

Trade Competitiveness Briefing Paper

# Impact of Post-Brexit Procedural Rules for Caribbean Exports into the UK

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The Commonwealth

This paper has been prepared for the Commonwealth Secretariat and reflects the views of the author. Any errors are the fault of the author only. The study on which it is based used information available up to 15 April 2021. The situation remains very fluid, as measures are being rolled out in phases in accordance with the United Kingdom's Border Operating Model, which, at the time of writing, had changes scheduled for implementation up to 1 March 2022, and indications are that there may be delays in scheduled implementation.

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### Abstract

The study featured in this paper identifies the post-Brexit procedural changes introduced by the UK, and catalogues them for traders in the Caribbean. It highlights potential bottlenecks and offers strategies to overcome them. It also examines the potential impact on competitiveness and trade patterns, as well as the impact of the COVID-19 pandemic on Caribbean exporters.

This paper finds that the imposition of a border with the EU will likely impact the countries and products that use the EU as an entry point to UK, due to the delays and indirect costs imposed. There are likely to be adverse effects on the EU side of the border, as indirect costs impact supply-chain decisions. However, some of the negative effects could be mitigated by re-routing. Some traders indicated that they were adopting strategies in anticipation of delays at the border. The information available showed that there were significant delays and some negative impacts on trade patterns. However, it could not be determined whether and to what extent these changes were affecting specific Caribbean exporters and products, as compared to the rest of the world.

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## Abbreviations and Acronyms

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ACP	African, Caribbean and Pacific (Group of States)
BLSCI	Bilateral Liner Shipping Connectivity Index
BOM	Border Operating Model
CARICOM	Caribbean Community
CARIFORUM	CARICOM and Dominican Republic
CDS	Customs Declaration Service
CF-EU EPA	CARIFORUM-EU Economic Partnership Agreement
CF-UK EPA	CARIFORUM-UK Economic Partnership Agreement
CFSP	customs freight simplified procedures
CHIEF	Customs Handling of Import and Export Freight
CIF	cost, insurance and freight
CPC	customs procedure code
DIT	Department for International Trade
ENS	entry summary declaration
EORI	economic operators registration and identification number
EPA	economic partnership agreement
EU	European Union
EXS	exit summary declaration
FOB	free on board
GB	Great Britain
HMRC	Her Majesty Revenue and Customs
HS Code	Harmonized Commodity and Coding System
HS	Harmonized System
ICC	International Chamber of Commerce
ICS	Import clearance status (code)
ICS NI	Import Control System Northern Ireland
Incoterms	international commercial terms
ITC	International Trade Centre
LSCI	Liner Shipping Connectivity Index
MRN	Movement Reference Number
NCH	National Clearance Hub
OECD	Organisation for Economic Co-operation and Development
ONS	Office for National Statistics
RTA	regional trade agreement
SAD	Single Administrative Document/ Declaration
SAFE	Standards to Secure and Facilitate Global Trade ('SAFE Framework')
SME	small and medium-sized enterprise
SPS	sanitary and phytosanitary
TCTA	Taxation (Cross-border Trade) Act 2018
TFA	Trade Facilitation Agreement (of the WTO)
UK	United Kingdom
UNCTAD	UN Conference on Trade and Development
UNCTAD Stat	UNCTAD statistics
VAT	value-added tax
WCO	World Customs Organization
WIRSPA	West Indies Rum and Spirits Producer's Association
WTO	World Trade Organization

## 1. Background

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The global objective of the study that features in this paper was to evaluate the new post-Brexit customs processes for Caribbean exports, to enable the Trade Competitiveness Section of the Commonwealth Secretariat ('The Secretariat') to provide trade facilitation assistance to Caribbean states. A key aspect involved identifying the new customs processes involved in exporting to the United Kingdom (UK).<sup>1</sup>

The study will enable the Secretariat to provide advisory services to Caribbean exporters. The provision of these services as a result of the study contributes to achieving key objectives of the African, Caribbean and Pacific (ACP) Secretariat.

Additionally, the information contained in this study is intended to support discussions and decisions for trade facilitation processes for Commonwealth Caribbean countries as they navigate through **the new and evolving** post-Brexit export rules and procedures.

The specific research areas addressed were:

1. Identification of the new rules and customs regulations for Caribbean exports to the UK.
  2. Highlights of the key procedural changes to export requirements for the Caribbean regions within ACP states, keeping in view the impact on any regional trade agreements and trade preferences schemes pre- and post-Brexit.
  3. Identification of the potential economic and developmental impact of new customs rules.
  4. Verification of the impact of COVID-19 on Caribbean countries' ability to adapt to the new rules of trade with the UK.
  5. Identification of emerging bottlenecks (tariff and non-tariff barriers) that could reduce the volume of Caribbean exports to the UK.
  6. Exploration of the available options to remove those bottlenecks.
  7. The effect of Brexit on the trade competitiveness of Caribbean exports to the UK.
  8. The regions within the Caribbean and the export sectors that may be most impacted.
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## 2. Data and methodology

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The methodology used in this study to achieve the specific objectives, given the timeframe and the timing of the changes affecting the UK border, was to use available data, including secondary sources of information, informal interviews with selected stakeholders, publicly available news reports, as well as the information provided on Her Majesty's Revenue and Customs (HMRC) website to identify key procedural changes, as notified to the World Trade Organization (WTO) Committee on Trade Facilitation.<sup>2</sup>

### 2.1 Data

The study focused on procedures; however, some trade data were utilised for context. In terms of data, bilateral trade patterns of the CARIFORUM (Caribbean Community [CARICOM] and Dominican Republic) member states with the European Union (EU) (27)

and the UK were examined to identify the relevant trends. Additionally, secondary data were gathered from various reports. In most cases, data were not available for all CARIFORUM countries beyond 2015 in a consistent manner, nor at the frequency and level of disaggregation required. Also, relevant indices developed, such as Liner Connectivity Indices developed by the UN Conference on Trade and Development (UNCTAD) and the World Bank Doing Business Index (particularly the sub-component, Trading Across Borders), were utilised.

### 2.2 Partners

A subset of Caribbean countries was examined in this study. The subgroup utilised were those partners who are members of the CARIFORUM-UK Economic Partnership Agreement (CF-UK EPA). These are:<sup>3</sup>

- Antigua and Barbuda
- Barbados
- Belize
- The Bahamas
- Dominica
- The Dominican Republic
- Grenada
- Guyana
- Jamaica
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines
- Trinidad and Tobago
- Suriname (which has approved in principle)

The United Kingdom is defined in the CF–UK EPA as Great Britain<sup>4</sup> and Northern Ireland. Where data on the EU are presented, these were confined to the EU 27, as available.

### 2.3 Procedures

In order to identify the relevant procedures (border measures) that are in place after 1 January 2021, in the United Kingdom,<sup>5</sup> a review was done of the notifications to the World Trade Organization (WTO) under the Trade Facilitation Agreement (TFA). An extensive review was conducted of the various sections of the HMRC website,<sup>6</sup> particularly the guidance on trade for CARIFORUM states. Enquires were also made directly to the HMRC.<sup>7</sup> Additionally, the following specific documents were consulted:

1. The Border Operating Model (BOM) Policy Paper, ‘The Border with the European Union: Importing and Exporting Goods’ December 2020<sup>8</sup> and its Case Studies
2. The website of the UK Government (<https://www.gov.uk>)
3. The Taxation (Cross-border Trade) Act 2018<sup>9</sup> (TCTA)
4. Customs (Import Duty) (EU Exit) Regulations 2018<sup>10</sup>
5. The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018
6. The Customs Transit Procedures (EU Exit) Regulations 2018<sup>11</sup>
7. Customs (Export) (EU Exit) Regulations 2019<sup>12</sup>
8. CF–UK EPA
9. HM Revenue and Customs (HMRC)<sup>13</sup> impact assessment for the movement of goods if the UK leaves the EU without a deal (first edition)<sup>14</sup> (updated 7 October 2019)
10. United Kingdom Notifications to the WTO under the Trade Facilitation Agreement<sup>15</sup>

### 2.4 Assessing impacts

In order to answer the specific research questions related to the impact of the changes in procedures on CARIFORUM trade with the UK, there was an examination of bilateral data to the extent available. Relevant literature and studies were also examined, from which inferences could be drawn. Reliance was also placed on insights provided by the World Bank Doing Business Index, as well as UNCTAD’s Bilateral Liner Shipping Connectivity Index (BLSCI).<sup>16</sup> The study also drew on available data from surveys and anecdotal data from news reports and informal stakeholder consultations. The HMRC<sup>17</sup> impact assessment for the movement of goods was also utilised.

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## 3. Trade between the CARIFORUM and the UK

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For some time, it was observed that trade between the UK and CARIFORUM states had been declining. However, at the time of the negotiations between CARIFORUM and the EU, it was felt that the UK would be an important gateway into the rest of the EU, given the already-established ties and trading relationships with the UK. At the time of the first five-year review of the CARIFORUM–EU Economic Partnership Agreement (CF–EU

EPA) concluded in 2014, just coming out of the 2009 economic crisis, the assessment was that there was little if any impact on trade. The report highlighted implementation issues, among them being the lack of necessary legislative changes to give effect to all aspects of the EPA.

The second five-year review of the EPA noted the lack of implementation of tariff commitments, in particular on the part of

CARIFORUM states. In terms of trade, the report found that the CF–EU EPA had occasioned limited impact, even ten years after the signing of the agreement. Overall trade patterns showed a decline in merchandise trade flows to the EU, while there had been an increase into CARIFORUM from the EU, resulting in a surplus.

The Department for International Trade's (DIT) report to parliament,<sup>18</sup> in making a case for continuity of a trading arrangement between the UK and CARIFORUM, in a Brexit context, noted as follows:

*In 2017, UK exports to the region were £0.8 billion, around 0.1% of total UK exports. If the region was treated as a single economy, this would make it the UK's 62nd largest export market ... In 2017, UK imports from the region were £1.7 billion, around 0.3% of total UK imports. If the region was treated as a single economy, this would make it the UK's 47th largest import source...The partner countries within the region with the largest value of trade with the UK in 2017 were Jamaica, The Commonwealth of the Bahamas, Barbados and The Republic of Trinidad and Tobago ... The UK's top goods imported from the region were edible fruits and nuts (HS08, £151 million in 2017) and organic chemicals (HS29, £68 million), representing around half of the total value of goods imported from the region.' (DIT 2019, 8)*

The data examined showed that for the EU (27) in 2019, exports to CARIFORUM states declined, while imports from CARIFORUM increased, leading to a decline in the overall positive trade balance over its level in 2018 (see Appendix 1).

When the EU (27) was examined as a block, it represented the second-largest trading partner for most CARIFORUM states behind the United States; however, when the UK was examined separately, as well as the individual EU member states, an interesting pattern emerged (see Appendix 1). The United Kingdom, while undoubtedly still an important market for some CARIFORUM states and for certain products, was not in the top-five trade partners for most CARIFORUM states in 2019. This could be seen from an examination of the general profiles on UNCTAD Stat<sup>19</sup> for all CARIFORUM

states. The United Kingdom was not in the top-five, save in the cases of Saint Lucia and Belize.

The data (see Appendix 1) revealed the following EU countries as being in the top-five (5) trading partners, as follows:

- Antigua and Barbuda and The Bahamas – Poland
- Dominica – France
- The Dominican Republic – Switzerland and Liechtenstein
- Jamaica – Netherlands and Iceland
- Saint Kitts Nevis – Malta and Germany
- Saint Vincent and the Grenadines – France, Switzerland and Liechtenstein
- Suriname – Switzerland, Liechtenstein and Belgium
- Trinidad and Tobago – Spain

Razzaque and Vickers (2015) had noted that while the UK was not a dominant market for the CARIFORUM countries exports generally, sugar accounted for a third of their exports. Therefore, the UK was still an important market. As shown in Table 1, sugar and confectionary registered in the top-three imports from the region in 2017, behind organic chemicals and edible fruits and nuts. The publication also noted that the UK accounted for 'almost all of the banana exports from Saint Lucia and Dominica, Jamaica's rum exports, and more than 80 per cent of the sugar exports from Belize and Guyana' (Razzaque and Vickers 2015).

For those countries whose exports are concentrated in products such as sugar, bananas, vegetables and rum, the UK will likely remain an important market. Therefore any distortions, including border frictions resulting from

**Table 1. Top-five UK imports from CARIFORUM (2017)**

Top-five UK goods imports from the region at HS 2 Level (2017)	
Description	Value £ million
08 – Edible fruit and nuts	151
29 – Organic chemicals	68
17 – Sugars and sugar confectionery	60
27 – Mineral fuels or oils, products of their distillation	56
22 – Beverages, spirits and vinegar	26

Source: DIT 2019.

new procedures, could have a disproportionate impact on those products into the UK market. If these products are transhipped to other European countries, it could also affect trade with these other markets. A more detailed assessment of impacts is conducted in later sections.

### 3.1 CARIFORUM export destinations

The available data revealed that there was diversification in the trading relationships between CARIFORUM and Europe. In particular, the data showed that the UK was not a dominant export destination for most CARIFORUM states. However, it was an important market for a subset of Caribbean products.

In 2019, there was a total of **39 top-five (5) export destinations** across the 15 CARIFORUM territories, with the intensity of trade varying widely across the regional grouping. As a single bloc, the major portion of the total value of trade between the CARIFORUM and its main export destinations was conducted with the USA. Other major destinations included **Switzerland/Liechtenstein, Canada, Haiti and Argentina**, rounding out the top-five (5) CARIFORUM export markets by value.

During 2020, CARIFORUM countries' top-five (5) trading partners were broadly from Europe, North and South America, Africa and

Asia, but there was a limited concentration of those trade partners in CARIFORUM's mix of export destinations. This, however, was with the exception of the USA, which was a top-five destination for 13 of the 15 CARIFORUM countries assessed, and was the top export destination for eight of those countries and top four for an additional three (3) countries. Trinidad and Tobago was the second most important export destination for CARIFORUM countries, having been ranked as a top-five export market for five (5) CARIFORUM economies, with Canada following in third place overall with four top-five rankings. Other territories, such as Germany, Guyana, India, Jamaica and Switzerland/Liechtenstein, had three top-five (5) placements each across the 15 CARIFORUM countries assessed, rounding out the top-eight (8) export destinations for CARIFORUM.

It is important to note that of the 39 countries which accounted for CARIFORUM countries' top-five export markets, *only nine were European*. These were Belgium, France, Germany, Ireland, Malta, The Netherlands, Poland, Spain and the UK (only for two CARIFORUM states), with all but Germany having two or fewer top-five export market designations among CARIFORUM countries. At the same time, 11 of the 15 CARIFORUM countries also appeared in the top-five export market rankings of their regional counterparts.

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## 4. The CARIFORUM–UK EPA and trade facilitation

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Trade facilitation provisions have become commonplace in regional trade agreements (RTAs), but with varying degrees of scope and coverage. The CF–UK EPA replicates the 2008 CF–EU EPA on a 'UK only' basis. It is a 'continuity' agreement in the sense that it seeks to ensure that the benefits agreed under the CF–EU EPA are maintained under this 'UK only' arrangement. The Department for International Trade (DIT) noted that the agreement was meant 'to secure continuity for trade and preservation of market access' (DIT 2020).

The agreement guarantees the same level of market access for CARIFORUM goods (duty-free and quota-free) and replicates the commitments made on services under the EPA. The

free trade agreement consolidates and forms a framework for bilateral relations with the UK. The agreement addresses only trade with the UK and not with the EU. A significant difference, however, between the CF–UK EPA and the CF–EU EPA was the conditions existing in the multilateral system at the time of their negotiation. One of these differences was the adoption of the WTO Trade Facilitation Agreement (TFA), which was adopted by the WTO General Council in 2014. Article 29 of the CF–UK EPA recognises the important role of trade facilitation in the promotion of intra-CARIFORUM trade and CARIFORUM–UK trade. The chapter on trade facilitation further enshrines this by making provision at Article 34 for the

promotion of regional integration and provides for its monitoring by the Special Committee on Customs Cooperation and Trade Facilitation, established under Article 36. It has been found that the inclusion of these provisions in RTAs reduces costs. It has also been found that ‘multilateral spillovers from trade facilitation measures in RTAs on trade costs are found to exceed any discriminatory effects within three years of an RTA’s entry into force...’ (Duval et al. 2016).

The UK accepted the TFA in 2015 as part of the EU and, on its exit from the EU, it notified its continued acceptance on 1 January 2021. As a consequence of this, the UK, in accordance with its obligations under the TFA, notified the WTO of the various changes to its border procedures, to the Committee on Trade Facilitation (WTO 2021).

All CF–UK EPA members who are members of the WTO have accepted the TFA. The CF–UK EPA may be a WTO-Plus, in the sense that obligations under the CF–UK EPA are imposed on WTO non-members where these mirror obligations under the TFA, as well as instances where these provisions may be deeper than those contained in the TFA. Article 29(2) of the CF–UK EPA affirms the commitment of the parties to the TFA.

The trade facilitation provisions of various RTAs can show the nature of the special interests important to the parties. Table 2 presents the trade facilitation provisions that feature in RTAs notified to the WTO based on the frequency of

occurrence.<sup>20</sup> Neufeld (2014) found that the following provisions were frequently addressed in RTAs: ‘co-operation, transparency, fees, and formalities’, while matters such as transit ‘were tackled less often’ (Neufeld 2014).

The CF–UK EPA provisions on trade facilitation can be found in Part II of the agreement, Title 1 (Trade in Goods), at Chapter 4 (Customs and trade facilitation). Table 2 tracks whether the CF–UK EPA at Chapter 4 contains<sup>21</sup> the top-12 frequently addressed provisions found in RTAs, based on Neufeld’s 2014 ranking.<sup>22</sup>

It was seen that the CF–UK EPA contains at a minimum the top-12 provisions from this ranking. An analysis of the scope and depth of the provisions, as compared to the TFA or the CF–EU EPA, are outside the scope of this study. It is, however, worth mentioning in relation to ‘Exchange of customs-related information’ that the TFA at Article 12(2) seems to be wider in scope than the provisions of Article 30(1)(a), which provides for exchange of information in relation **to customs legislation and procedures**. However, under Article 35(2)(b), cooperation in accordance with the SAFE Framework of Standards to Secure and Facilitate Global Trade (‘the SAFE Framework’), one of the principles would be the exchange of information beyond procedures and legislation. This would extend, for example, to verification of information in declarations. The 2018 edition of SAFE notes that customs-to-customs networks will generally make for more effective controls and

Table 2. Trade facilitation provisions of the CF–UK EPA

Rank	Measure	Occurrence (Neufeld 2014 ranking)	CF–UK EPA article
1.	Exchange of customs-related information	69.6%	Article 30(1)(a), Article 35(2)(b), Article 36
2.	Co-operation in customs and other trade facilitation matters	59.4%	Article 30(1)(c), Article 30(2), Article 35
3.	Simplification of formalities/procedures	52.5%	Article 31
4.	Publication and availability of information	50.2%	Article 32
5.	Appeals	41.5%	Article 31(3) (c), Article 31(2)(f)
6.	Harmonisation of regulations/formalities	38.7%	Article 31
7.	Risk management	36.9%	Article 29(4)
8.	Publication prior to implementation	36.4%	Article 32 (c)
9.	Transit	36.4%	Article 31(2)(h)
10.	Advance rulings	35.9%	Article 31(f)
11.	Automation/electronic submission	35.5%	Article 31 (2) (c)
12.	Use of international standards	33.2%	Article 31(1)

detection of risks earlier in the supply chain and help to better allocate customs resources. In this respect, the WCO notes:

*‘Customs-to-Customs network arrangements to promote the seamless movement of goods through secure international trade supply chains. These network arrangements will result, inter alia, in the exchange of timely and accurate information that will place Customs administrations in the position of managing risk on a more effective basis.’ (WCO 2018)*

The adoption of this provision is therefore critical for the effectiveness of the CF–UK EPA. The language in the CF–UK EPA, in this respect, seems to go beyond the best endeavour and flexible language in the TFA. It is submitted that this is necessary under the SAFE Framework to achieve one of the three main pillars, which is customs-to-customs co-operation. Notwithstanding, it could be argued that there is no language on how these obligations are to be implemented. However, when one considers the fact of inclusion and the intended role of the ‘Special Committee on Customs Cooperation and Trade Facilitation’, established in Article 36, it may not be unreasonable to conclude that the CF–UK EPA exhibits a greater degree of commitment, as it is tasked with monitoring implementation.

