?

- You will require an EORI number.

How do I fulfill customs procedures?

- Exporting and importing goods to/from the EU post Brexit will be similar to how goods have been exported to the rest of the world in recent years. You will require export entries for export and import entries for imports. Goods traveling by road will require T-forms to be raised, as has been the case with exports / imports to & from countries such as Switzerland.

How do I make customs declarations without the help of a third party?

- We wouldn't recommend this as the process is complicated and any errors are not easily rectified. Should you be determined to learn the process yourself we would recommend a BIFA imports and exports course. Even after that we would recommend you work with a shipper to ensure that you have not made any errors.

2. Import Declarations

What forms will I need for an import declaration?

- C88 or C88a (importing by post) is the main customs form for international trade in the UK. This can be used to declare import, export and the transit of art and antiques across EU member states.
- C79 – This is the import VAT certificate that will allow you to reclaim VAT paid on imported goods. This must be done by you, the dealer, rather than the shipper.



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What will you need to declare?

- Goods not intended for your personal use, such as art and antiques intended for onward sale.
- Goods that are subject to prohibitions or restrictions on export such as antique firearms or CITES related material.
- Goods with a combined value of £390 if you are travelling with them in your baggage – this is the de minimis rate that applies at ports and airports etc.

3. Custom Codes

What are the customs codes for art/antiques and collectables?

- The customs codes are 9701 -9706 – these are zero rated for import tariffs, subject to import VAT at a rate of 5%. See here for the full list of custom codes.

4. Work on Consignment

How will taking work on consignment from the EU post-Brexit?

- Work on consignment will either need to be brought into free UK circulation meaning that duties and taxes will need to be paid. An alternative would be to send works to a facility that has a temporary import account and have the work viewed there.

What if I already have an item on consignment in the EU?

- If goods were exported to the EU before the end of 2020 they will be in free EU circulation and no duties and taxes will be payable. If however they return to the UK duties and taxes will be payable unless you are able to provide some form of proof of export. We are waiting for clarification from customs on what they will accept – we imagine at the very least loading details showing when transport out of the UK took place will be required.



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So, artworks of EU origin that are in free circulation in the UK, and which have been here for more than 3 years, would not be able to return to the EU in free circulation after 31st December 2020?

- Any goods moving (in free circulation) between Great Britain and the EU after the end of the transition period (31/21/20) will be subject to customs duties.

If an artwork is physically in the EU before 31/12/20 but belongs to and is sold by a UK gallery afterwards, will this be considered as an export sale?

- Goods which are located in the EU on the 1st January 2021 and are subsequently sold from there will not be counted as exports. This is because the goods are not being physically removed from the UK after the 31st December. The place of supply of these goods will be outside the UK and no UK VAT is due.
- Where the transaction is facilitated by an agent to a non-business customer, the place of supply of their services is where the underlying supply takes place.

If a UK gallery were to sell a work made and located in one EU state to a client in another EU state after 31/12/20, what tax would be levied on the gallery as a non EU agent and from where?

- This would be a similar situation to the previous question. If it is a sale on commission, then that would be a service subject to the place of supply of services rules.
- At this juncture, DCMS are unable to comment on the Customs and VAT rules that will be applied in the EU after the 31/12/20.



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If a business takes a work on consignment from an artist in the EU before Brexit and buys it from the artist and sells it to a client after Brexit, would this be a community supply from the artist, as it is now, or an import/export situation? Is there going to be any sort of grace period after 31/12/2020?

- The VAT treatment will depend upon where the artworks are at the end of the Transition Period. If the goods are in the UK before 1 January 2021, the transaction can be treated under the Margin Scheme rules set out in VAT Notice 718. If the goods are not in the UK before 1 January 2021, the transaction will be treated as an import to which the Margin Scheme rules set out in VAT Notice 718 may apply. There is no grace period for goods arriving after 31 December 2020. HMRC will soon be publishing guidance which will set out this treatment.

If artworks are consigned from the EU to London for sale in 2020 (contract signed before 31 Dec 2020) under EU Margin Scheme rules, but the sale of the artwork does not happen until 2021, can we still treat the transaction under EU Margin Scheme rules?

- The VAT treatment will depend upon where the artworks are at the end of the Transition Period. If the goods are in the UK before 1 January 2021, the transaction can be treated under the Margin Scheme rules set out in VAT Notice 718. If the goods are not in the UK before 1 January 2021, the transaction will be treated as an import to which the Margin

5. Merchandise in Baggage

What if I have been on a day trip to an EU Member State and purchased small, portable items which amount to over £1500 and return them to the UK on the same day?

