

eCustoms Helpdesk Notification

Number:	Ref: 004/2021
Subject:	Payment of Import Duties for UK Imports
Who should read:	All those involved in lodging electronic customs declarations
Related Notification:	None
Issued by:	eCustoms Helpdesk
Queries to:	Origin Section, Customs Division. Email: originsection@revenue.ie
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1. Introduction

It has come to Revenue’s attention that goods being imported from third countries are not being released from Customs Control in a timely manner due to insufficient funds being available in the trader account to meet import charges. This paper provides information on import charges, how to set up and top-up a trader account and how to defer payment of charges.

2. Background

The UK became a third country for Customs purposes from 01 January 2021 and this has implications for businesses in terms of Customs Duties and VAT. Businesses need to make the necessary arrangements to pay these taxes and duties either at point of import or using deferred/ postponed payment methods. Where taxes / duties are due at the point of import it is essential that there are sufficient funds in the business’ Customs account to pay the amounts owed. If there are insufficient funds, then the goods cannot be released and will be held by Customs until payment is made.

3. Customs Duty – Preferential Tariff Treatment

Customs Duty or the 'Common Customs Tariff' (CCT) applies to goods being imported into the EU from a third country. The CCT applies in all EU member states and the rates of duty differ depending on the product and its origin. Through the CCT, the EU ensures that domestic producers can compete fairly and equally on the internal market with manufacturers from third countries.

In the EU-UK Trade and Cooperation Agreement, CCT duties are eliminated for trade between the EU and the UK **where relevant rules on origin are met**. A claim for preferential tariff treatment of 0% for imports into Ireland can be made where the goods are of UK origin. Proving the origin of a product is made by including a ‘statement on origin’ on an invoice or any other document that

describes the product in sufficient detail to enable the identification of that product. Further information on origin is available at <https://www.revenue.ie/en/customs-traders-and-agents/importing-and-exporting/index.aspx>

A claim for preferential tariff treatment is made on the customs import declaration. See Appendix 1 for the relevant codes for use in claiming Preferential Origin Rate in both AIS and AEP. If a claim is not made, then Customs Duty will be charged at the current rates for 3rd country imports.

4. Import VAT Liabilities

Value-Added Tax (VAT) is payable at point of importation into the State on goods being imported from third countries. This means that from 1 January 2021, VAT is payable on goods being imported from the UK. Imported goods are liable to VAT at the same rate as applies to similar goods sold within the State. Goods which are zero-rated on sale within the State (for example, most food, children's clothing and printed books) are also zero-rated at importation.

If VAT is payable, it can be paid at the point of import. Businesses can also use postponed accounting for VAT where the business is Irish VAT registered and the business has an EORI number. Importers who avail of this facility will instead account for import VAT through their normal VAT return. Revenue have auto registered importers for postponed accounting, but businesses must still elect to avail of the facility on each Customs import declaration. See Appendix 2 for the relevant codes for electing for postponed accounting in both AIS and AEP. If this option is not selected, then VAT is payable at the point of import.

The use of code 1A01 for existing VAT Free Authorisation holders (VAT56b/13b) is unchanged. The relevant authorisation number should be declared in both AIS and AEP.

5. Payment of Import Duties (Customs Duties and VAT)

Once you are registered for an Economic Operators Registration and Identification (EORI) number, you will be assigned a Revenue Trader Account Number (TAN). This is a secure channel through which you can make payments. Payment for any tax and duties arising on a customs declaration must be collected or secured before the goods are released. Payments of the following charges can be made by cash or by using Revenue's deferred payment facility:

- Customs Duty
- Excise Duty
- VAT at import.

Cash payments can be made into a TAN account/Customs account by using Revenue's online payment facility, in ROS or myAccount. Payments can be made by credit card, debit card or single debit instruction. The Customs Deferred Payment Facility (Bank Direct Debit) is a facility whereby traders and/or their agents are authorised to defer payment of customs duties. Authorisation will require provision of a bank guarantee/cash deposit and compliance with the conditions of the authorisation. Once approved, payment of taxes and duties arising may be deferred for payment by direct debit to the 15th day of the following month. Deferred payment is chosen in AEP by inserting 'F' into Box 47.5. In AIS 'F' is inserted in Box 48.

6. Deduction of Import Duties and Insufficient Funds

Revenue's automated customs declaration systems AIS and AEP calculate the import duties payable and deduct the amounts automatically from the trader's TAN account. It is critical that sufficient funds are available to meet the liabilities due. When there are insufficient funds in the TAN account to meet the import duties due, an 'Insufficient Funds' message (IE099 in AIS) is issued to the trader. The goods will not be released until there are sufficient funds in the TAN account to meet the import formalities due.

Appendix 1 – Claiming Preferential Origin Rate on Import declarations in AIS and AEP

Claiming Preferential Origin Rate in Automated Import System (AIS)

You should use the following codes to claim preferential origin upon release for free circulation in the EU:

- AIS Data Element 4/17 (Preference) should contain the code '300'.
- AIS Data Element 5/16 (Country of preferential origin) is 'GB'.
- AIS Data Element 2/3 (Documents produced, certificates and authorisations, additional references), one of the following codes should be used:
- Where the claim for preferential tariff treatment is based on a 'statement on origin' for a single shipment, use code 'U116'.
- Where the claim for preferential tariff treatment is based on 'importer's knowledge', use code 'U117'.
- Where the claim for preferential tariff treatment is based on a 'statement on origin' for multiple shipments of identical products, use code 'U118'.

Claiming Preferential Origin Rate in Automated Entry Processing (AEP)

You should use the following codes to claim preferential origin upon release for free circulation in the EU:

- SAD box 36 (Preference) should contain the code '300'.
- SAD box 34 (Country of origin) is 'GB'.
- SAD box 44 (Documents produced, certificates and authorisations, additional references), one of the following codes should be used:
- Where the claim for preferential tariff treatment is based on a 'statement on origin' for a single shipment, use code 'U116' followed by NAI.
- Where the claim for preferential tariff treatment is based on 'importer's knowledge', use code 'U117' followed by NAI.
- Where the claim for preferential tariff treatment is based on a 'statement on origin' for multiple shipments of identical products, use code 'U118' followed by NAI.

Appendix 2 – Claiming Postponed Accounting on Import declarations in AIS and AEP

The following outlines the data requirements on the import declaration, and the response message details from Revenue.

Claiming Postponed Accounting in AIS:

- Insert 1A05 in Data Element (DE) 2/3 followed by text IEPOSTPONED.
- If the authorisation is not valid, the declaration will be rejected.
- If the authorisation is valid, the declaration will progress as normal. VAT is calculated and indicated with tax type 1B2 in the IM429 message back to the declarant. The amount of VAT under 1B2 is NOT included in the total liability for collection.

Claiming Postponed Accounting in AEP:

- Insert 1A01 in SAD Box 44 followed by text IEPOSTPONED.
- If the authorisation is not valid, the SAD will be rejected
- If the authorisation is valid, the SAD will progress as normal. AEP will calculate the correct VAT liability but will not include the VAT amount in the liability to be collected. The VAT amount will NOT be included in the IM529 message back to the declarant.