Other trade facilitation aspects worth noting are as follows:

- The ability to simplify documentation, such as the submission of invoice declarations, is found in Protocol 1, Articles 16, 21(1) and 22.
- That ‘origin’ and ‘cumulation’ provisions are very important determinations for market access and preferential treatment. To provide maximum continuity, provision is made so that content is recognised (cumulated) in both the UK and CARIFORUM. The details of these rules are set out in Title II (Definition of the concept of ‘originating products’) of the Rules of Origin Protocol. Ensuring that the functions of Protocol I are carried out, is also an important function of the Special Committee on Customs Cooperation and Trade Facilitation, established under Article 36 of Chapter 4.
- Provision for treaty bodies are important to the operation of the agreements and effective implementation. In the context of the

CARIFORUM–EU EPA, as indicated in the first five-year review of the EPA, these bodies had not been fully operational as expected; it was suggested that this was one of the reasons for the delay to full implementation of the agreement. In the *Revised Interim Report, Ex-post Evaluation of the CF–EU EPA in 2020* (the second five-year review), it was found that some progress had been made on these bodies. It was noted, however, that ‘the findings on the overall implementation suggest that this dialogue has not been focused enough on finding solutions to the specific situations and cases affecting individual countries’ (European Commission 2020, p20).

Under the CF–UK EPA, as noted by the Department for International Trade (2019), the joint institutions that existed under the CF–EU EPA have been retained in full, as follows:

- The ‘Joint Council’ – responsible for implementation and operation of the agreement and which has the power to take decisions on all matters covered by the agreement.
- Trade and Development Committee – which has the power to vary and revoke the functions of and to dissolve any special committee or body, except the Special Committee on Customs Cooperation and Trade Facilitation.
- The Special Committee on Customs Cooperation and Trade Facilitation – which falls within the Joint Council but reports to the Trade and Development Committee. As per Articles 12 and 36, the committee can address any issue in relation to the classification of goods that arises under the operation of the agreement. In the context of the new procedures, this is the body to which many of the issues that may arise will likely be referred. It is also the body responsible for Chapter 4 on Customs and Trade Facilitation, as noted previously, as its functions include monitoring and implementation, as well as carrying out required actions under Protocol I, providing a forum for consultation in regard to Protocol II, and co-operation and technical assistance.
- In addition to the above, a number of special committees having advisory remit to the Trade and Development Committee have

been directly incorporated in the agreement, which had been established under the CF–EU EPA as follows:

- The Special Committee on Agriculture and Fisheries; and
- The Technical Sub-Committee on Development Cooperation.

The CF–UK EPA provisions on trade facilitation will be key to addressing any issues that may affect CARIFORUM partners, and by extension the rest of the Caribbean, because of the new procedural rules, and this underscores the important role of the Special Committee on Customs Cooperation and Trade Facilitation.

Given the importance of trade facilitation to effectuate the benefits of the trading arrangements, programmes that are designed to support capacity building in specific sectors and enable traders to understand and comply with rules are also important. This is particularly critical in the context of the new procedural rules, as traders need to familiarise themselves with the new rules. Two such programmes are mentioned below.

#### 4.1 UK Trade Partnerships Programme

The UK Trade Partnerships (UKTP) Programme aims at promoting trade with the UK.<sup>23</sup> The

International Trade Centre (ITC) indicates that, ‘This project aims to promote trade with the UK, initially under the existing CARIFORUM–EU EPA and then under the CARIFORUM–UK EPA. The project will run from 2020 to 2022 and received funding from the UK Government, through the Department of International Development (DFID) and is being implemented by the International Trade Centre (ITC)’. It is noteworthy that one of the sectors highlighted for support under this initiative is ‘speciality foods’ – underlining a potential opportunity for CARIFORUM exporters. This underscores the importance of assuring the relative competitiveness of CARIFORUM exports.

#### 4.2 SME Brexit Support Fund

To address the ability of traders to handle with the new procedures, the UK government has made £20 million available through the SME [small and medium-sized enterprise] Brexit Support Fund<sup>24</sup> (available to businesses that meet certain criteria).<sup>25</sup> These two grants, one aimed at training and the other aimed at professional advice, are timely and may help to defray costs, as well as the negative impact on trade if traders can successfully navigate these rules.<sup>26</sup>

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## 5. The new rules and customs regulations

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It is important to recognise that CARIFORUM exporters have always faced a border, being a third country with the European Union (28), including the UK, depending on which country was the first point of entry into the EU. The difference post-1 January 2021 is that the point of entry into the EU will matter, given the exit of the UK from the European Union. For exports to non-EU countries that transit either through the EU or the UK, they will likely be affected by friction at the border of the UK or EU that may spill over.

Prior to 1 January 2021, goods entering the UK would have benefited from free circulation within the common market. Given the withdrawal of the UK, it is no longer part of a single economic space, and therefore products from CARIFORUM exporters will now face a border

with the EU (27) if the first point of entry is the UK.

While the government rules allow for a single point of entry- border post into the UK including Northern Island, in practice there has been some report of separate sets of border procedures for CARIFORUM goods entering through the Northern Island after 1 January 2021, depending on the destination market and whether the goods are transhipped through the UK, as follows:

1. Great Britain<sup>27</sup>
2. Northern Ireland /European Union

Notwithstanding that there was always a border for non-EU goods– the new customs changes will still affect all exports, as the new

procedures will apply to all goods entering the UK – transshipment will only add another level of complexity. Traders or distributors for CARIFORUM goods in the UK will not only be importers but also exporters if the products are to be transhipped, and will therefore face multiple layers of customs procedures. These procedures will be evidenced in the following:

- documents
- processes
- systems
- charges (port, VAT [value-added tax], customs duty, transport)

Data were not readily available for the number of CARIFORUM states that were established as traders in the UK. However, available data indicated that 96 VAT-registered UK businesses imported from Trinidad and Tobago and 167 from Dominican Republic (HMRC 2019, third edition).

The United Kingdom has published the Border Operating Model,<sup>28</sup> which provides guidance on the new procedures that have been in effect since 1 January 2021, to deal with issues between the UK (Great Britain and Northern Ireland) and the EU.

With regard to the rest of the world, the new procedures are provided on the HMRC website, for example, in the section, Trade with CARIFORUM States.<sup>29</sup> The procedures for the rest of the world can be found in the Customs (Import Duty) (EU Exit) Regulations 2018.<sup>30</sup> Notices made under these regulations also have the force of law. Under these regulations, persons can only make declarations (import or export) if they are established in the UK.<sup>31</sup> The main document for goods entering the United Kingdom is the customs declaration.<sup>32</sup>

The process of export from CARIFORUM into the UK market can be viewed as having two main stages:

1. the export process in the country of origin to the UK; and
2. the import processes in the UK.<sup>33</sup>

There will be one other stage if the goods transit to Northern Ireland or to the EU, and so will fall under the common transit procedures and the UK–EU border measures. We refer to this and the transshipment/transit process later on in this chapter.

## 5.1 The export process from the CARIFORUM country of origin outside the UK or EU

The export process may vary from country to country<sup>34</sup> and also depending on whether the products go by air or sea from the CARIFORUM country of origin. The process for exports will normally proceed as follows:

1. Exporter registration in the country of origin.
2. Completing the relevant export paperwork (export declaration, with supporting documents). The process of making the export declaration will involve determining the correct tariff classification for the good, providing an invoice with the relevant terms of delivery, transport documents, obtaining the necessary permits and licences,<sup>35</sup> as well as origin certificate.<sup>36</sup>
3. Making the necessary arrangements with the carrier (ship/airline) (including prior booking, as required).
4. Paying the relevant fees.
5. Delivering the cargo to the wharf (sea) or the airline (air).
6. Providing the agent (customs broker, freight forwarder or other agent) with the necessary information. It is important to note that where pre-notification may be required, that this is complied with. It is also important to send the relevant information in the time required by UK customs and/or the customs authority at the transshipment point; otherwise, penalties may be incurred.<sup>37</sup> It is the carrier's responsibility to submit this pre-shipment information (this is called an Entry Summary Declaration in the UK), even if they allow a third party to lodge it.
7. Export of the cargo to the destination market or transshipment port.

Generally, even before the export process is started, exporters should check the requirements for the goods entering the relevant market. This will be important for the buyer when the goods enter the UK, while failure to provide correct information on relevant documents will likely cause delays to the entry and clearance of the goods.

The main procedures before the goods are landed usually regard any pre-notifications or

declarations that must be made. Generally, these documents allow for the customs authorities to gather prior information on the consignment, as well as its safety and security. Understanding these pre-shipment formalities will avoid delays and costs when the goods arrive in the UK. Table 6 shows the main documents on import.

**5.1.1 Pre-notification of imports**

Section 4 of the Customs (Import Duty) (Eu Exit) Regulations 2018, under Part 2 (Presentation to Customs), indicates that notification of importation must be given to HMRC by the following persons:

- a. the person who imports the goods;
- b. a person on whose behalf another person imports the goods;
- c. a person who is responsible for the carriage of the goods when they are imported;
- d. a person who makes a customs declaration in respect of the goods; or
- e. a person approved by HMRC in relation to premises where goods are kept for a storage procedure where the goods are declared for a storage procedure.

The notice must be given in the **form and manner specified by HMRC** and must be made three (3) hours from the arrival of the goods specified in the notice or if that place is closed on the expiry of three hours from the time of arrival of the goods, one hour of that place next opening.

The details that HMRC should request in the notice are as follows:

- a. the person making the notification;
- b. the goods; or

**Table 3. Carrier by mode of transport**

Who is a 'carrier'?
Goods travelling by rail: – If your goods are travelling by rail, the carrier will be the rail freight operator.
Goods travelling by air: – If your goods are travelling by air, the carrier will be the airline.
Goods travelling by sea. – If your goods are travelling by sea., the carrier will be the shipping company.

Source: www.gov.uk

- c. any entry summary declaration, customs declaration or temporary storage declaration made in respect of the goods.

**5.1.2 Entry summary declaration**

HMRC, like other customs authorities around the world, requires safety and security data on a consignment to conduct a risk analysis. The document is referred to as an entry summary declaration (ENS) (see Annex 2). This information is required to be submitted a certain number of hours before the shipment departs, or penalties may be incurred. This is usually the responsibility of the carrier, or he may request the customs broker or freight forwarder or other customs agent or importer to lodge it. It is important to note, however, that there needs to be registration<sup>38</sup> to submit the declaration. As an importer of CARIFORUM goods, you will need to make an ENS before the goods arrive. HMRC notes that you need to make an ENS if you're transporting goods:

- into Great Britain;
- into Northern Ireland; or
- from Great Britain into Northern Ireland.

The data elements for the ENS (see Annex 2 and Import Clearance forms at Annex 7 [Form C1600]) include:

- EORI [economic operators registration and identification] numbers of the shipper and the consignee
- Number of packages
- Container number, seal number
- Gross weight of the goods
- Incoterms
- Goods description or commodity code
- Consignor and consignee
- Type, amount and packaging of your goods
- Mode of transport at the border
- Onward journey details

It should be noted that the data elements may be different or organised differently on the Customs Declaration Service (CDS) system, which is to replace the Customs Handling of Import and Export Freight (CHIEF) system (see Annex 8). The information required to complete the ENS you will find is similar to the information that will be entered in the full customs declaration for customs clearance, and therefore care should be taken that the

information is correct. This will help to avoid any delays in clearance of the goods on entry into the UK.

The UK Customs Academy notes that:

*‘These declarations should be made before the goods are despatched. This helps the UK customs to do a proper security assessment of the cargo that is entering into the UK and provide the shipper with a response on if the cargo can be despatched or not and if more documentations or certificates are needed for the cargo to enter the UK borders. If the cargo is approved to be shipped, a Movement Reference Number (MRN) will be provided to the shipper.’<sup>39</sup>*

The MRN in UK customs is like the unique number assigned to your declaration and does not (as its name suggests) relate to, for example, movement of the consignment<sup>40</sup> or transshipment. The HMRC notes that the MRN is a customs identification number that is created each time a declaration is submitted for importing or exporting goods. The number generated is specific, allowing your goods to be uniquely linked to the declarant. As such, it forms an important part of the audit process for declarations.

See Table 4 for minimum timing requirements. It is important to ensure that this process is completed, or the result will be delays in the movement of the goods. It is possible to make amendments to the declaration; however, this must be done before entry into the UK and the time is counted from the initial submission.

The full declaration<sup>41</sup> will need to be made within 90 days of the goods being presented to customs, but the declaration may be presented 30 days before the arrival of the goods; however, it will only be accepted when the goods

arrive. This, therefore, starts the process on the other side of the border (within the UK).<sup>42</sup>

Your declaration must be accurate and complete when submitted to the best of your knowledge. However, you can make an amendment if something changes, like the amount of goods or the time of the sea crossing.

The time limits for the lodging of the declaration do not start again after the amendment, since legally, it is the initial declaration that sets them. Amendments can only be made up until the point of arrival in the UK. Submitted declarations can be amended but not cancelled.

An amendment contains all the data of the original declaration, plus any amendment, and is linked to the first entry. Where goods are no longer to be shipped, it is not necessary to inform the S&S GB service or Import Control System Northern Ireland.

### 5.1.3 Responsibility for customs formalities in the UK

An important determination that the exporter (supplier) will need to make is to decide the terms of delivery of the consignment. This is because the responsibility for compliance with customs formalities in the UK will fall on the importer of record. So this must be kept in mind, as the extent of changes or new customs formalities will impact on the movement of your goods into the UK and, if for transit, into the EU.

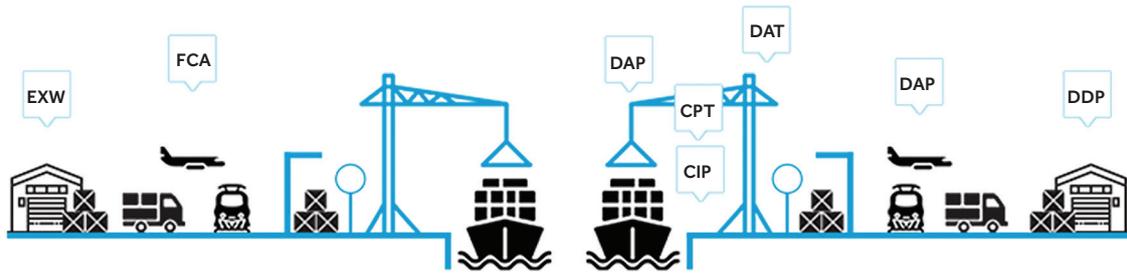
However, the exporter will not be directly responsible for compliance with these formalities, depending on the terms on which it sells. These terms are known as ‘Incoterms’ (International commercial terms).<sup>43</sup> They determine the extent to which the seller or buyer will have to engage with the UK customs clearance process for the entry of the goods into the UK

**Table 4. Minimum timing requirement for ENS submission**

How you are shipping goods	When to submit (minimum timing requirement)
Maritime containerised cargo	At least 24 hours before loading at the port of departure
Maritime bulk or break bulk cargo	At least 4 hours before arrival
Short straits sea voyages	At least 2 hours before arrival
Short-haul flights – less than 4 hours’ duration	At least at the time of actual take-off
Long-haul flights	At least 4 hours before arrival
Rail and inland waterways	At least 2 hours before arrival
Road traffic	At least 1 hour before arrival

Source: <https://www.gov.uk/guidance/making-an-entry-summary-declaration>

Figure 1. Incoterms rules for all modes of transport



Source: ICC, <https://library.iccwbo.org/clp/clp-incoterms.htm>

market. It is important to note that if you sell on terms such as DDP (‘delivered duty paid’; see Figure 2), then it is likely you will need to hire a customs agent in the UK, as submission of import and export documents to HMRC requires establishment in the UK, which in turn allows for VAT registrations, etc.

The International Chamber of Commerce (ICC) publishes Incoterms. The rules are revised every five years. The current version is Incoterms 2020, which has been applicable since 1 January 2020. The terms provide guidance to individuals participating in import and export, by indicating the responsibility of the buyer and seller in international commerce.

5.1.4 Classification of goods

The classification of the goods is another important consideration. Classification is the process of assigning the correct Harmonised System Code (HS Code), also called a ‘Tariff Code’ (which consists of ten digits). These codes are referred to by HMRC as ‘Commodity Codes’ and can be found from the UK Global Tariff (<https://www.trade-tariff.service.gov.uk/sections>) (the UK’s new permanent tariff regime). Exporters can use HMRC ‘tariff lookup’ tools to find the relevant code.<sup>44</sup> The correct code

will need to be included in declarations and export documents required from the country of origin, as well as pre-notification documents. With the automation of customs processes furthered by the implementation of the World Trade Organization (WTO) TFA, all documents are linked and cross-referenced in most customs systems. Some traders and forwarders have found themselves having to be experts in classification, and so if you are not sure about the classification, it is important to contact a knowledgeable resource. This code will be the same throughout the consignment’s journey. If it is incorrect, amendments will need to be made, adding time and cost.

The classification of goods is determined by legal rules, called the ‘General Rules of Interpretation’ (GRI). If the exporter is unsure about the classification of the goods in the consignment, they can consult a customs broker or the HMRC (see Table 5). The classification of goods is critical; it not only determines the responsibility for customs procedures, but also what other requirements need to be complied with to be entered in the customs territory, as well as applicable duties and taxes. Exporters can check this prior to import or export with HMRC (Online Global Tariff).