- For items with a value over £1500 or controlled (excise or restricted) goods a full electronic customs declaration into CHIEF will need to be made prior to goods arriving in the UK. Dealers arriving into the UK at a port where there is a 'Goods to Declare' channel should ask for a Border Force office to declare the goods as 'arrived' into the CHIEF systems.



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If there is not a 'Goods to Declare' channel, Dealers will have until the end of the next working day to 'arrive' the goods into the CHIEF system themselves or through their customs agent.

- There will be the option to delay making import customs declarations for standard goods between 1st January 2021 and the 30th June 2021.

6. Duty Liability

Will goods of UK origin (i.e. sales) that are due to go to the EU be liable for duty when shipped after 31/12/20?

- From 1st January 2021, export declarations and exit Safety and Security declarations will be required for all goods.

7. Returned Goods Relief

Will Returned Goods Relief apply in respect of goods sent to the EU prior to the 31st December 2020 and returning unsold after the end of the transition period?

- After the 31st December 2020, Returned Goods Relief will apply with the EU as they will be considered Rest of the World.
- When reimporting the goods, proof will be required:
 - The original export declaration
 - A completed officially authenticated information sheet form C&E 1158 and form C1314 if appropriate.
- Alternative evidence may be considered if it clearly confirms the previous export of the goods and their duty status at export.
 - <https://www.gov.uk/guidance/pay-less-import-duty-and-vat-when-re-importing-goods-to-the-uk-and-eu>



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What do I do if there is no customs confirmation of a pre-31 December departure?

- As with shipments from the rest of the world, you'll need proof of export and you will need to import the goods at the same value they were exported. We are waiting for clarification from customs on what they will accept as proof of export for items that travelled to Europe from the UK pre December 31st – we imagine, at the very least, loading details showing when transport out of the UK took place will be required. They do appreciate that prior to the end of the transition period there was no way to raise a traditional proof of export for goods shipped within the EU.

8. Temporary Admissions

Will European goods be able to enter the UK on Temporary Admission?

- Yes, goods from the EU will be able to be temporarily imported into the UK (subject to meeting all relevant conditions), and then re-exported to the EU, or discharged from Temporary Admission.

Will Temporary Admission and bond procedures change?

- Businesses will be able to be fully authorised to operate these procedures without providing a Customs Comprehensive Guarantee (CCG) unless one is specifically required as a condition of authorisation
 - <https://www.gov.uk/guidance/import-and-export-customs-comprehensive-guarantees-ccgs>

How likely is Temporary Admission? What is the process to bring it in on Temporary Admission?

- All reputable fine art shippers will have a temporary admission account. When goods enter the UK, you will need to request that they are imported onto TA rather than into free circulation. Goods brought in under TA cannot be viewed anywhere other than the premises of the holder of the TA account.



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9. Importing Contemporary Art

How should I consider importing contemporary paintings? What will the obligations be?

- If you have purchased them and are bringing them into the UK, you should bring them into the UK under free circulation. You will be required to pay import VAT at 5% unless you are able to prove that they are British returning goods.

10. CITES

What will happen with CITES goods?

- There is the possibility that physical inspections will take place – however in practice, UK border force conducts these inspections infrequently. If your shipment is traveling with a known consignor, the presence of any goods requiring CITES will negate the shippers ability to clear customs at their facility. The shipment will have to clear at the point of entry which could lead to significant delays.

11. ATA

Will I be able to use an ATA Carnet for fairs etc.?

- Yes you will.

How do I apply for an ATA Carnet?

- We would recommend using a fine art shipper but if you prefer to do it yourself then the government guidance is probably the best way to explain the process - <https://www.gov.uk/taking-goods-out-uk-temporarily/get-an-ata-carnet>



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12. Delayed Declarations

What is a delayed declaration and how does it work?

- Border controls will be implemented in stages from the end of the transition period. Some controls will start on January 1st moving to full control for all goods from 1st July 2021. From 1st January, most traders will be able to defer submitting information and payment of customs duties to HMRC for up to six months from the date of the import.

If goods come in in June 2021, does the trader have a further 6 months to submit customs declarations and to pay the VAT?