Figure 2. Incoterms responsibility chart

Inco Docs		Understanding Incoterms® 2020									
		Freight Collect Terms				Freight Prepaid Terms					
Groups	Any Mode or Modes of Transport	Sea and Inland Waterway Transport				Any Mode or Modes of Transport					
Incoterm®	EXW Ex Works (Place)	FCA Free Carrier (Place)	FAS Free Alongside Ship (Port)	FOB Free On Board (Port)	CFR Cost and Freight (Port)	CIF Cost Insurance & Freight (Port)	CPT Carriage Paid To (Place)	CIP Carriage & Insurance Paid to (Place)	DAP Delivered at Place (Place)	DPU Delivered at Place Unloaded (Place)	DDP Delivered Duty Paid (Place)

Source: <https://incodocs.com/blog/wp-content/uploads/2020/06/IncoDocs-Trade-Guide-2020-J.pdf>

Table 5. HS explained

Harmonized System (HS) Codes
<p>Harmonized System (HS) Codes are commonly used throughout the export process for goods. The HS system is administered by the World Customs Organization and is updated every five years. The HS system provides a standardised numerical method of classifying traded products. It is used by customs authorities around the world to identify products, when assessing duties and taxes and for gathering statistics.</p> <p>Each HS Code is made up of several different parts, based on:</p> <ul style="list-style-type: none"> <li>• the type of product;</li> <li>• the production method; and</li> <li>• the material used.</li> </ul> <p>The General Rules of Interpretation (GRI) guide in deciding on the correct HS Code. This is called 'classification'. Customs brokers are trained in the rules of classification. However, the HMRC website provides a custom classification tool online<sup>50</sup> that will help you to find the correct commodity code. This controls the duty rate that will be applied by the customs systems and the VAT that will be applied. It will also indicate to you whether:</p> <ul style="list-style-type: none"> <li>• the duty is suspended;</li> <li>• you need a licence to move your goods;</li> <li>• your goods are covered by: <ul style="list-style-type: none"> <li>– agricultural policy,</li> <li>– anti-dumping duties, and/or</li> <li>– tariff quotas.</li> </ul> </li> </ul>

The HMRC provides non-binding and binding classification advice.<sup>45</sup> The HMRC also provides guidance for the classification of goods.<sup>46</sup> It also publishes updates to the tariff,<sup>47</sup> with the rates updated on the CHIEF system. The World Customs Organization's (WCO) most recent version of the HS nomenclature is 2022; the previous was 2017.

Traders can also refer to the WCO classification decisions.<sup>48</sup> As the keeper of the HS system, the WCO also makes tools available to assist with classification.<sup>49</sup> It is advisable to consult the UK Tariff as countries often have HS sub-divisions that are peculiar to their country (this is usually beyond the eight-digit level).

## 5.2 The import process into the UK

The submission of a declaration<sup>51</sup> starts the formal process of entry of the goods into the UK, when submitted to the customs authority, usually through an electronic system.<sup>52</sup> This declaration must be accompanied by the required supporting documents. The declaration contains certain data elements that must be included.<sup>53</sup> The declaration<sup>54</sup> is referred to as a Single Administrative Document (SAD), or by the document number, C-88 (see Annex 3 for a description and the SAD's main sections). It has more than 50 boxes to capture relevant information on the consignment.

As per Section 15 of the Taxation (Cross-border Trade) Act 2018 (TCTA), Section 41(3), substituting for Section 15, the meaning of importation into the UK is given as:

*15(2) Goods are imported when they are declared for a Customs procedure under Part 1 of TCTA 2018.*

*15(3) But –*

*in the case of goods declared under TCTA 2018 for a storage procedure, a transit procedure or an inward processing procedure, the goods are imported when a liability to import duty is, or on the relevant assumptions would be, incurred in respect of them under section 4 of that Act...*

Under Part 1, Section 2, goods are 'chargeable goods' that are subject to import duty unless they are domestic goods. Therefore CARIFORUM goods would be chargeable goods, but subject to a preferential rate of duty if they meet the origin requirements under the CF-UK EPA. It is important for importers of CARIFORUM goods to know the relevant CPC. This will be required when making the customs declaration.

Declarations are usually handled by the Customs Handling Imports and Export Freight platform (CHIEF) system, which is being replaced by the Customs Declarations Service

Table 6. Documents required to import

Documents
<ul style="list-style-type: none"> <li>• Completed declaration (SAD)</li> <li>• Supporting documents: <ul style="list-style-type: none"> <li>– invoice</li> <li>– certificate of origin</li> <li>– bill of lading (sea) / air waybill (air)</li> <li>– applicable licences of certificate</li> <li>– check any other documents that will be required for customs clearance</li> </ul> </li> </ul> <p>HMRC provides guidance on the requirements for importing at: <a href="https://www.gov.uk/import-goods-into-uk">https://www.gov.uk/import-goods-into-uk</a></p> <p>You may also need to use additional forms for the clearance of the goods. These are available here: <a href="https://www.gov.uk/government/collections/forms-for-import-and-export#clearance-of-goods-forms">https://www.gov.uk/government/collections/forms-for-import-and-export#clearance-of-goods-forms</a></p>

(CDS).<sup>55</sup> Some of the information will be the same. However, with the changes because of Brexit, it has been reported that both import and export declarations require more information on the parties and the valuation of the goods. The importer of CARIFORUM goods may need new software to access the CDS or they will need to use a customs agent.

### 5.3 Overview of the general import process

The import process for non-controlled<sup>56</sup> or standard goods being imported permanently into GB is as follows:<sup>57</sup>

- The process will start as described above, by making the relevant export declaration from the country of origin, obtaining the relevant permits, certificate of origin, including the carrier making the ENS (entry summary declaration), and compliance with labelling and marketing requirements. Without completing these procedures, the goods cannot be sent to GB.
- To move into GB, an economic operators identification (EORI) number will be required. The buyer or importer will have to be registered for VAT in GB and will have a VAT number.<sup>58</sup>
- The importer needs to decide who will make the customs declaration<sup>59</sup> and transport the goods. The UK does not mandate that customs brokers must be used, but a wider category of persons referred to as 'customs agents' may be used to submit declarations. The extent to which an exporter will need to be involved in this process is dependent on the terms of delivery or 'Incoterm' and when the responsibility transfers from the seller to the buyer.

- The importer of record will bear the responsibility and will need to have the following information: HS Code (commodity code), value of the goods (invoice), any licence or certificates for your goods, the customs procedure code, certificate of origin and movement documents.
- From 1 January 2021, if the trader is bringing goods into Northern Ireland from outside the UK and the EU, they will pay the UK duty rate if the goods are not at risk of onward movement into the EU. If they are at risk of onward movement to the EU, the Northern Ireland Online Tariff<sup>60</sup> will be used.
- The importer must ensure that marketing and labelling rules have been complied with. The seller should know the market requirements and ensure compliance.
- The customs declaration should be made via the relevant customs system (CHIEF<sup>61</sup> or CDS). The relevant form for this is the Single Administrative Document,<sup>62</sup> which has 54 boxes to capture all the information on the import for customs purposes.<sup>63</sup> Continuation sheets can be inserted.<sup>64</sup>
- Importers or agents can register to use the simplified declaration procedures<sup>65</sup> and should check whether they can submit a simplified frontier declaration. Note, however, that if the goods are to be transhipped, the simplified procedure may not be applicable.

The import process ends with the clearance and release of the consignment (see information on the National Clearance Hub [NCH] <https://www.gov.uk/government/organisations/hm-revenue-customs/contact/national-clearance-hub>) It is important to note that this describes the general process. The documents that are required will depend on the specific product

**Table 7. Goods that require certificates**

Goods that will require licences or certificates
<ul style="list-style-type: none"> <li>• Animals and animal products</li> <li>• Plants and plant products</li> <li>• High-risk food</li> <li>• Veterinary medicines</li> <li>• Human medicine</li> <li>• Controlled drugs</li> <li>• Tissues and cells for human application</li> <li>• Waste</li> <li>• Products containing F gas [fluorinated gas]</li> <li>• Precursor chemicals</li> <li>• Hazardous chemicals</li> <li>• Nuclear material</li> <li>• Guns, knives, swords and other weapons</li> <li>• Weapons and goods that could be used for torture or capital punishment</li> </ul>

Source: <https://www.gov.uk/import-goods-into-uk>

being imported, so requirements may vary. This is especially so for certain restricted items that may need to meet certain SPS (sanitary and phytosanitary) requirements and require permits and/or licences or go through certain pre-shipment notification or inspection procedures. It is important to check the requirements for your specific product.<sup>66</sup>

### 5.3.1 Simplified customs procedures

Section 30(1) of The Customs (Import Duty) (EU Exit) Regulations 2018<sup>67</sup> defines a 'simplified customs declaration process' as:

*'the process in relation to Customs declarations provided by regulation 32 such that the requirements made by or under Part 1 of the Act in relation to Customs declarations which would otherwise apply are dis-applied or simplified.'*

At Section 30(2), the regulations specify that 'the simplified Customs declaration process does not apply to a Customs declaration made for a transit procedure'.<sup>68</sup>

### 5.3.2 Full declaration (SAD)

The Single Administrative Document (SAD) is the main document required for importation.<sup>69</sup> This document collects information on the import required by the customs authority.<sup>70</sup>

A full declaration is required 90 days at most after the goods are imported. It is required for non-chargeable goods, defined as 'non-UK goods'. Additionally, only the following persons meeting certain requirements may make a declaration, as follows:

- a. they are established in the United Kingdom or a specified place outside the United Kingdom;
- b. they otherwise have a specified connection to the United Kingdom or to a specified place outside the United Kingdom; or
- c. they meet any other specified conditions.

A declaration can be made at the time of importation or prior to importation. If the declaration is not made as required, then the goods can be liable to forfeiture.

HMRC specifies the form of declaration, and this can be submitted through the relevant electronic platform (see below for changes<sup>71</sup> in respect of CHIEF and CDS).<sup>72</sup>

### 5.3.3 National Clearance Hub

The National Clearance Hub (NCH)<sup>73</sup> handles the movement of third-country goods and processes goods transiting the UK. It is responsible

**Table 8. HMRC customs procedure codes**

Customs procedure codes
<p>The customs procedure codes (CPCs) identify the customs and/or excise regimes which goods are being entered into and removed from (where this applies).</p> <p>The CPC is completed at export as well as import.</p> <p>The CPC is based on a two-digit community code that identifies a customs procedure, e.g., removal from warehouse, entry to a free zone and export under Outward Processing Relief (OPR). The CPC is built up into a seven-digit code from this.</p> <p>Import CPCs: <a href="https://www.gov.uk/government/publications/uk-trade-tariff-customs-procedure-codes/imports-aphabetical-index-of-customs-procedure-codes">https://www.gov.uk/government/publications/uk-trade-tariff-customs-procedure-codes/imports-aphabetical-index-of-customs-procedure-codes</a></p> <p>Export CPCs: <a href="https://www.gov.uk/government/publications/uk-trade-tariff-customs-procedure-codes/exports-aphabetical-index-of-customs-procedure-codes">https://www.gov.uk/government/publications/uk-trade-tariff-customs-procedure-codes/exports-aphabetical-index-of-customs-procedure-codes</a></p>

Source: <https://www.gov.uk>

for the control and amendment of entries after clearance. Declarations must be sent to the NCH using a specific trader submission header form,<sup>74</sup> along with supporting documents.<sup>75</sup> A separate header must be used for each entry number, otherwise there will be delays in the clearance of the goods.<sup>76</sup> Supporting documents to be sent to NCH are as follows:

- The E2
- A copy of your CHIEF entry
- Evidence of the goods' value
- A packing list of items included
- Any licence or certificate

The header form must be downloaded and named appropriately as per HMRC instructions; the supporting documents must be scanned (instructions for this must also be followed), and additionally, you will need to follow the instructions for email.

Ensure that you select the correct routes. Some routes apply to procedures after clearance (see Annex 11). Also, ensure that for multiple invoices, the template invoice summary form is used.<sup>77</sup> This template can also be used to summarise packing lists.

Where queries to your customs declarations are sent through CHIEF, you should answer in CHIEF. If the queries require an amendment to the declaration, you will need to email:

- the amended entry; and
- the trader submission header form.

If the declaration is submitted through CDS, and you need to answer it by email to [nch.cds@hmrc.gov.uk](mailto:nch.cds@hmrc.gov.uk), quoting 'query response' and the unique declaration MRN in the subject line, or use secure file upload, where additional paperwork is requested. Responding to NCH queries in this way should prevent any delays. There will be delays to clearance if you do not respond.

#### 5.4 Exports, transit and transshipment

All goods leaving Great Britain will now be considered exports. This means that export documentation will need to be submitted to HMRC, as well as import documentation to the relevant EU customs authority.

Goods first entering Great Britain, then being transferred to Northern Ireland, will

face specific procedures. Goods leaving Great Britain for the EU will also face different procedures.

The Customs Transit Procedures (EU Exit) Regulations 2018, at Section 2, gives effect to the convention done at Interlaken on 20 May 1987 on a common transit procedure. The regulations note that it applies:

*'in relation to goods moving to, from or within the United Kingdom subject to the common transit procedure'.*

It should be noted that for the purposes of an export licence, the difference between transit and transshipment is irrelevant. For goods being transhipped, they will need a transshipment licence as well. If goods are entering the United Kingdom for transit to another country, the trader will still need to **declare the goods on import** and indicate that they are subject to the relevant procedure. You will need to indicate the relevant procedure code in the C-88<sup>78</sup> in Box 37.<sup>79</sup> Also, in Box 17, the country of destination should be entered. This will also show that the goods are not intended for GB. If the goods are imported into the UK for further processing and then exported to the EU or Northern Ireland, it will be important to know the relevant procedure codes. Notwithstanding, once the goods are leaving Great Britain, they will be subject to export procedures.

The UK's Border Operating Model outlines certain customs processes that must be completed before the goods can enter or leave the UK from other customs territories, irrespective of whether the goods are moving under a transit procedure.

The Border Operating Model describes the requirements and what is new for exports to the EU from GB. The model gives what is called the 'core model', which describes changes that will affect all goods. The model separately indicates 'additional requirements'. The approach outlined is as follows for standard goods (core model) (extract from HM Government 2020):

- Traders will need to ensure they have a GB economic operators registration and identification (EORI) number.<sup>80</sup>
- Access to the S&S GB system will be required to submit exit summary declarations (if not submitting combined export declarations).

- CHIEF system access and a CHIEF badge will be required to submit export customs declarations. An intermediary will handle this on the trader's behalf in most cases. This will go through the National Export System (NES), which operates through CHIEF and will also operate through the CDS.
- Traders should make use of the new tool 'Check duties and customs procedures for export goods' on GOV.UK.<sup>81</sup>
- Traders will need to apply for an EU EORI number. This will be required to complete the declaration process for imports into the EU.
- Some GB traders or hauliers<sup>82</sup> may also need to apply for an EU EORI number, [same as bullet above] especially if they are carrying out border formalities in the EU, for example safety and security declarations into the member state's Import Control System (ICS).
- the minimum timing requirement; or
- before check-in closes.

This is to allow for the Movement Reference Number from the entry summary declaration to be recorded in the Goods Movement Reference, which will be validated by the carrier at check-in.

HMRC (2019, third edition) has noted, however, that given that exports will be covered by an export declaration, it may not be necessary to submit both an EXS and a full declaration, since the EXS will only be required when an export declaration has not been pre-logged.

## 5.5 Special procedures

'Special procedures' allow, among other things, for duties to be suspended. This will be useful, for example, to traders that use CARIFORUM goods as part of their supply chain.

HMRC (HM Government 2020, p45) notes the benefits of special procedures as follows:

- Customs warehousing: This allows traders to hold goods in an approved warehouse (either operated by them or another business) with import duty, import VAT and excise duty payments suspended until the goods are moved into free circulation or another customs procedure. If goods are re-exported from the warehouse, then duty is discharged altogether.
- Inward processing: This allows businesses to import goods for processing or repair with import duty and import VAT suspended; the duty becomes payable only when those goods are declared to the free circulation procedure or another customs procedure. No liability for import duty or import VAT will arise if the goods are re-exported or entered into another special procedure.

### 5.4.1 Exit summary declaration

As with an entry summary declaration an exit summary declaration (EXS) provides safety and security data. Carriers will have legal responsibility to make the declaration within the specified timeframe. Although with the permission of the carrier a third party can lodge this declaration, the legal obligation remains that of the carrier. The declaration will need to be submitted when the consignment is not covered by a full declaration or an inbound entry summary declaration. HMRC specifies the time to submit declarations, depending on how the goods are moved (Table 9).

HMRC also notes that if the Goods Vehicle Movement Service<sup>83</sup> is being used, the exit summary declaration will need to be submitted the earliest of either:

Table 9. Time to submit exit summary declaration

How you are shipping goods	When to submit (minimum timing requirement)
Maritime containerised cargo	At least 24 hours before loading at the port of departure
Maritime bulk or break-bulk cargo	At least 4 hours before arrival
Short straits sea voyages	At least 2 hours before arrival
Short-haul flights – less than 4 hours' duration	At least at the time of actual take-off
Long-haul flights	At least 4 hours before arrival
Rail and inland waterways	At least 2 hours before arrival
Road traffic	At least 1 hour before arrival

These regulations will enable UK traders to use inward processing for goods imported from the EU and from the rest of the world.

- **Outward processing:** This currently applies to UK goods sent outside the EU for an approved process and then re-imported; import duty, import VAT and excise duty are calculated on the value of the process completed, rather than the total value of the goods. These regulations will enable UK traders to re-import processed goods from the EU, as well as the rest of the world, and pay duty only on the value-added by that process.
- **Authorised use:** This enables goods to be imported for a prescribed use (for example, chemicals used in inhalers) at a reduced or nil rate of duty. These regulations will ensure that UK imports from the EU can also be imported at a reduced or nil rate if used for a prescribed purpose.
- **Temporary admission:** This allows goods to be temporarily imported into the UK, such as samples, professional equipment, or items for auction, exhibition or demonstration. As long as these goods are not altered while they are within the UK, no import duty or import VAT will be payable.

HMRC also notes that:

*‘Customs warehousing, inward processing, and end-use are the most popular special procedures for UK traders currently dealing with non-EU goods, especially for wholesale trades and large retailers. Inward processing is also popular with manufacturers of machinery and equipment.’*

Traders should be aware that they will usually need to indicate these special procedures on

their declarations, using the relevant procedure code.

## 5.6 Customs agents

Given the changes at the UK border and those at the UK–EU border, it is likely that traders may opt to use a customs agent to complete customs formalities. This will likely be the case for those traders who either tranship goods imported from CARIFORUM because of the final destination being the EU, or those traders who use these goods as part of their supply chains and carry out further processing in Europe.

Part 8 of the Customs (Import Duty) (EU Exit) Regulations 2018 deals with customs agents. Section 80(1) notes that they must be established in the United Kingdom. They can also act on behalf of persons carrying out business in the UK and not established in the United Kingdom. Section 15 also states that they must be established in the UK to make customs declarations.

Customs agents are not necessarily customs brokers, but can be any of the following, which must be approved by customs:

- customs agents and brokers;
- freight forwarders;
- shipping companies;
- fast parcel operators (for example, couriers or next-day parcel services); or
- agents who specialise in a certain industry, for example, fresh foods or pharmaceuticals.

The British International Freight Association (BIFA) also has a search function to help traders find the appropriate customs agent.<sup>84</sup> HMRC also publishes a list of agents.<sup>85</sup>

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## 6. Key procedural changes

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While the CARIFORUM–UK EPA covers the conditions of market access for CARIFORUM goods, the relevant procedures at the border need to be put in place for the agreement itself to be operational. The changes, as noted previously, have been captured in various pieces of legislation and documents.

The HMRC notes in its impact assessment (HMRC 2019, third edition) that this may not

be new for imports from the rest of the world, but it will be a significant change for exports to the EU and imports from the EU into the UK (HMRC 2019, third edition).<sup>86</sup> Although, as mentioned before, the rest of the world (including CARIFORUM goods) has always faced a border with the UK, the changes in procedures – which cover systems, documents and procedures – will affect traders (importers

and exporters), as they impose additional requirements on the system overall. This will be particularly so just by nature of the change brought about by Brexit, being two frontiers into Europe rather than one when goods enter Great Britain.

CARIFORUM goods entering GB, as the first point of entry into the EU market prior to 1 January 2021, would have had to comply with UK regulations that would have been put in place to give effect to the CARIFORUM–EU EPA. While there are no significant changes to tariffs and other requirements, as outlined in the CF–UK EU EPA vis-à-vis the CF–EU EPA, there are reports that imposition of borders within what was previously a single economic space means that traders will potentially have to transit two distinct borders, as follows:

- CARIFORUM into the UK (GB/ Northern Ireland); and
- GB into Northern Ireland / the EU.

This study looks at these changes in three key dimensions: systems, documents and costs, and procedures.

## 6.1 Systems

One of the most significant changes is to the IT systems used by HMRC. The changes at the UK border are complicated by the fact that there will be the transition to a new customs system, the **Customs Declaration System (CDS)**, which will replace the legacy system, **Customs Handling of Import and Export Freight (CHIEF)**, which was the national computer system of the HMRC. The system ‘records the movement of goods by land, air, and sea and allows importers, exporters and freight forwarders to complete customs formalities

electronically and automatically checks for entry errors, and is part of the HMRC overall risk assessment activities’.<sup>87</sup>

The change will have implications for traders and may make it more likely that they will use a customs agent to interface with HMRC on their behalf for imports and with the EU customs authorities for exports.

The UK Customs Academy<sup>88</sup> notes that the plan was to run the systems in parallel until CHIEF is deactivated. The plan was to deactivate CHIEF by March 2021.<sup>89</sup> Prior to deactivation, whenever this occurs, traders would have started migration to the CDS. The migration to this new system will mean for traders (exporters and importers), there will be costs in terms of the cost of migrating, the cost of the system because of increased demand, as well as the cost to train staff to use the new system.

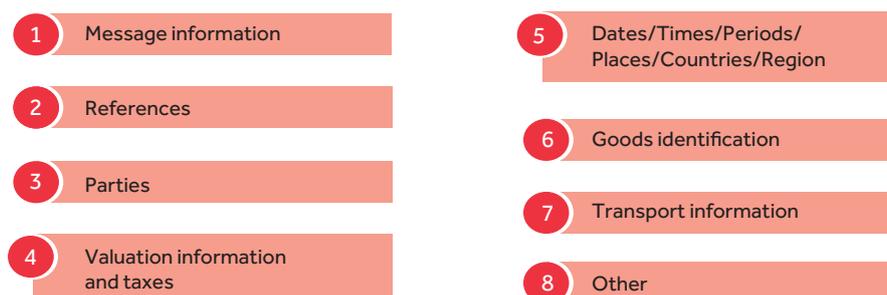
The main change that could be identified from the information available, outside of the necessary software upgrades and training, was that the boxes in CHIEF, which correspond to the boxes on your SAD, have been replaced with ‘data elements’ in CDS. Although these will provide the same functions, it is reported that they are not ‘like for like’. The SAD hard copy had up to 50-plus boxes; in CHIEF this is represented by 68 boxes for imports and 45 for exports. It should be noted that in CHIEF, one ‘box’ may ask for several pieces of information.

Traders should familiarise themselves with the specific data elements required for CDS.<sup>90</sup> Guidance on completing the declaration for imports<sup>91</sup> and that for exports<sup>92</sup> should be consulted. The data element groups are the same for import and export declarations. The groups can be seen in Figure 3.

## 6.2 Documents and costs

The main customs document that will be used for imports into the UK is the C-88 form

Figure 3. ENS and EXS data elements



(Single Administrative Document [SAD]). This has over 50 boxes to capture various data elements relating to the import (see Annex 7), as described in the prevision section. It can be completed electronically.

All goods entering or leaving the UK will need a **full declaration**. It may be possible to submit declarations under a simplified frontier procedure, but this is not the case for all import procedures. The SAD must be accompanied by the relevant supporting documents, certificates of origin, licences, invoices and transport documents, and any other clearance documents required. This is a usual part of importation, as described in previous sections. What is different now is the submission for two border processes or changes to the data elements required, as noted above. For example, carriers will need to consider the new data elements and presentation for the ENS and EXS forms (see Annex 7 for an explanation of these data elements) and also any differences between CHIEF and CDS.

HMRC has estimated that the new measures will result in an additional 205 million declarations per year (imports and exports), while an additional 50,000 people will be required to process these declarations. The sheer number of documents therefore means delays at the UK borders. According to news reports, this is already taking place.

Reports were that such delays had already started in late 2020. The UK Customs Academy has indicted around this same number of declarations (200 million) a year as HMRC estimates. This will mean additional costs for traders in respect of staff required to handle the increased number of declarations and paperwork, as well as for the HMRC to process these declarations. Based on a review of a sample of customs brokers, the cost of submitting a declaration ranges from between 15 pounds sterling (£) and £55 per declaration, at a minimum, and could be higher at £75.<sup>93</sup>

For traders that prior to 1 January 2021, did not need to submit a declaration, this will be a significant cost. For example, if there was a distributor for the CARIFORUM product in the UK, this now will have to be the exporter of record, submitting a full declaration on exit of the goods when they cross into the EU. This may also attract additional costs if a customs agent is used.

Another important document is the rules of origin form (or movement certificate). The UK has indicated that the form has not changed, but some traders report difficulties in getting their goods into the EU (BBC News 2021), because

of problems with rules of origin. There is not enough information to determine the precise nature of the problem, but traders should ensure that the format requirements in the CF-UK EPA are complied with (see Annex 5). Some brokers consulted also indicated that CARIFORUM exporters should note the origin requirements for non-EU European markets, when their goods transit through the UK. Failure to observe these requirements will lead to delays and, in some instances, the need for double declarations (that is, the need to prepare two import declarations); this imposes an additional costs.

### 6.3 Procedures

The key procedural changes have to do with the imposition of borders between Great Britain and Northern Ireland and the EU. The process starts with the need to get updated EORI numbers. This will be different for Great Britain (where the numbers start with 'GB') and for Northern Ireland and the EU (where they start with 'XI').

There is also the need, post-1 January 2021, to submit full declarations in accordance with the Border Operating Model for goods moving between Great Britain and Northern Ireland and Great Britain and the EU. According to the model, this was due to take place as of 1 April 2021. The model also has phased changes, depending on the type of good, up to 2022. Note should be taken of the timing of the changes and the documentary requirements.

There will also be the need to comply with the transit requirements and the necessary transit document procedures. Already the feedback from the Road Haulage Association is that Brexit-related problems have been causing the volume of imports passing through British ports to decline (BBC News 2021) and contracts to be cancelled.

There may also be a need to address value-added tax (VAT) and excise issues. These seem to be complex and are also causing issues for some firms. One customs broker consulted for this study indicated that some firms were paying VAT when this was not necessary and also paying import duties, causing additional costs and, at worst, delays to institute the necessary corrections or refund procedures.

Registration will be needed to access simplified procedures; this may only be helpful for those products that stay in the UK. If products are to be transhipped, then full declarations will be needed for export from the UK.

Table 10. HMRC impact assessment (selected)

Selected summary of impacts
<p><b>The Customs (Import Duty) (EU Exit) Regulations 2018 and the Customs (Export) (EU Exit) Regulations 2019</b></p> <ul style="list-style-type: none"> <li>• Need to submit both import and export declarations (increase in the total number of declarations [for both import and export] estimated to be 205 million, mainly coming from regions closer to the UK [EU]).</li> <li>• Increased administrative burden on traders for import declarations – £6.5 billion.</li> <li>• Increased administrative burden on traders for export declarations – £6.5 billion.</li> <li>• Submission of both ENS and EXS for exports. This is a new obligation and will impose additional administrative burden and costs. HMRC estimates that there will be a significant one-off cost for carriers in familiarising themselves with the new rules, purchasing software, training staff, setting up systems etc. In addition, many importers do not currently have access to all the data required to complete a safety and security declaration, so there will be an additional burden to them in obtaining this data.</li> <li>• Authorised economic operator (AEO) status could mitigate the costs of submitting ENS and EXS, but there will also be a cost to obtaining this status.</li> </ul> <p><b>The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018</b></p> <ul style="list-style-type: none"> <li>• Increase in the number of applications to use special procedures. For traders importing CARIFORUM goods, this would be advantageous. HMRC notes that these 'are key facilitations as they allow businesses to reduce or suspend the payment of import duty on goods imported to the UK to be processed, or to be used for other specified purposes. This provides significant cash flow benefits for businesses. In some cases, for example, where goods are re-exported following processing, the duties are actually discharged and will not be payable at all'.</li> <li>• Costs for utilising special procedures will depend on the type of procedures and could be one-off or continuing.</li> <li>• HMRC notes that the costs are likely to include the following: <ul style="list-style-type: none"> <li>– familiarisation with the processes they are required to comply with;</li> <li>– for businesses wishing to operate a customs warehouse: acquiring or renting a building, maintaining and staffing it;</li> <li>– acquiring a guarantee;</li> <li>– upscaling of IT systems to allow submission of customs declarations; and</li> <li>– the use of an intermediary where businesses elect to hire them to meet their customs requirements.</li> </ul> </li> <li>• HMRC notes that 'the long-term benefits of deferring or even suspending import duty and import VAT will help to reduce the overall administrative burden of paying import duty and import VAT'.</li> </ul> <p>Dual costs of completing declarations for export from the UK and import into the EU – this is now be an additional cost faced on both sides of the border. Currently, according to the World Bank Doing Business Index, the costs of processing declarations is about the same in the EU and the UK.</p>

Source: HMRC.

Based on the information available, this study estimates that the main changes and consequent impact are as follows:

- increased number of declarations to be made (paperwork);
- the need for more staff to process and submit declarations to HMRC;
- the possibility of using customs agents if these were not used before; and
- systems upgrades.

## 7. The potential economic impact of the new rules

This paper has attempted to assess the economic impact of the new rules, by assessing current trade and logistics patterns, with the data and information available, bearing in mind that it is still very early to definitively assess any long-term impact. Examination of the UK trade

pattern with Europe suggests possible implications from the new procedural rules (HMRC 2019). If the rules, particularly in the transition, make it more difficult for EU exports to the UK, there could be opportunities for rest-of-the-world exports. Additionally, if CARIFORUM

exports to the UK face difficulties that cause supply-chain adjustments, the impact could be significant depending on the product and the importance of the UK market. No direct estimates could be obtained at the time of the study. However, based on available information, it was assumed border issues and delays would add to costs and hence the impact of the new measures.

*Ceteris paribus* (all other conditions remaining the same), there will be a greater impact on goods that are transhipped into the EU or the rest of Europe from the UK. While prior to Brexit, CARIFORUM exports (whatever the first point of entry) could be freely circulated within the EU, now there will be the need to comply with border measures between Great Britain and Northern Ireland or into the EU. This includes the need to make full declarations and transit procedures, as well as different SPS requirements for goods, labelling and potentially different certificates of origin.

The European Commission notes that most goods enter the EU by sea. The impact will therefore be dependent on whether the particular consignment from a CARIFORUM state enters directly into the rest of Europe or is transhipped through Great Britain.

Traders will take time to adjust to the new procedural requirements described previously and may face additional costs that could be passed on to buyers. The greater adjustment in this respect may fall on small traders, who are more likely to have handled the import process themselves.

The impact will therefore be dependent on the extent to which cost is imposed on importers due to the changes. These will be in terms of:

- the need to use customs agents;
- the availability of alternate routes;
- the cost of those routes;
- transportation costs;
- meeting different SPS requirements in the UK and the EU and non-EU; and
- meeting different labelling and marketing requirements.

### 7.1 Emerging bottlenecks that could reduce CARIFORUM-UK Trade

As indicated previously, it is the importer of record that will have to deal with the formalities of customs clearance and transport on the UK side of the frontier. However, the seller must be

aware of the new procedures and how this will impact buyers, distributors and final consumers in the market. Emerging bottlenecks, therefore, based on the foregoing, are as follows:

- the inability of traders to deal with new documentary requirements;
- delays caused by the increase in the number of declarations and the availability of border personnel to handle the increase;
- problems in the transition to the new customs systems;
- complying with transit requirements and documentation;
- transitioning to any SPS requirements – including obtaining the relevant certification of facilities – and maintaining different certification requirements into the UK versus the NI and EU market; and
- complying with rules of origin requirements or forms for the different markets.

### 7.2 Strategies to reduce bottlenecks

Based on the foregoing, the following strategies could be employed:

- Ensure that the correct EORI number has been obtained, since importers will require one that begins with ‘GB’.
- Ensure that if goods are being transhipped from the UK to Northern Ireland or the EU, the relevant EORI number is also obtained (beginning ‘XI’).
- Ensure that the terms of delivery are settled. Sell on terms that do not require any responsibility of the buyer on the other side of the UK border, that is, after goods have been entered. Such terms are usually FOB (‘free on board’) and CIF (‘cost, insurance and freight’). However, the additional difficulty in the market may affect how the seller plans their distribution and marketing.
- Ensure that labelling requirements into both markets are complied with.
- If using a customs agent, ensure that the agent applies for the simplified procedures (where applicable); this will ensure more efficient processing of declarations. This may come at an additional cost, if customs agents were not used previously by the trader and if they now have to use agents on both sides of the border.

- Where companies have their own distributors, they should have distributors for the UK and in the EU.
- Ensure that transshipment protocols and documents are in place.
- Follow procedures to avoid having to make an EXS, reducing documentary requirements.
- Ensure that the correct origin and value are entered onto the required documents and information on the correct customs procedure is indicated.

### 7.3 Shipping connectivity

Logistics will figure prominently in traders' strategies to deal with border difficulties caused by the changes, particularly as supply chains adjust. Also, the extent of the impact may also be different if the goods are transported by air or sea.

Data suggests that most CARIFORUM exports enter the UK by sea. The European Commission has also indicated that most of the exports from the rest of the world also enter by sea. The data were available in a disaggregated form by mode of transport for only a few CARIFORUM partners. These revealed that the majority of exports were transported by sea in 2019 for those countries examined. Given that most of this trade will be containerised, the Bilateral Liner Shipping Connectivity Index (BLSCI) can provide important insights, as connectivity has been shown to be an important determinant of transport costs. This could indicate the likely ability to re-route goods and for supply chains to adapt to shocks.

The BLSCI complements the analysis, as connectivity has been shown to be an important determinant of bilateral trade (Fugazza and Hoffman 2017). Previous studies, as reported by Fugazza and Hoffman (ibid), indicated that findings based on a sample of freight rates for a Caribbean country showed that trade routes with only indirect services (including transshipment) induced higher costs. These estimates suggest that transshipment has the equivalent effect on freight rates as distance.

The precursor to the BLSCI was the Liner Shipping Connectivity (LSCI) index, which comprised several components that gave an indication of the connectivity of a country into

the global liner shipping network. The higher the LSCI indicated the ease with which that country could participate in maritime containerised trade. Further research has shown a strong correlation between the LSCI and transport costs (Wilmsmeier and Hoffmann 2008).

The utility of the BLSCI is that it shows **country pair connectivity** (see Annex 1) – that is, how well two countries are connected to each other via the global liner shipping network. It will therefore give an indication of the accessibility of one country to another, and it is posited as a possible predictor of the ability of supply chains to adjust.

Preliminary indications from some traders are that they have started to use alternate routes to the EU, avoiding the UK as a point of entry. The feasibility and the sustainability of this strategy could possibly be confirmed by looking at the BLSCI (in the absence of detailed information on transport costs). The data examined for those European markets that are in the top-five destinations for CARIFORUM exports, suggest overall a similar level of connectivity. Though the index has a number of components and must be interpreted with caution, the anecdotal evidence seems to suggest that traders do not have difficulty in accessing direct routes to one European port over another.

Reports indicate that transport costs because of COVID-19 have increased significantly. Manufacturers in Jamaica, for example, have highlighted this as a significant factor impacting their supply-chain decisions.

UNCTAD's *Review of Maritime Transport 2020* indicates that, 'In the first half of 2020, freight rates were higher compared with 2019 for most routes, with reported profits of many carriers exceeding 2019 levels'. The report further notes that the pandemic will have a lasting impact on shipping and trade, most notably in terms of the following (UNCTAD 2020, p1):

- changes in globalisation patterns;
- alterations in supply-chain design;
- just-in-time production models;
- technology uptake; and
- consumer spending habits.

UNCTAD's *Review of Maritime Transport 2020* report notes that if there is more demand for the shipping of containerised cargo, liner

companies will deploy more and larger ships to attain a higher level of fleet deployment. They are therefore more likely to provide more services to better connect the country directly to more countries.

However, the report also notes that small island developing states, for the most part, have the longest turn-a-round times and the lowest frequencies, so exporters have limited choice. But for states such as Jamaica and The Bahamas, which can attract transshipment services and utilise the fleet deployed to serve national trade, the report noted, serving as hub ports handling other countries' trade has increased their own liner connectivity. The data show that of the CARIFORUM countries examined, Jamaica and The Bahamas had the best connectivity with the UK in 2020 (see Annex 1, Table A2).

UNCTAD's *Review of Maritime Shipping* indicates that there had been a decline in the number of direct routes (one component of the index) in the first quarter of 2020, as compared to the base year (2006). This low level of connectivity, therefore, leaves the majority of CARIFORUM states vulnerable to shocks, including the pandemic, spikes in freight rates, and the effects of procedural changes such as those post-Brexit. If procedural changes in the UK, via its new border procedures in the short-term adjustment period, act to create friction or trade tensions, this may result in trade diversion and re-routing. This may come at a substantial cost for CARIFORUM exporters.

However, some authors noted that reliability and availability of services could be more

important than costs. Some stakeholders also indicated that the cost of services was not as prohibitive and that ensuring the product got to market was more critical.