- For movements between GB and the EU, we will be introducing border controls at the end of transition period in stages - starting with some controls from 1 January 2021 and moving to full controls for all goods from 1 July 2021. Postponed VAT accounting will be introduced, which will be mandatory if businesses are using the staged customs declarations and optional if they choose to submit full declarations from the 1 January 2021. This means:
 - From 1 January, most traders will be able to defer submitting information and payment of customs duties to HMRC for up to 6 months from the date of the import.
 - From 1 July 2021, traders will have to make full customs declarations (or use Simplified Procedures if they are authorised to do so) at the point of importation on all goods and pay relevant tariffs. Full Safety and Security declarations will be required.

13. Terms & Conditions of Sale

What should my terms and conditions include or not include for trade with the EU?

- We would recommend you make it clear who is responsible for payment of any duties and taxes in the event of a sale.



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14. Place of Supply of Service Rules

Will the place of supply of services rules remain the same after the 31.12.20?

- We are still unsure if the trade agreement will have any bearing on this. What we now have in the trade deal now needs to be threshed out and then detailed guidance will come through.

15. VAT Rules

I've been struggling with the new VAT rules re. import (particularly Non-EU - and apparently the sellers have to register and levy the VAT) – How does this process work and what will dealers need to do?

- Depends on the arrangement
 - If a non-UK seller agrees to deliver to a UK buyer with VAT & duty paid (buyer not interested in dealing with the import) then the seller will be the importer to the UK and pay the (5%) import VAT. This will mean that the seller is making an onward supply of the work to the UK buyer, which will probably (depending on value) require a non-UK seller to register for UK VAT and account for VAT on the onward supply to the UK buyer. I would assume the non-UK seller would want to VAT register to claim the import VAT back, unless he/she chooses to not recover the import VAT and sell under the margin scheme (even if sold under the margin scheme, if value(s) exceed the UK VAT registration limit, the non-UK seller would have an obligation to register for UK VAT).
 - There is no reason (other than the UK buyer not wishing to do so) that the UK buyer could not be the importer to the UK and benefit from acquiring the piece at the 5% import VAT rate. The buyer (if a dealer) then has the option to not recover the import VAT and sell under the normal VAT rules or not recover the import VAT and sell under the margin scheme (I would recommend if the option to sell under the margin scheme is adopted the buyer needs to obtain further advice).



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16. Import VAT

Imports from the UK to Belgium: Must VAT now be paid on import, and what documents will be needed to import at the border?

- Imports from the EU will be treated as imports from third countries (as was the case pre 1 Jan 2021 for imports from countries outside the EU), therefore, import VAT will be payable. However, instead of import VAT being collected and paid at entry, a business can opt to account for the import VAT under postponed accounting. This is something the shipping agent should automatically do for the importer with your Customs declarations (if the shipping agent is regularly used), but it would be worth double checking with them to be sure. Postponed accounting is effectively just an adjustment on the quarterly VAT return and will not have a cash impact on the importer (as a fully taxable business). To use the postponed accounting the importer should register for the online service (<https://www.gov.uk/guidance/get-access-to-the-customs-declaration-service>), although the importer should check with the shipper first.

Will dealers in EU countries wishing to import from a UK-based dealer need to pay VAT on the import?

- A UK Dealer would not need to charge VAT on exports to EU countries as it will be a zero-rate export, but EU member states will require items to be formally imported, and import VAT will need to be paid at the border (as with any import from outside the EU).

17. Export Tariffs

I've looked through the Government guidelines on exports of antiques category 9705 to the EU post Brexit, and although it says the export will be tariff free, it says nothing about import VAT. Will this will be charged?

- Under the common tariff there is no import duty on antiques into the EU. However, there is a reduced rate of import VAT applied to the import of antiques to the EU, with EU member states applying their own reduced VAT rate. For example, France has a 5.5% import VAT rate for antiques.



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18. Antiques Dealers Special Scheme

Currently, a UK VAT registered dealer selling on the Antique Dealers' Special Scheme, will pay VAT at the standard rate on their profit margin, unless:

- The item they are selling is sold to a UK institution (i.e. museum) that is VAT exempt
 - There will be no change as this is a UK to UK supply.
- The item is exported outside the EU and they can show proof of export
 - There will be no VAT if the goods are exported outside the UK. For goods that move GB-NI, please read Accounting for VAT on goods moving between Great Britain and Northern Ireland from 1 January 2021 [here](#).
- The item is sold to a VAT registered dealer or institution in the EU that is permitted to claim back VAT
 - For GB to EU sales the removal from GB will be an export and there will be no UK VAT due. For NI to EU sales the rules will be the same as today, to meet our agreements under the Northern Ireland Protocol.