The importance of logistics and the availability and reliability of services was underscored in a 2018 study as follows:

*'Supply chain reliability is key to logistics performance. In a global environment, consignees require a high degree of certainty as to when and how deliveries will take place. Reliability is typically much more important than speed, and many shippers are willing to pay a premium. In other words, supply chain predictability is a matter not just of time and cost, but also a component of shipment quality...'* (World Bank 2018)

A representative of WIRSPA,<sup>94</sup> in response to questions for this study, noted that while not much information was available as to the full impact of the new procedural measures in the UK, there were indications that, in anticipation of difficulties, traders were deciding to ship directly to the destination market to avoid delays. The representative also noted that seamless importation between the UK and EU was now no longer possible. It was also felt that the impacts would be more apparent later in the year. Other traders indicated that they were already shipping directly to the EU and could avoid the UK border issues on first importation into Europe.

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## 8. The impact of COVID-19 on Caribbean countries' ability to adapt to the new rules of trade with the UK

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Trade data were not yet available in a consistent manner for 2020. However, given global trends, it is likely that the COVID-19 has had an overall dampening effect on world merchandise trade. There were increases in certain categories: for example, medical equipment and supplies. A WTO report on 22 December 2020, noted that world trade declined by 14 per cent in the first half of 2020 over its 2019 levels, while medicinal goods export increased by 16 per cent over

the same period. This increase could be attributed to those products deemed as being critical during the COVID-19 pandemic, with global trade in these products growing by 29 per cent according to the WTO (2020).

Data for 2017 indicated that edible fruit and nuts, organic chemicals, sugars and confectionery, mineral fuels and oils, and beverages, spirits and vinegar, were top imports from the Caribbean region by the UK (DIT 2019).

Some of the items – such as alcohol (demand for which has increased during the pandemic for use in alcohol-based sanitisers), as well as organic chemicals – could be areas of export potential for CARIFORUM. For instance, in February 2020, it was reported that, ‘Caribbean rum producers are joining forces with French group, Conseil Interprofessionnel du Rhum Traditional (interprofessional council for traditional rum; CIRT-DOM), to get the best deal for their exports into major markets, particularly the European Union’ (WIRSPA 2021).

Data on maritime connectivity and costs seem to also support the potential for increased imports to the rest of Europe, by re-rerouting shipments

from the UK. Logistics would therefore likely not be a limiting factor, if there is increased demand for medical or medical-related products (including inputs) if supplied by CARIFORUM, which can then be used in the fight against COVID-19. UNCTAD’s *Review of Maritime Transport for 2020* (UNCTAD 2020) indicates that the pandemic has underscored global connectivity and the importance<sup>95</sup> of maritime transport, but will also reshape the maritime landscape. This could mean shifts in supply-chain design and trade patterns. However, this must be interpreted against the background of greater trade protection and inward-looking policies, including export controls.

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## 9. Impact of Brexit on CARIFORUM trade competitiveness

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‘Trade competitiveness’ has no one definition. There are various indices that measure competitiveness, and all use their own definitions. For example, the Organisation for Economic Co-operation and Development (OECD) defines competitiveness as a country’s ability to sell goods (under free and fair conditions) in global markets ‘...while simultaneously maintaining and expanding the real incomes of its people over the long term’ (OECD 2005). The Bank of England, in one study, defined competitiveness as follows: ‘Competitiveness may be defined as the advantage in price, speed of delivery, design, etc., which enables a company or country to secure sales at the expense of its competitors’ (Bank of England 1978). The most visible measure of competitiveness is the price of a country’s exports as compared to its competitors. Given the cost implications of the new procedural rules, the study on which this paper is based adopts this as the definition of competitiveness for Caribbean exports.

*Ceteris paribus*, the increase in cost resulting from the new procedures will increase the cost of Caribbean exports to traders in the UK and in the rest of Europe, if those exports are destined for the UK market or being transhipped through the UK. It is assumed that border delays resulting from the new procedures will add to the indirect cost of imports.

However, this may present opportunities for CARIFORUM exports, as there may be a more disproportionate impact on EU exports.

UK official data provided by the Office for National Statistics (ONS) and HMRC for January 2021, the first month of data being available after the Brexit transition period, according to the UK Trade Policy Observatory (UKTPO), have indicated that there is ‘clear evidence here of a Brexit effect’ (UKTPO 2021). However, the data show that UK exports to the EU seem to have been more affected than EU imports into the UK. This is not surprising given the phased approach of the BOM.

ONS data available for the month of February 2021 (ONS 2021) showed a slight increase in imports from the EU, but these were still not as large as goods exports. This saw the deficit narrow in the three months to February 2021. Both EU and non-EU imports into the UK increased. It was indicated, however, that it was too soon to know whether any of these changes represented anything other than short-term temporary impacts, rather than lasting shifts in trade patterns.

### 9.1 Direct and indirect costs

In addition to the direct costs of trade, an important consideration must be the indirect costs. In fact, the Global Alliance for Trade Facilitation

(GATF) has pointed out that indirect costs, such as demurrage, detention charges, higher and lengthier storage requirements, theft, spoilage and penalties, can significantly impact on total trade costs and competitiveness. To the extent that the border issues in the UK impact these costs, there will likely be some impact on competitiveness.

Information gleaned from customs brokers in the UK, and based on news reports of what is happening at the UK borders, indicated that these indirect costs would figure prominently as traders adjust to the new procedures.

The GATF has pointed out that ‘long lead times, delays and unpredictability negatively affect a country’s competitiveness by generating significant indirect costs’. As such, GATF has emphasised looking at the total transport and logistics costs (TTLCs), as not taking these indirect costs into account could ‘lead policymakers and supply chain stakeholders to misidentify the interventions that could be the most impactful and cost-effective to facilitate trade and/or to not fully appreciate the impact of specific trade facilitation reforms’ (GATF 2020).

One customs broker interviewed operating in the CARIFORUM and the UK, noted – with respect to clearance of goods into the UK, for transit to non-EU European countries and the EU – that they experienced traders having to make double declarations, because of errors in making the original declaration. Other issues identified were not including the correct procedure (for example, transit), incorrect origin designations or certification, as well as incorrect values being declared, resulting in delays in clearance and cost. Some of the errors have led to imposition of VAT, when this should not have been the case, as well as import duty.

Estimates of the actual costs were not obtained from specific CARIFORUM exporters. The exporters that responded to requests for information indicated that they did not have their own distribution in the UK and so were not able to speak to the cost of importation. Some umbrella organisations indicated that their CARIFORUM exporters were not signalling significant issues at this stage. However, this may be because they were not doing their own distribution or were close to the customs clearance process.

ONS (2021) indicates, based on information provided by the Business Insights and Conditions Survey (BICS), that *higher*

*paperwork and transportation costs were the most significant challenges facing UK importers and exporters.* It was noted that most businesses attributed this to the end of the transition period. However, the ONS indicates that this is also likely to reflect the impact of the pandemic, a global recession and unwinding of stocks. The ONS notes that it is too early to assess whether these patterns are short or longer term in nature.

## 9.2 Impact of costs imposed by procedural changes

As indicated in the previous sections of this paper, the new procedures will likely impose additional costs, though these will vary depending on several factors. The data available to this study did not allow for an estimation of the level of additional cost imposed on CARIFORUM exports because of the changes, particularly as a result of the double border. However, to the extent that these costs fall on traders that import Caribbean/ CARIFORUM goods, then this would affect the demand for CARIFORUM goods and, therefore, could affect supply chains and competitiveness.

These costs will likely fall more on those CARIFORUM traders established in the UK than those that are not. The DIT indicated that data were not readily available for the CARIFORUM states that were established as traders in the UK. However, available data indicated that 96 VAT-registered UK businesses imported from Trinidad and Tobago and 167 from Dominican Republic (DIT 2019). Notwithstanding the increased cost to traders, the ultimate impact will depend on a number of factors and will not fall on all sources of import supply in the same way.

The data available at the time of this study did not suggest that the adjustment costs of the friction at the UK borders were less for any particular exporting country. The extent to which the costs affect demand will depend on how well traders adjust to the new rules, as well as on their ability to defray costs in the long run.

Whether this impacts on the overall trade of CARIFORUM to Europe will depend on whether the goods are intended for the UK market. To the extent that exports to the UK are not as critical for CARIFORUM exporters, the changes because of Brexit may not have a significant impact. However, practically, for the products from the countries highlighted in previous sections for which the UK

is an important market, the impact will be felt disproportionately.

The effect could also vary among African, Caribbean and Pacific (ACP) countries and, indeed, CARIFORUM countries. If, for example, the costs of customs procedures are less in the EU than in the UK, and transport costs of shipping directly to the EU are less for some ACP countries, their exports will be relatively more competitive. As will be discussed below, although shipping costs will be a factor, to the extent that these costs are less than the costs of meeting the new procedures (including indirect costs), then this will likely be the main decision factor for traders. This could cause them to adjust their supply-chain decisions accordingly.

The GATF notes, drawing on various studies, that the reliability of supply chains and hedging against the uncertainties created by delays make up a significant component of logistics costs in developing countries. It notes that, 'When delivery schedules are unpredictable, importers need to keep higher inventory to prevent interruptions in production and/or in the supply to the customers (page 2 - see from the following link - <https://www.tradefacilitation.org/content/uploads/2020/09/alliance-ttlc-methodological-note.pdf>)

### 9.3 Adjustments in supply chains

This paper has noted the impact on costs of the administrative changes, as well as the impact of delays because of changes due to Brexit, which came into effect after 1 January 2021. These will undoubtedly affect traders. However, as already indicated, while there will be potential friction at the border with the rest of the world because of some of these changes, the adjustment may be less pronounced than at the border with the EU.

HMRC in its 2019 impact assessment had also noted as much (HMRC 2019, third edition).

It is not unreasonable to note that, *ceteris paribus*, the CARIFORUM exports that will be impacted greatest will be those that rely on the UK as a point of entry to the rest of Europe. However, anecdotal information has shown that given the potential friction at the border (delays, hauliers cancelling contracts, EU traders reducing exports to the UK etc.), exporters and traders of CARIFORUM goods have been sending shipments directly to the EU and the rest of Europe. It could be emerging that, as a result of this reported 'double border effect', the result will be a 'splitting consignments' effect. That is, exporters may be splitting their consignments, sending to Europe and also to the UK, separately, by the most direct routes.

Some stakeholders indicated that, given exporters' adjustments to do whatever was necessary to get their product to market, the negative effect on CARIFORUM trade volumes may not yet be obvious. The same might also be said of the cost implications and, by extension, effects on competitiveness (all of which may operate with a lag).

Data were not readily available on the amount of CARIFORUM exports to the UK that are transhipped or that are imported to undergo further processing in the EU. However, assuming these represent only a small portion of exports, then the friction at the EU-UK border and the negative impact on trade between the EU and the UK, could mean that there may be increased demand for the rest of the world's imports into the UK. This could mean a positive shift towards CARIFORUM exports, particularly those that are in high demand in the UK, such as food and spirits, provided that the impact on competitiveness is relatively minor.

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## 10. Regions within the Caribbean and which export sectors will have the most impact

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The short-term impact, *ceteris paribus*, will likely be on those products, such as **sugar, bananas and rum, which are the main exports to the UK**. There will be impacts on other items as well. Based on the information available, it seems that

there is increasing demand for Caribbean food items, as well as cosmetics. There is also interest in oil. Data for 2017 indicated that edible fruit and nuts, organic chemicals, sugars and confectionery, mineral fuels and oils, and beverages,

spirits and vinegar, were the top imports into the UK from the region (DIT 2019).

In the DIT's 2019 report to parliament on continuing the relationship with CARIFORUM, it was noted that the partner countries within the region with the largest value of trade with the UK in 2017 were Jamaica, The Bahamas, Barbados and Trinidad and Tobago (ibid).

For the countries for which the UK is a significant market for certain products, the impact may be significant. The increased costs will increase the price of these products to UK markets and traders, and this could be passed on to consumers. This could disrupt supply chains in the short term, particularly for businesses that rely on CARIFORUM imports as part of their supply chain. Based on 2015 data, it was noted that 'around 15.1% of the value added in UK's gross exports reflected imports from abroad. UK companies that rely on regional imports would become less competitive. Given the small share of UK trade under the existing EPA, in this case, we would expect these impacts to be relatively small, although the impacts could be noticeable for some specific companies' (footnotes omitted) (DIT 2019).

Though the impact may be minimal for those traders that rely on CARIFORUM exports, they will be impacted, and this in turn will affect the demand for CARIFORUM exports, particularly if the demand is elastic. There may be some items for which, given the exotic nature and consumer preferences, they could face more inelastic demand. In 2015 (latest data), around 15.1 per cent of the value-added in UK exports by the DIT's own calculations reflected imports from abroad. This suggests that UK companies that rely on imports could become relatively less competitive.

Notwithstanding particular demand characteristics, costs will likely be higher, and results will definitely be relatively more pronounced, for suppliers who depend on the UK market for certain products, whether or not it is a top market. However, arguably, the impact on these suppliers will be less overall if their markets are more diversified across Europe and transshipment costs can be mitigated.

### 10.1 Maritime connectivity and costs

If transshipment and connectivity, as studies indicate, are a predictor of bilateral trade flows (UNCTAD 2020), then the level of connectivity

could suggest which countries could benefit more from supply-chain adjustments, all things being equal. The bilateral connectivity for 2020 was greatest with The Bahamas, Dominican Republic and Jamaica with the United Kingdom (see Annex 1). This suggests the strongest potential for bilateral trade flows. This could support positive shifts towards these markets as traders adjust their supply chains.

In respect of the sample of the top-five European trading partners with CARIFORUM, we see that the bilateral connectivity for these countries is relatively the same between them. This suggests a similar degree of maritime connectivity and the possibility for re-routing to avoid frictions at the UK border. This is more likely, if reliability is more important than shipping costs, as some studies suggest.

### 10.2 Border measures and cost

The United Kingdom, according to the World Bank Doing Business report for 2020 ranks at 33 for trading across borders. A query of the ranking from 2016 to 2020 showed that there was no change in any of the components of the 'trading across borders' topic. In respect of regulatory changes, the report for 2020 noted the only reform that made it harder to do business was paying taxes, because the changes made it more difficult by introducing a new pension scheme paid by the employer. Most of the reforms relating to regulatory changes at the border for 2021 were done by way of enactments in 2018, so this may have been captured in previous indices. Also, it is noteworthy that the UK was also not mentioned in the countries that introduced reforms in the reporting period, making it easier to trade across borders. Notwithstanding, even between 2017 and 2018, the figures did not change much, as those regulatory changes would take effect on 1 January 2021. The impact of the reforms will likely be evidenced in the 2021 index.

In terms of the ease of doing business topic, 'trading across borders', it is useful to examine the current ranking of the EU 27 as compared to the UK. If the UK rank worsens as a result of the friction caused by the Brexit measures, this would mean that third countries such as CARIFORUM and traders of CARIFORUM goods would likely see EU27 as alternative entry points to Europe.

This would be consistent with the BLSCI data, showing that for most CARIFORUM states, the

Table 11. Trading across borders, scores for the UK (2016 to 2020)

Economy	Report year	Trading across Borders - Time to export: Documentary compliance (hours) (DB16-20 methodology)	Trading across Borders - Time to export: Border compliance (hours) (DB16-20 methodology)	Trading across Borders - Time to import: Border compliance (hours) (DB16-20 methodology)	Trading across Borders - Cost to export: Documentary compliance (USD) (DB16-20 methodology)	Trading across Borders - Cost to import: Documentary compliance (USD) (DB16-20 methodology)	Trading across Borders - Cost to export: Border compliance (USD) (DB16-20 methodology)
United Kingdom	DB2020	4	2	24	3	25	280
United Kingdom	DB2019	4	2	24	3	25	280
United Kingdom	DB2018	4	2	24	3	25	280
United Kingdom	DB2017	4	2	24	3	25	280
United Kingdom	DB2016	4	2	24	3	25	280

Table 12. Trading across borders, EU (27) versus UK (2020)

Country	Trading across Borders rank	Trading across Borders score	Export border type	Time to export: Border compliance (hours)	Cost to export: Border compliance (USD)	Time to export: Documentary compliance (hour)	Cost to export: Documentary compliance (USD)	Import border type	Time to import: Border compliance (hour)	Cost to import: Border compliance (USD)	Time to import: Documentary compliance (hours)	Cost to import: Documentary compliance (USD)
Austria	1	100	land	0	0	1	0	land	0	0	1	0
Belgium	1	100	land	0	0	1	0	land	0	0	1	0
Bulgaria	21	97.4	land	0	55	2	52	land	1	0	1	0
Croatia	1	100	land	4	0	1	0	land	0	0	1	0
Cyprus	50	88.4	port	0	300	2	50	port	15	335	2	50
Czech Republic	1	100	land	18	0	1	0	land	0	0	1	0
Denmark	1	100	land	0	0	1	0	land	0	0	1	0
Estonia	17	99.9	land	0	0	1	0	land	0	0	1	0
Finland	37	92.4	port	2	213	2	70	land	2	0	1	0
France	1	100	land	36	0	1	0	land	0	0	1	0
Germany	42	91.8	port	0	345	1	0	land	0	0	1	0
Greece	34	93.7	port	36	300	1	45	land	1	0	1	0
Hungary	1	100	land	24	0	1	30	land	0	0	1	0
Ireland	52	87.2	port	0	305	1	0	land	24	253	1	75
Italy	1	100	land	24	0	1	75	Port	0	0	1	0
Latvia	28	95.3	port	7	150	2	0	land	0	0	1	0
Lithuania	19	97.8	land	0	58	3	35	land	0	0	1	0
Luxembourg	1	100	land	24	0	1	28	land	0	0	1	0
Malta	48	88.9	port	0	370	24	0	land	2	230	1	0
Netherlands	1	100	land	0	0	1	25	land	0	0	1	0
Poland	1	100	land	0	0	1	0	land	0	0	1	0
Portugal	1	100	land	0	0	1	0	land	0	0	1	0
Romania	1	100	land	0	0	1	0	land	0	0	1	0
Slovak Republic	1	100	land	0	0	1	0	land	0	0	1	0
Slovenia	1	100	land	0	0	1	0	land	0	0	1	0
Spain	1	100	land	0	0	1	0	land	0	0	1	0
Sweden	18	98.0	land	2	55	1	40	land	0	0	1	0
United Kingdom	33	93.8	port	24	280	4	25	land	3	0	2	0

Source: World Bank Doing Business Report 2020.

Table 13. Trading across borders, comparison top-five European markets for CARIFORUM exports (2019)

Country	Trading across Border rank	Trading across Borders score	Export border type	Time to export: Border compliance (hours)	Cost to export: Border compliance (USD)	Time to export: Documentary compliance (hours)	Cost to export: Documentary compliance (USD)	Import border type	Time to import: Border compliance (hours)	Cost to import: Border compliance (USD)	Time to import: Documentary compliance (hours)	Cost to import: Documentary compliance (USD)
Belgium	1	100	land	0	0	1	0	land	0	0	1	0
France	1	100	land	0	0	1	0	land	0	0	1	0
Germany	42	91.8	port	36	345	1	45	land	0	0	1	0
Ireland	52	87.2	port	24	305	1	75	port	24	253	1	75
Malta	48	88.9	port	24	370	24	25	land	2	230	1	0
Netherlands	1	100	land	0	0	1	0	land	0	0	1	0
Poland	1	100	land	0	0	1	0	land	0	0	1	0
Spain	1	100	land	0	0	1	0	land	0	0	1	0
United Kingdom	33	93.8	port	24	280	4	25	land	3	0	2	0

Source: World Bank Doing Business Report 2020.

connectivity with the UK is as good as that with the other European partners (particularly those representing the top-five export markets). Also, this would be consistent with the feedback from exporters about their taking alternate routes to avoid the frictions at the UK border.

In terms of ease at the border, Belgium, France, the Netherlands, Poland and Spain all had better scores than the UK. It is noteworthy that most CARIFORUM exports are likely to be containerised and arrive by seaports. However, in terms of ease of movement into the rest of Europe via land, this likely supports the possibility of supply-chain adjustments.

Also, anecdotal information and preliminary stakeholder feedback suggest that for Caribbean exports, the main entry point will likely be Antwerp (Belgium) and Rotterdam (the Netherlands). One of the better-connected countries to the UK is Jamaica (by the BLSCI). Shipping estimates of one shipping line indicated that the cost to ship direct to Rotterdam was less than to the London Gateway (estimate on 12 March 2021). The difference in cost as per this estimate was attributable to import for container inspection fees and port surcharge, as well as handling charges, which were less in Rotterdam.

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## 11. Conclusion

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The new measures introduced by the UK on 1 January 2021 have resulted in many changes, particularly with respect to systems, documents and procedures. This will likely pose significant adjustment costs on all traders. These costs are expected, however, to impact more on those traders that were not already used to negotiating a border with the UK/EU for their imports and exports. The changes will likely cause supply-chain adjustments. The extent of these changes will also depend on such factors as logistics, supply- and demand-side considerations, as well as the continued impact of COVID-19, and the extent of protectionist and inward-looking policies in the global trade.

The impact on CARIFORUM exports and their competitiveness was less apparent. However, based on issues at the border, Brexit will likely impose indirect costs that could impact competitiveness. Preliminary feedback from stakeholders suggested additional costs were already being incurred because of issues with making declarations correctly. The extent to which this will impact specific Caribbean markets was less clear and will depend on several factors. However, all things being equal, an increase in delays and costs for products from those CARIFORUM states that rely on the UK market will likely have a negative effect, as

compared to those CARIFORUM states that are less dependent on the UK market.

The data indicate that the changes are significant and Caribbean exporters will need to be aware of these and how to deal with them to mitigate any impacts on their competitiveness. It has been recognised that information on the new measures is critical, with the UK government providing information through its websites and enquiry points, as well as assistance in terms of training and professional advice to traders. The availability of information will therefore be critical to Caribbean exporters.

This paper has attempted to fill this gap by outlining the main aspects of the processes and documents that will be required, as well as potential impacts. The Special Committee on Customs Cooperation and Trade Facilitation, established under the CF-UK EPA, may be key to addressing any issues experienced by Caribbean exporters as a result of the new measures.

Given that since the introduction of the measures, only a few months have passed, and that the data are available with a significant lag, there will need to be monitoring of the situation as it evolves. Caribbean exporters, particularly those who do not carry out their own distribution, should be cognisant that any delays and interruptions could be impacting negatively on the costs and competitiveness of their exports.

## Notes

- 1 Defined in the United Kingdom's Interpretation Act 1978 as means Great Britain and Northern Ireland.
- 2 Communication from the United Kingdom to the Committee on Trade Facilitation, G/TFA/N/GBR/2.
- 3 The agreement does not apply to Haiti. However, in some places, data may be presented, especially when it cannot be disaggregated.
- 4 England, Scotland and Wales.
- 5 Great Britain and Northern Ireland.
- 6 Emails sent to HMRC, as well as telephone calls, directed us to the website for information on procedures for CARIFORUM exports into the UK.
- 7 Included in this study to the extent that they were not labelled as privileged and confidential.
- 8 The Border Operating Model, available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/949579/December\\_BordersOPModel\\_\\_2\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/949579/December_BordersOPModel__2_.pdf) (accessed 10 March 2021).
- 9 Available at: <https://www.legislation.gov.uk/ukpga/2018/22/contents/enacted> (accessed 11 March 2021).
- 10 Available at: <https://www.legislation.gov.uk/uksi/2018/1248/contents/made> (accessed 6 March 2021).
- 11 Available at: <https://www.legislation.gov.uk/uksi/2018/1258/contents/made> (accessed 7 March 2021).
- 12 Available at: <https://www.legislation.gov.uk/uksi/2019/108/contents/made> (accessed 9 March 2021).
- 13 Referred to interchangeably as 'HMRC' or 'UK Customs'.
- 14 HMRC impact assessment for the movement of goods if the UK leaves the EU without a deal (first edition) (October 2019), available at: <https://www.gov.uk/government/publications/hmrc-impact-assessment-for-the-movement-of-goods-if-the-uk-leaves-the-eu-without-a-deal/hmrc-impact-assessment-for-the-movement-of-goods-if-the-uk-leaves-the-eu-without-a-deal> (accessed 11 March 2021).
- 15 WTO documents online, available at: [https://docs.wto.org/dol2fe/Pages/FE\\_Browse/FE\\_B\\_S006.aspx](https://docs.wto.org/dol2fe/Pages/FE_Browse/FE_B_S006.aspx)
- 16 Though this study relies on data provided on UNCTAD's LSCI and BLSCI, it is recognised that there is a significant positive correlation between the LSCI and the World Bank's Logistics Performance Index; however, the LSCI provides important insights into containerisable trade in manufactures. (See, for example, Hoffman [no date]).
- 17 Referred to interchangeably as 'HMRC' or 'UK Customs'.
- 18 Report presented to parliament by the Secretary of State for International Trade, May 2019 (DIT 2019).
- 19 Available at: <https://unctadstat.unctad.org/EN/>
- 20 Neufeld (2014) adopted the rankings based on the frequency of the provisions contained in RTAs notified to the WTO in the working paper.
- 21 The list is not exhaustive and a detailed examination of the scope and depth of these provisions, as compared to the TFA or the CF-EU EPA, is beyond the scope of the study.
- 22 This is based on the frequency of occurrence for RTAs reported to the WTO as given in Neufeld 2014.
- 23 UK Trade Partnerships Programme, available at: [https://www.intracen.org/projects/UKTP/#:~:text=The%20UKTP%20Programme%20works%20with,the%20European%20Union%20\(EU\).&text=It%20is%20funded%20by%20the,Great%20Britain%20and%20Northern%20Ireland](https://www.intracen.org/projects/UKTP/#:~:text=The%20UKTP%20Programme%20works%20with,the%20European%20Union%20(EU).&text=It%20is%20funded%20by%20the,Great%20Britain%20and%20Northern%20Ireland) (accessed 11 April 2021).
- 24 Available at: <https://www.export.org.uk/page/BrexitSupportSMEs>.
- 25 See the eligibility requirements at: <https://www.export.org.uk/page/BrexitSupportSMEs> (accessed 11 April 2021).
- 26 The deadline is 30 June 2021.
- 27 England, Scotland and Wales.
- 28 HM Government 2020. The document indicates that it outlines the processes for moving goods between GB and the EU from 1 January 2021 onwards, including processes to be introduced in April 2021 and July 2021.
- 29 Available at: <https://www.gov.uk/guidance/summary-of-the-cariforum-uk-economic-partnership-agreement-epa>
- 30 Available at: <https://www.legislation.gov.uk/uksi/2018/1248/contents/made>
- 31 See Section 15 of the Customs (Import Duty) (EU Exit) Regulations 2018.
- 32 Taxation (Cross-border Trade) Act 2018 (c. 22) Schedule 1 — Customs declarations, available at: [https://www.legislation.gov.uk/ukpga/2018/22/pdfs/ukpga\\_20180022\\_en.pdf](https://www.legislation.gov.uk/ukpga/2018/22/pdfs/ukpga_20180022_en.pdf) . Under Section 4 of the Schedule these forms are generally submitted electronically but can be submitted manually as specified.
- 33 This ends with the clearance and the release of the goods.
- 34 It is outside the scope of this study to define the process in each CARIFORUM State.
- 35 This will vary dependent on the type of product.
- 36 It is important that the requirements as to the form of the certificate be complied with, as well as the information content. This is referred to as a 'Movement Certificate under the CF-UK EPA. See Appendix 5 and 6. This will help to avoid delays on importation.
- 37 For example, goods moving from Jamaica to the UK by sea or air are sent through Miami, and the US customs and border protection requires information to be submitted via an (Importer Security Filing) ISF form 24 hours before the goods are shipped; see: [https://help.cbp.gov/s/article/Article-1707?language=en\\_US](https://help.cbp.gov/s/article/Article-1707?language=en_US) . For UK customs, this is referred to as an 'Entry Summary Declaration'.
- 38 The party responsible will need to register on the S&S GB service, and will need a Government Gateway user ID and password, available at: <https://www.gov.uk/guidance/register-to-make-an-entry-summary-declaration-in-great-britain>.
- 39 See UK Customs Academy: <https://www.ukcustomsacademy.co.uk/faqs/what-is-an-entry-summary-declaration-ens/> (accessed 20 March 2021).

- 40 That is, it is not to be confused with a goods movement reference, issued when hauliers register on the Goods Vehicle Movement Service, to be able to move goods through a port in the UK that uses the service.
- 41 Special Administrative Document (SAD) or C-88. See Section 15 of the Customs (Import Duty) (EU Exit) Regulations 2018, for eligibility requirements to be able to make Customs Declarations. See Annex 4.
- 42 See Schedule 1 – Customs Declaration, Section 1(1), Taxation (Cross-border Trade) Act 2018, available at: [https://www.legislation.gov.uk/ukpga/2018/22/pdfs/ukpga\\_20180022\\_en.pdf](https://www.legislation.gov.uk/ukpga/2018/22/pdfs/ukpga_20180022_en.pdf)
- 43 The ICC provides various publications to explain Incoterms, available at: <https://iccwbo.org/publication/incoterms-2020-introduction/>.
- 44 Available at: <https://www.gov.uk/trade-tariff>
- 45 Available at: <https://www.gov.uk/guidance/ask-hmrc-for-advice-on-classifying-your-goods>
- 46 Available at: <https://www.gov.uk/guidance/ask-hmrc-for-advice-on-classifying-your-goods>
- 47 Available at: <https://www.gov.uk/guidance/changes-to-commodity-codes-tariff-stop-press-notice-10>
- 48 Available at: [http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/tools-to-assist-with-the-classification-in-the-hs/hs\\_classification-decisions.aspx](http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/tools-to-assist-with-the-classification-in-the-hs/hs_classification-decisions.aspx)
- 49 Available at: <http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/tools-to-assist-with-the-classification-in-the-hs.aspx>
- 50 See Schedule 1 – Customs Declaration, Section 1(1), Taxation (Cross-border Trade) Act 2018, available at: [https://www.legislation.gov.uk/ukpga/2018/22/pdfs/ukpga\\_20180022\\_en.pdf](https://www.legislation.gov.uk/ukpga/2018/22/pdfs/ukpga_20180022_en.pdf)
- 51 However, declarations can still be made in hard copy; the PDF version is available from HMRC and if an accessible version is required, this can be requested.
- 52 See a copy of the declaration in Annex 3. See also: <https://www.gov.uk/guidance/international-trade-paperwork-the-basics> (accessed 1 March 2021).
- 53 See Taxation (Cross-border Trade) Act 2018, Schedule 1 – Customs Declarations.
- 54 See: <https://www.gov.uk/guidance/get-access-to-the-customs-declaration-service>.
- 55 The list of controlled goods is given the Border Protection Model at Annex C. Note that controlled goods required full declarations after 1 January 2021; they are excluded from the staged approach. The commodity code will be the main means of identification of a controlled goods. See: <https://www.gov.uk/guidance/transporting-goods-between-great-britain-and-the-eu-guidance-for-hauliers-and-commercial-drivers#examples-of-customs-documents>
- 56 This process does not address goods for personal use, through the post into Northern Ireland.
- 57 The EORI number will be different into Northern Ireland (it will need to start with XI) and into the EU; you will need to contact the customs authority in the EU country. If there is already an EORI number starting with XI, there may not need to be a different EORI number for the EU.
- 58 See an example of the Customs Declaration or Single Administrative document at Annex 4.
- 59 See: <https://www.trade-tariff.service.gov.uk/sections>
- 60 Persons using the CHIEF System will need a CHIEF badge from HMRC; see HM Government 2020, p35.
- 61 Single Administrative Document full eight-part set (also known as the C88 in the UK). This is the main document used in international trade and details the good and its movements around the world.
- 62 These correspond to the fields in the electronic system.
- 63 You will need to make a declaration if you are moving goods between Great Britain and Northern Ireland, to or from the EU, or to or from any other countries; see: <https://www.gov.uk/check-customs-declaration>.
- 64 See: <https://www.gov.uk/guidance/making-a-simplified-frontier-declaration>
- 65 Specific requirements for each country and product can be found at the following link: <https://www.get-rules-tariffs-trade-with-uk.service.gov.uk/search/grouped/country/jm/>. As an illustration, see Annex 4 for a case study of the requirements for sugar in solid form from Jamaica.
- 66 See: <https://www.legislation.gov.uk/uksi/2018/1248/made#f00032> (accessed 10 March 2021).
- 67 A Transit Procedure is defined at Section 3(4) of the Taxation (Cross-border Trade) Act 2018, as a 'special customs procedure'; see: <https://www.legislation.gov.uk/ukpga/2018/22/enacted>
- 68 See Schedule 1 – Customs Declaration, Section 1(1), Taxation (Cross-border Trade) Act 2018, available at: [https://www.legislation.gov.uk/ukpga/2018/22/pdfs/ukpga\\_20180022\\_en.pdf](https://www.legislation.gov.uk/ukpga/2018/22/pdfs/ukpga_20180022_en.pdf)
- 69 See Annex 4 for a specimen form and the type of information that is required.
- 70 See HMRC for the import declaration requirements for CDS, available at: <https://www.gov.uk/guidance/import-declaration-requirements-for-the-customs-declaration-service> (accessed 4 April 2021).
- 71 See Annex 4 for a specimen SAD and the information it captures. See also Annex 8 for a presentation of the CDS Data elements which replace the 'boxes' on CHIEF.
- 72 You can use the search tool to find relevant procedures; see: <https://www.gov.uk/hmrc-internal-manuals/import-and-national-clearance-hub-procedures/inchp13100>
- 73 See Annex 9; see also: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/865789/NCH1\\_final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/865789/NCH1_final.pdf)
- 74 See: <https://www.gov.uk/government/organisations/hm-revenue-customs/contact/national-clearance-hub?step-by-step-nav=8a543f4b-afb7-4591-bbfc-2eec52ab96c2>; see also Annex 9.
- 75 See information about the process, available at: <https://www.gov.uk/guidance/national-clearance-hub-for-goods-entering-leaving-or-transiting-the-eu> (accessed 21 March 2021).
- 76 See: <https://www.gov.uk/hmrc-internal-manuals/import-and-national-clearance-hub-procedures/inchp13150>; see also Annex 10.
- 77 See Annex 4 for the relevant boxes and the information required for that section of the SAD.
- 78 Check the relevant procedure code, available at: <https://www.gov.uk/government/publications/uk-trade-tariff-customs-procedure-codes/customs-procedure-codes-box-37>

- 79 See: <https://www.gov.uk/eori>
- 80 The service provides tailored information for exporting goods to over 160 markets across the world, including the EU. The tool also provides information regarding the paperwork required to move goods over the border, as well as what tariffs and quotas are applicable.
- 81 See: <https://www.gov.uk/guidance/transporting-goods-between-great-britain-and-the-eu-guidance-for-hauliers-and-commercial-drivers#moving-goods-from-gb-to-the-eu>
- 82 More information about the Goods Vehicle Movement Service is available at: <https://www.gov.uk/guidance/check-how-to-move-goods-through-ports-that-use-the-goods-vehicle-movement-service>. This service must also be registered for; see: <https://www.gov.uk/guidance/register-for-the-goods-vehicle-movement-service>
- 83 BIFA's location search is available at: <https://www.bifa.org/member-search> (accessed 15 March 2021).
- 84 Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/970893/Customs-Agents-18-March.csv/preview](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/970893/Customs-Agents-18-March.csv/preview) (accessed 16 March 2021).
- 85 See Section C: Detailed impacts – the cost of submitting customs import declarations, paying import duty and mitigating facilitations.
- 86 Customs Handling of Import and Export Freight (CHIEF) (unclassified), available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/209612/Customs\\_Handling\\_of\\_Import\\_and\\_Export\\_Freight\\_CHIEF.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/209612/Customs_Handling_of_Import_and_Export_Freight_CHIEF.pdf) (accessed 22 March 2021).
- 87 See: <https://www.ukcustomsacademy.co.uk/2020/03/24/are-you-aware-of-the-customs-declaration-system-cds-and-could-this-affect-your-business/> (accessed 20 March 2021).
- 88 At the time of writing, no information could be found that indicated the system had been deactivated.
- 89 See HMRC for the import declaration requirements for CDS, available at: <https://www.gov.uk/guidance/import-declaration-requirements-for-the-customs-declaration-service> (accessed 4 April 2021).
- 90 See HMRC website: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/936887/8266\\_CDS\\_Trade\\_Imports\\_Leaflet\\_v3\\_Accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/936887/8266_CDS_Trade_Imports_Leaflet_v3_Accessible.pdf)
- 91 See: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/932487/UK\\_exports\\_guide\\_accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932487/UK_exports_guide_accessible.pdf)
- 92 This study did not conduct a survey of customs brokers or other customs agents, so the figures presented are based on available data from those customs agents reviewed and publicly available estimates.
- 93 The West Indies Rum and Spirits Producers Association (WIRSPA) is one of the oldest private sector trade associations in the Caribbean. It represents rum producers in Antigua and Barbuda, Barbados, Belize, Haiti, Dominica, Dominican Republic, Grenada, Guyana, Jamaica, Saint Vincent and the Grenadines, Saint Lucia, Suriname, and Trinidad and Tobago.
- 94
- 95 See: <https://www.gov.uk/guidance/finding-commodity-codes-for-imports-or-exports#using-the-trade-tariff-tool>

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## Annex 1. Trade data

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(Haiti included)

The Bilateral Liner Shipping Connectivity Indexes between the 15 CARIFORUM countries and the nine European Union territories among the region's top-five destination countries presented a mixed picture: there were a number of improvements between 2008 and 2020, but there was an almost equal number of declines in the level of bilateral connectivity observed. For the UK, in particular, although not ranked (NR) in the top five of 13 of the 15 CARIFORUM territories assessed, it nonetheless reported bilateral liner shipping connectivity indexes in 2020 which were much improved over the period relative to the level of connectivity observed just prior to the signature of the CARIFORUM-EU EPA at the end of 2008. In fact, in ten (10) instances, the bilateral index showed a range of marked to marginal improvement. In one instance, it remained constant (Guyana), while the remaining four (4) bilateral indexes showed mostly marginal declines. This suggested that the level of connectivity, though having deteriorated in some instances, would have remained sufficiently vibrant in order to sustain bilateral trade between those

CARIFORUM countries and the UK. This also suggested that other factors may have been at play in determining the ultimate level of bilateral trade occurring between them.

We see from those countries from the index that there has been a shifting in liner connectivity in the region, from 2008 (pre CF-EU EPA) and in 2020. We cannot rule out the effect of the COVID-19 pandemic, given the impact on trade, as well as transport costs and port operations. Notwithstanding, the level connectivity that we see between the UK and the three CARIFORUM states of DR, The Bahamas and Jamaica, would suggest the potential for stronger bilateral trade flows, relative to the other CARIFORUM states.

The product descriptions below relate to the tables that follow.

There has been a gradual decline in both CARICOM and Dominican Republic exports of cane and beet sugar (HS 701) in solid form by value to the UK over the period 2018 to 2019. For Dominican Republic, the decline in 2019 as compared to its 2018 level was approximately 12 per cent while for CARICOM the decline was approximately 26 per cent per cent over the levels in 2018.

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## Annex 2. Entry summary declaration

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In the event you are moving goods into Great Britain, into Northern Ireland from Great Britain, or into Northern Ireland from outside the EU, an entry summary declaration will need to be made. See below for form C-1600.

See fillable form from the following link: [https://public-online.hmrc.gov.uk/lc/content/xfaforms/profiles/forms.html?contentRoot=repository:///Applications/Customs\\_B/1.0/BRC1600&template=C1600.xdp](https://public-online.hmrc.gov.uk/lc/content/xfaforms/profiles/forms.html?contentRoot=repository:///Applications/Customs_B/1.0/BRC1600&template=C1600.xdp)

Table A1. EU (27) trade with CARIFORUM



Source: <https://ec.europa.eu/trade/policy/countries-and-regions/regions/Caribbean/> Accessed: 10 March 2021

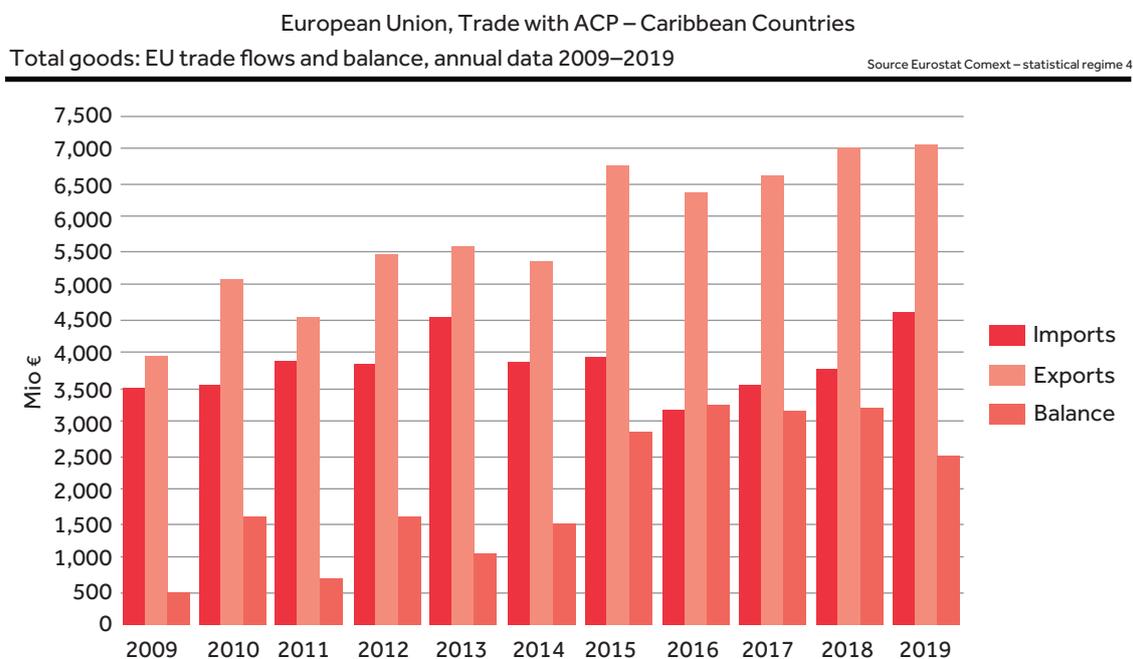
Chart A1. Top-five HS sections

**Top 5 - HS sections**

Product	Value Mio €	% Total	Product	Value Mio €	% Total
V Mineral products	1,336	29.2	XVI Machinery and appliances	1,676	23.8
VI Products of the chemical or allied industries	934	20.4	XVII Transport equipment	885	12.6
XVII Transport equipment	664	14.5	V Mineral products	749	10.6
IV Foodstuffs, beverages, tobacco	486	10.6	IV Foodstuffs, beverages, tobacco	582	8.3
II Vegetable products	346	7.6	VI Products of the chemical or allied industries	524	7.4

Source: [https://webgate.ec.europa.eu/isdb\\_results/factsheets/region/details\\_acp-caribbean-countries\\_en.pdf](https://webgate.ec.europa.eu/isdb_results/factsheets/region/details_acp-caribbean-countries_en.pdf)

Chart A2. EU trade with Caribbean countries 2009–19



Source: [https://webgate.ec.europa.eu/isdb\\_results/factsheets/region/details\\_acp-caribbean-countries\\_en.pdf](https://webgate.ec.europa.eu/isdb_results/factsheets/region/details_acp-caribbean-countries_en.pdf)

Table A2. Top-five CARIFORUM trade partners (2019)

Country	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>
Antigua and Barbuda	Poland (US\$16 mn)	Cameroon (US\$10 mn)	USA (US\$1 mn)	Germany (US\$0.940 mn)	Bahamas (US\$0.898 mn)
The Bahamas	Poland (US\$228 mn)	USA (US\$159 mn)	Dom. Rep (US\$43 mn)	India (US\$30 mn)	Trinidad (US\$24 mn)
Barbados	USA (US\$95 mn)	Trinidad (US\$32 mn)	Guyana (US\$29 mn)	Jamaica (US\$29 mn)	Togo (US\$27 mn)
Belize	USA (US\$181 mn)	UK (US\$97 mn)	Jamaica (US\$17 mn)	Ireland (US\$17 mn)	Spain (US\$16 mn)
Dominica	Trinidad (US\$4 mn)	Jamaica (US\$3 mn)	Saint Kitts (US\$3 mn)	France (US\$2 mn)	Guyana (US\$2 mn)
Dominican Republic	USA (US\$5864 mn)	Switzerland/Liechtenstein (US\$877 mn)	Haiti (US\$728 mn)	Canada (US\$487 mn)	India (US\$482 mn)
Grenada	Egypt (US\$6 mn)	USA (US\$5 mn)	Dominica (US\$4 mn)	Japan (US\$3 mn)	Saint Lucia (US\$3 mn)
Guyana	Germany (US\$629 mn)	Canada (US\$475 mn)	Trinidad (US\$133 mn)	USA (US\$74 mn)	UAE (US\$69 mn)
Haiti	USA (US\$927 mn)	Canada (US\$85 mn)	Dom. Rep (US\$46 mn)	Mexico (US\$23 mn)	India (US\$14 mn)
Jamaica	USA (US\$615 mn)	Netherlands (US\$219 mn)	Canada (US\$140 mn)	Iceland (US\$118 mn)	Russian Federation (US\$70 mn)
Saint Lucia	USA (US\$17 mn)	UK (US\$5 mn)	Barbados (US\$3 mn)	Suriname (US\$3 mn)	Trinidad (US\$3 mn)
Saint Kitts	USA (US\$24 mn)	Bangladesh (US\$16 mn)	Malta (US\$4 mn)	Turkey (US\$3 mn)	Germany (US\$2 mn)
Saint Vincent	Jordan (US\$16mn)	France (US\$6 mn)	Switzerland/Liechtenstein (US\$3 mn)	Barbados (US\$2 mn)	Saint Lucia (US\$1 mn)
Suriname	Switzerland/Liechtenstein (US\$950 mn)	China, Hong Kong, SAR (US\$339 mn)	UAE (US\$294 mn)	Belgium (US\$182 mn)	Guyana (US\$87 mn)
Trinidad and Tobago	USA (US\$2704 mn)	Argentina (US\$515 mn)	Brazil (US\$463 mn)	Chile (US\$384 mn)	Spain (US\$291 mn)

Source: Authors compilation from UNCTAD STAT General Profiles.

Notes: mn = million.



Haiti				NR (0.125)				NR (0.155)
Jamaica		2 <sup>nd</sup> (0.198)		NR (0.188)			2 <sup>nd</sup> (0.214)	NR (0.233)
Saint Lucia				2 <sup>nd</sup> (0.160)				2 <sup>nd</sup> (0.158)
Saint Kitts	5 <sup>th</sup> (0.118)		3 <sup>rd</sup> (0.115)	NR (0.128)		5 <sup>th</sup> (0.126)	3 <sup>rd</sup> (0.127)	NR (0.137)
Saint Vincent				NR (0.159)			2 <sup>nd</sup> (0.131)	NR (0.160)
Suriname	4 <sup>th</sup> (0.155)			NR (0.160)	4 <sup>th</sup> (0.159)			NR (0.164)
Trinidad and Tobago				NR (0.192)	5 <sup>th</sup> (0.217)			NR (0.194)

**Source:** Authors' compilation from UNCTAD STAT General Profiles and UNCTAD BLSICI data.

Table A4. HS four-digit codes and descriptions – sugar

Product code	Product descriptions
'1701	Cane or beet sugar and chemically pure sucrose, in solid form
'1702	Other sugars, incl. chemically pure lactose, maltose, glucose and fructose, in solid form; ...
'1703	Molasses resulting from the extraction or refining of sugar
'1704	Sugar confectionery not containing cocoa, incl. white chocolate

Source: Authors' calculation from ITC Trade Map data.

Table A5. CARICOM sugar exports to the UK

HS Code	Caribbean Community (CARICOM)'s exports to United Kingdom US\$'000		
	Value in 2018	Value in 2019	Value in 2020
'1701	84477	62454	36099
'1702	100	19	0
'1703	1	913	0
'1704	107	59	0

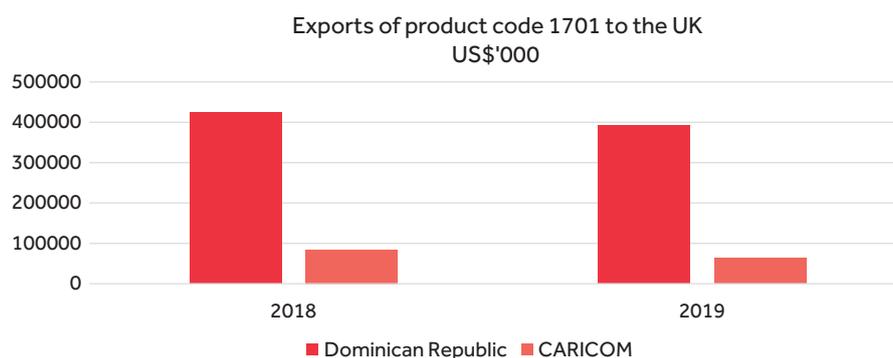
Source: Authors' calculation from ITC Trade Map data.

Table A6. Dominican Republic sugar exports to the UK

Dominican Exports to the UK US\$'000					
Code	Exported value in 2015	Exported value in 2016	Exported value in 2017	Exported value in 2018	Exported value in 2019
'1701	93285	92761	99536	104829	91951
'1703	17860	17901	20543	23037	17006
'1704	3448	3226	1620	1544	1973
'1702	3324	2994	218	518	400

Source: Authors' calculation from ITC Trade Map data.

Chart A3. Exports of HS 701 – cane or beet sugar and chemically pure sucrose, in solid form



Source: Authors' calculation from ITC Trade Map data.

## Annex 3. Exit summary declaration

In the event you are moving goods outside the UK, an exit summary declaration will be required if you are unable to fulfil safety and security requirements with a customs export declaration.

### The time to make a declaration

How you are shipping goods	When to submit (at the latest)
'Deep sea' containerised cargo	24 hours before the goods are loaded
'Short sea' containerised and non-containerised cargo	2 hours before leaving the port
Air traffic	30 minutes before departure from an airport
Rail traffic	2 hours before the goods leave Union territory
Road and inland waters traffic	1 hour before departure

If you need to complete the exit summary declaration, you will need:

- Transaction codes IEXS and EXS
- Your *declaration unique* consignment reference (DUCR)
- A CHIEF badge
- Your economic operators registration and identification (EORI) number
- the customs procedure code (CPC) 10 00 046
- The data required for a pre-departure declaration, including:
  - the name of the consignor and consignee
  - a description of the goods
  - routing (country by country)
  - location of goods
  - customs office of departure

The submission requirements may be different if submitting the declaration in CHIEF or CDS (see: <https://www.gov.uk/guidance/find-out-when-to-make-an-exit-summary-declaration#what-youll-need>).

## Annex 4. Full declaration (SAD)/C-88

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The declaration is form C-88, often referred to as a Single Administrative Document (SAD). This is the main document used in international trade and tracks your goods and their movement around the world. The document is broken down into eight parts with a total of 54 boxes, which capture information and correspond to the fields in the electronic system.

The SAD will be required when moving non-EU goods throughout the EU. Importantly, Box 33 will include the commodity code and Box 37 will include the CPC, indicating how your goods are treated in the country of import, and the preferential regime applicable to your goods – for example, whether they fall under the CARIFORUM–UK EPA or the CARIFORUM–EU EPA.

Parts 1, 4 and 5 of the SAD are for transit. This will be very important if your final

destination is not Great Britain. Parts 2 and 3 are for exports, and parts 6, 7 and 8 are for imports and parts.

The SAD is generally submitted by the importer or a customs agent online through the CHIEF system. If the system is down, it can be submitted on paper. UK Customs still allows for paper declarations.

A copy of the SAD can be obtained from the following link: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/849123/C88.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/849123/C88.pdf)

Downloaded copies of the form should not be used; the helpline should be contacted.

Other relevant forms are available from the HMRC website from the following link: <https://www.gov.uk/government/publications/import-and-export-single-administrative-document-c88-status>

EUROPEAN COMMUNITY 1 2 3 4 5 6 7					OFFICE OF DISPATCH/EXPORT									
Copy for the country of dispatch/export	1 2 Consignor/Exporter No <input type="checkbox"/>					<b>1 DECLARATION</b>								
						3 Forms		4 Loading lists						
						5 Items		6 Total packages		7 Reference number				
	8 Consignee No					9 Person responsible for financial settlement No								
						10 Country first destin.		11 Trading country		13 CAP				
						14 Declarant/Representative No			15 Country of despatch/export			15 C disp./exp. Code a) b)		17 Country destin. Code a) b)
						16 Country of origin								
						17 Country of destination								
	18 Identity and nationality of means of transport at departure					19 Ctr.		20 Delivery terms						
	21 Identity and nationality of active means of transport crossing the border					22 Currency and total amount invoiced			23 Exchange rate		24 Nature of transaction			
25 Mode of transport at the border		26 Inland mode of transport		27 Place of loading		28 Financial and banking data								
29 Office of exit		30 Location of goods												
31 Packages and description of goods	Marks and numbers — Container No(s) — Number and kind					32 Item No		33 Commodity Code						
						34 Country origin Code a) b)		35 Gross mass (kg)						
						37 PROCEDURE		38 Net mass (kg)		39 Quota				
						40 Summary declaration/Previous document								
						41 Supplementary units								
44 Additional information/ Documents produced/ Certificates and authorisations					A.I. Code									
					46 Statistical value									
47 Calculation of taxes					Type		Tax base		Rate		Amount		MP	
					Total:					48 Deferred payment			49 Identification of warehouse	
<b>B ACCOUNTING DETAILS</b>														
50 Principal No					Signature:			<b>C OFFICE OF DEPARTURE</b>						
51 Intended offices of transit (and country) represented by Place and date:														
52 Guarantee not valid for					Code		53 Office of destination (and country)							
D CONTROL BY OFFICE OF DEPARTURE					Stamp:			54 Place and date:						
Result: Seals affixed: Number: Identity: Time limit (date): Signature:					Signature and name of declarant/representative:									

EUROPEAN COMMUNITY 1 2 3 4 5 6 7					OFFICE OF DISPATCH/EXPORT						
<b>2</b> Statistical copy — Country of dispatch/export	2 Consignor/Exporter No					<b>1 DECLARATION</b>					
	<input type="checkbox"/>					3 Forms		4 Loading lists			
						5 Items		6 Total packages		7 Reference number	
	8 Consignee No					9 Person responsible for financial settlement No					
						10 Country first destin.		11 Trading country		13 CAP	
	14 Declarant/Representative No					15 Country of dispatch/export			15 C disp./exp. Code		17 Country destin. Code
						16 Country of origin		17 Country of destination			
	18 Identity and nationality of means of transport at departure					19 Ctr.		20 Delivery terms			
	21 Identity and nationality of active means of transport crossing the border					22 Currency and total amount invoiced			23 Exchange rate	24 Nature of transaction	
	25 Mode of transport at the border		26 Inland mode of transport		27 Place of loading		28 Financial and banking data				
29 Office of exit		30 Location of goods									
31 Packages and description of goods	Marks and numbers — Container No(s) — Number and kind					32 Item No		33 Commodity Code			
						34 Country origin Code		35 Gross mass (kg)			
						37 PROCEDURE		38 Net mass (kg)	39 Quota		
						40 Summary declaration/Previous document					
						41 Supplementary units					
44 Additional information/ Documents produced/ Certificates and authorisations						A.I. Code					
						46 Statistical value					
47 Calculation of taxes	Type	Tax base	Rate	Amount	MP	48 Deferred payment		49 Identification of warehouse			
						B ACCOUNTING DETAILS					
					Total:						
50 Principal No					Signature:						
					C OFFICE OF DEPARTURE						
51 Intended offices of transit (and country)	represented by										
	Place and date:										
52 Guarantee not valid for					Code		53 Office of destination (and country)				
D CONTROL BY OFFICE OF DEPARTURE					Stamp:		54 Place and date:				
Result:											
Seals affixed: Number:											
Identity:											
Time limit (date):											
Signature:					Signature and name of declarant/representative:						

EUROPEAN COMMUNITY 1 2 3 4 5 6 7					1 DECLARATION		
Copy for the consignor/exporter	3 Consignor/Exporter No			3 Forms		4 Loading lists	
	8 Consignee No			5 Items		6 Total packages	
	9 Person responsible for financial settlement No			7 Reference number			
	10 Country first destin.		11 Trading country		13 CAP		
	14 Declarant/Representative No			15 Country of dispatch/export		15 C disp. /exp. Code	
	16 Country of origin			17 Country of destination		17 Country destin. Code	
	18 Identity and nationality of means of transport at departure			19 Ctr.		20 Delivery terms	
	21 Identity and nationality of active means of transport crossing the border			22 Currency and total amount invoiced		23 Exchange rate	
	24 Nature of transaction			25 Mode of transport at the border		26 Inland mode of transport	
	27 Place of loading			28 Financial and banking data		29 Office of exit	
30 Location of goods			31 Packages and description of goods		32 Item No		
33 Commodity Code			34 Country origin Code		35 Gross mass (kg)		
37 PROCEDURE			38 Net mass (kg)		39 Quota		
40 Summary declaration/Previous document			41 Supplementary units		A.I. Code		
44 Additional information/ Documents produced/ Certificates and authorisations			46 Statistical value		47 Calculation of taxes		
48 Deferred payment			49 Identification of warehouse		B ACCOUNTING DETAILS		
50 Principal No			Signature:		C OFFICE OF DEPARTURE		
51 Intended offices of transit (and country)			represented by		Place and date:		
52 Guarantee not valid for			Code		53 Office of destination (and country)		
D CONTROL BY OFFICE OF DEPARTURE			Stamp:		54 Place and date:		
Result:			Seals affixed: Number:		Identity:		
Time limit (date):			Signature:		Signature and name of declarant/representative:		

EUROPEAN COMMUNITY		1	2	3	4	5	6	7	
Copy for the office of destination	<b>4</b>	2 Consignor/Exporter		No		1 DECLARATION			
		3 Forms		4 Loading lists					
		5 Items		6 Total packages					
		8 Consignee							No
		14 Declarant/Representative							No
		18 Identity and nationality of means of transport at departure				19 Ctr.			
		21 Identity and nationality of active means of transport crossing the border							
		25 Mode of transport at the border			27 Place of loading				
		15 Country of dispatch/export							17 Country of destination
		IMPORTANT NOTE							
Where this copy is used exclusively for establishing the COMMUNITY STATUS OF GOODS NOT MOVING UNDER THE COMMUNITY TRANSIT PROCEDURE, only the information in boxes 1, 2, 3, 5, 14, 31, 32, 35, 54 and, where appropriate, 4, 33, 38, 40 and 44 is needed for that purpose.									
	<b>4</b>		31 Packages and description of goods		32 Item No		33 Commodity Code		
			Marks and numbers — Container No(s) — Number and kind				35 Gross mass (kg)		
							38 Net mass (kg)		
							40 Summary declaration/Previous document		
	44 Additional information/ Documents produced/ Certificates and authorisations						A.I. Code		
	55 Transshipments		Place and country:			Place and country:			
			Ident. and nat. new means transp.:			Ident. and nat. new means transp.:			
			Ctr. (1) Identity of new container:			Ctr. (1) Identity of new container:			
			(1) Enter 1 if Yes or 0 if NO.			(1) Enter 1 if Yes or 0 if NO.			
	F CERTIFICATION BY COMPETENT AUTHORITIES		New seals: Number: Identity:		New seals: Number: Identity:		Signature: Stamp:		
			Signature: Stamp:		Signature: Stamp:				
	50 Principal		No		Signature:		C OFFICE OF DEPARTURE		
	51 Intended offices of transit (and country)		represented by		Place and date:				
	52 Guarantee not valid for		D CONTROL BY OFFICE OF DEPARTURE		Stamp:		53 Office of destination (and country)		
			Result:		54 Place and date:		Signature and name of declarant/representative:		
			Seals affixed: Number: Identity:						
			Time limit (date):						
			Signature:						

EUROPEAN COMMUNITY		1 2 3 4 5 6 7					1 DECLARATION		
5	2 Consignor/Exporter	No							
	Copy for return — Community transit	8 Consignee	No					3 Forms	4 Loading lists
		5 Items						6 Total packages	
		15 Country of dispatch/export						17 Country of destination	
		18 Identity and nationality of means of transport at departure						19 Ctr.	
21 Identity and nationality of active means of transport crossing the border						Tilbagesendes til: No. επιστοφής			
25 Mode of transport at the border						Zurücksenden: Return to:			
27 Place of loading						Renvoyer à: Rinvviare a:			
						Teruggenderen aan: Devolverar:			
5							BT-CCTO HM Revenue and Customs BX9 1EH		
31 Packages and description of goods	Marks and numbers — Container No(s) — Number and kind						32 Item No	33 Commodity Code	
								35 Gross mass (kg)	
							38 Net mass (kg)		
						40 Summary declaration/Previous document			
44 Additional information/ Documents produced/ Certificates and authorisations							A.I. Code		
56 Transshipments	Place and country:			Place and country:					
	Ident. and nat. new means transp.:			Ident. and nat. new means transp.:					
Ctr. (1) Identity of new container:			Ctr. (1) Identity of new container:						
(1) Enter 1 if Yes or 0 if NO.			(1) Enter 1 if Yes or 0 if NO.						
F CERTIFICATION BY COMPETENT AUTHORITIES	New seals: Number: identity:			New seals: Number: identity:					
	Signature: Stamp:			Signature: Stamp:					
50 Principal			No			Signature:			
						C OFFICE OF DEPARTURE			
51 Intended offices of transit (and country)	represented by								
	Place and date:								
52 Guarantee						Code			
not valid for						53 Office of destination (and country)			
D CONTROL BY OFFICE OF DEPARTURE						Stamp:			
Result:									
Seals affixed: Number:									
Identity:									
Time limit (date):									
Signature:									

EUROPEAN COMMUNITY 1 2 3 4 5 6 7					A OFFICE OF DESTINATION				
6 Copy the country of destination	2 Consignor/Exporter No				1 DECLARATION				
					3 Forms	4 Loading lists			
					5 Items	6 Total packages	7 Reference number		
	8 Consignee No				9 Person responsible for financial settlement No				
					10 Country last on-signed	11 Trad./Prod. country	12 Value details		13 CAP
	14 Declarant/Representative No				15 Country of dispatch/export		15 C disp. /exp. Code		17 Country destin. Code
					16 Country of origin		17 Country of destination		
	18 Identity and nationality of means of transport on arrival				19 Ctr.		20 Delivery terms		
	21 Identity and nationality of active means of transport crossing the border				22 Currency and total amount invoiced		23 Exchange rate	24 Nature of transaction	
	25 Mode of transport at the border		26 Inland mode of transport		27 Place of unloading		28 Financial and banking data		
29 Office of entry				30 Location of goods					
11 Packages and description of goods	Marks and numbers—Container No(s)—Number and kind				32 Item No	33 Commodity Code			
					34 Country origin Code		35 Gross mass (kg)	36 Preference	
					37 PROCEDURE		38 Net mass (kg)	39 Quota	
					40 Summary declaration/Previous document				
					41 Supplementary units		42 Item price	43 VM code	
4 Additional information/ Documents produced/ Certificates and authorisations					A. 1. Code		45 Adjustment		
					46 Statistical value				
					48 Deferred payment		49 Identification of warehouse		
17 Calculation of taxes	Type	Tax base	Rate	Amount	MF				
	Total:								
					B ACCOUNTING DETAILS				
50 Principal No					Signature:				
					C OFFICE OF DEPARTURE				
11 Intended offices of transit (and country)	represented by								
	Place and date:								
2 Guarantee not valid for					Code				
J CONTROL BY OFFICE OF DESTINATION					53 Office of destination (and country)				
					54 Place and date:				
					Signature and name of declarant/representative:				

EUROPEAN COMMUNITY					1 2 3 4 5 6 7					OFFICE OF DESTINATION					
7 Statistical copy — Country of destination	2 Consignor/Exporter No					1 DECLARATION					3 Forms				
	8 Consignee No					9 Person responsible for financial settlement No					4 Loading lists				
	14 Declarant/Representative No					10 Country last consigned					11 Trad./Prod. country				
	18 Identity and nationality of means of transport on arrival					19 Ctr.					20 Delivery terms				
	21 Identity and nationality of active means of transport crossing the border					22 Currency and total amount invoiced					23 Exchange rate				
	25 Mode of transport at the border					26 Inland mode of transport					27 Place of unloading				
	29 Office of entry					30 Location of goods					28 Financial and banking data				
	31 Packages and description of goods					32 Item No					33 Commodity Code				
	44 Additional information/ Documents produced/ Certificates and authorisations					41 Supplementary units					42 Item price				
	47 Calculation of taxes					48 Deferred payment					49 Identification of warehouse				
50 Principal No					Signature:					C OFFICE OF DEPARTURE					
51 Intended offices of transit (and country)					represented by					53 Office of destination (and country)					
52 Guarantee not valid for					Code					54 Place and date:					
J CONTROL BY OFFICE OF DESTINATION					Signature and name of declarant/representative:										

EUROPEAN COMMUNITY					1 2 3 4 5 6 7					
Copy for the consignee	8 2 Consignor/Exporter No				1 DECLARATION					
					3 Forms		4 Loading lists			
					5 Items		6 Total packages		7 Reference number	
	8 Consignee No				9 Person responsible for financial settlement No					
					10 Country last consigned		11 Trad./Prod. country	12 Value details		13 CAP
	14 Declarant/Representative No				15 Country of dispatch/export			15 C disp. /exp. Code	17 Country destin. Code	
					a)	b)	a)	b)		
					16 Country of origin			17 Country of destination		
	18 Identity and nationality of means of transport on arrival				19 Ctr.	20 Delivery terms				
	21 Identity and nationality of active means of transport crossing the border				22 Currency and total amount invoiced		23 Exchange rate	24 Nature of transaction		
25 Mode of transport at the border		26 Inland mode of transport		27 Place of unloading		28 Financial and banking data				
8 29 Office of entry				30 Location of goods						
31 Packages and description of goods	Marks and numbers—Container No(s)—Number and kind				32 Item No	33 Commodity Code				
					a)	b)	34 Country origin Code		35 Gross mass (kg)	36 Preference
					37 PROCEDURE	38 Net mass (kg)		39 Quota		
					40 Summary declaration/Previous document					
					41 Supplementary units		42 Item price	43 VM code		
44 Additional information/ Documents produced/ Certificates and authorisations					A. 1. Code	45 Adjustment		46 Statistical value		
					48 Deferred payment				49 Identification of warehouse	
					B ACCOUNTING DETAILS					
47 Calculation of taxes	Type	Tax base	Rate	Amount	MP					
Total:										
50 Principal	No				Signature:		C OFFICE OF DEPARTURE			
	represented by									
51 Intended offices of transit (and country)	Place and date:									
52 Guarantee not valid for					Code	53 Office of destination (and country)				
	J CONTROL BY OFFICE OF DESTINATION				54 Place and date:		Signature and name of declarant/representative:			

E CONTROL BY OFFICE OF DISPATCH/EXPORT					
Station/Company code			Port/Station of first lodgement if other than Port of Shipment		
Examination at premises/warehouse <input type="checkbox"/> HCO only — compared with stock account <input type="checkbox"/> — compared with HO 18			<input type="checkbox"/> Tobacco Products only — compared with TP8 <input type="checkbox"/> Compared with Excise Control Document		
			Station reference	Date stamp	
* Not sampled * Sample forwarded to Government chemist .....			Signature .....		
Examination at shipment			Rotation number		
			Station reference	Date stamp	
* Not sampled * Sample forwarded to Government chemist .....			Signature .....		
Certificate of shipment	Deficiencies found	Number missing	Number broken	Losses (Qty)	
				Allowed	Chargeable
	Bottles				
	Cases		<del>X</del>		
	Casks		<del>X</del>		
	Bulk		<del>X</del>		
Packages For tobacco products only		<del>X</del>			
OPR — Quantities transferred to Box 19 of authorisation					

Name and address for return of this copy

\* Delete as necessary

<p><b>56 Other incidents during carriage</b> Details and measures taken</p>	<p><b>G CERTIFICATION BY COMPETENT AUTHORITIES</b></p>
<p><b>H A POSTERIORI CONTROL (Where this copy is used for establishing the Community status of the goods)</b></p>	
<p><b>REQUEST FOR VERIFICATION</b> Verification of the authenticity of this document and the accuracy of the information contained therein is requested</p> <p>Place and date: Signature: _____ Stamp: _____</p>	<p><b>RESULT OF VERIFICATION</b> This document (1)  <input type="checkbox"/> was certified by the Customs office indicated and the information contained therein is accurate  <input type="checkbox"/> does not meet the requirements as to authenticity and regularity (see remarks below).</p> <p>Place and date: Signature: _____ Stamp: _____</p>
<p>Remarks:</p>	
<p>(1) Enter <input type="checkbox"/> where applicable.</p>	
<p><b>I CONTROL BY OFFICE OF DESTINATION (COMMUNITY TRANSIT)</b></p> <p>Date of arrival: Examination of seals: Remarks:</p>	<p>Copy no. 5 returned on after registration under No. _____</p> <p>Signature: _____ Stamp: _____</p>



J CONTROL BY OFFICE OF DESTINATION

## Annex 5. Guidance on application, completion, and issue of movement certificate

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Article 17 of Protocol I outlines the requirements for a movement certificate. This guidance should be followed to ensure that there are no delays in clearance of the shipment in the UK and to avoid disputes as to the origin of the product. If the consignment does not meet the origin requirements, then the goods may not benefit from preferential rates of duty.

Article 17(2) states as follows:

*‘For this purpose, the exporter or his authorised representative shall fill out both the movement certificate EUR.1 and the application form, specimens of which appear in*

*Annex III. These forms shall be completed in accordance with the provisions of this Protocol. If they are handwritten, they shall be completed in ink in printed characters. The description of the products must be given in the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled, a horizontal line must be drawn below the last line of the description, the empty space being crossed through.’*

See: [http://www.sice.oas.org/TPD/CAR\\_GBR/Texts/CAR\\_GBR\\_EPA\\_Protocol\\_I\\_e.pdf](http://www.sice.oas.org/TPD/CAR_GBR/Texts/CAR_GBR_EPA_Protocol_I_e.pdf)

## Annex 6. Specimen EUR1 form and application (Annex III to Protocol I, CF–UK EPA)

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It may be noted that the movement certificate remains same as that under the CF-EPA. Annex III to Protocol I of the CF–UK EPA provides the form for a movement certificate as follows:

- Movement certificates EUR.1 shall be made out on the form of which a specimen appears in this annex. This form shall be printed in one or more of the languages in which the agreement is drawn up. Certificates shall be made out in one of these languages and in accordance with the provisions of the domestic law of the exporting state. If they are handwritten, they shall be completed in ink and in capital letters.
- Each certificate shall measure 210×297mm, a tolerance of up to plus 8mm or minus 5mm in the length may be allowed. The paper used must be white, sized for writing, not containing mechanical pulp and weighing not less than 25g/m<sup>2</sup>. It shall have a printed

green guilloche pattern background, making any falsification by mechanical or chemical means apparent to the eye.

- The exporting states may reserve the right to print the certificates themselves or may have them printed by approved printers. In the latter case, each certificate must include a reference to such approval. Each certificate must bear the name and address of the printer or a mark by which the printer can be identified. It shall also bear a serial number, either printed or not, by which it can be identified.

Note that Article 26 of Protocol I specifies that goods under 500 euro and those for personal use do not require a movement certificate.

See: [http://www.sice.oas.org/TPD/CAR\\_GBR/Texts/CAR\\_GBR\\_EPA\\_Anx\\_III\\_Protocol\\_I\\_e.pdf](http://www.sice.oas.org/TPD/CAR_GBR/Texts/CAR_GBR_EPA_Anx_III_Protocol_I_e.pdf)



<p>13. <b>Request for verification, to:</b></p>	<p>14. <b>Result of verification</b></p>
<p>Verification of the authenticity and accuracy of this certificate is requested</p> <p>..... (Place and date)</p> <p>..... (Signature)</p> <p style="text-align: center;">Stamp</p>	<p>Verification carried out shows that this certificate (*)</p> <p><input type="checkbox"/> was issued by the customs office indicated and that the information contained therein is accurate.</p> <p><input type="checkbox"/> does not meet the requirements as to authenticity and accuracy (see remarks appended).</p> <p>..... (Place and date)</p> <p>..... (Signature)</p> <p style="text-align: center;">Stamp</p> <p>(*) Insert X in the appropriate box.</p>

NOTES

1. Certificates must not contain erasures or words written over one another. Any alterations must be made by deleting the incorrect particulars and adding any necessary corrections. Any such alteration must be initialled by the person who completed the certificate and endorsed by the customs authorities of the issuing country or territory.
2. No spaces must be left between the items entered on the certificate and each item must be preceded by an item number. A horizontal line must be drawn immediately below the last item. Any unused space must be struck through in such a manner as to make any later additions impossible.
3. Goods must be described in accordance with commercial practice and with sufficient detail to enable them to be identified.

## APPLICATION FOR A MOVEMENT CERTIFICATE

1. <b>Exporter</b> (name, full address, country)	<b>EUR.1 No A 000 000</b>	
	See notes overleaf before completing this form	
3. <b>Consignee</b> (name, full address, country) (Optional)	2. Application for a certificate to be used in preferential trade between	
	..... <b>and</b> ..... (insert appropriate countries or groups of countries or territories)	
	4. Country, group of countries or territory in which the products are considered as originating	5. Country, group of countries or territory of destination
6. <b>Transport details</b> (mention facultative)	7. <b>Remarks</b>	
8. <b>Item number; marks and numbers; number and kind of packages (°); description of goods</b>	9. <b>Gross mass (kg) or other measure (litres, m<sup>3</sup>, etc.)</b>	10. <b>Invoices (Optional)</b>

(°) If goods are not packed, indicate number of articles or state 'in bulk' as appropriate

### DECLARATION BY THE EXPORTER

I, the undersigned, exporter of the goods described overleaf,

**DECLARE** that the goods meet the conditions required for the issue of the attached certificate,

**SPECIFY** as follows the circumstances which have enabled these goods to meet the above conditions:

.....  
.....  
.....  
.....

**SUBMIT** the following supporting documents (1):

.....  
.....  
.....  
.....

**UNDERTAKE** to submit, at the request of the appropriate authorities, any supporting evidence which these authorities may require for the purpose of issuing the attached certificate, and undertake, if required, to agree to any inspection of my accounts and to any check on the processes of manufacture of the above goods, carried out by the said authorities,

**REQUEST** the issue of the attached certificate for these goods.

.....  
(Print and date)  
.....  
(Signature)

1) For example, import documents, movement certificates, manufacturer's declarations, etc. referring to the products used in manufacture or to the goods re-exported in the same state.

See also Guidance from HMRC, available at: <https://www.gov.uk/guidance/summary-of-the-cariforum-uk-economic-partnership-agreement-epa#rules-of-origin>

## Annex 7. CDS Data elements group explanation

### Summary of the eight CDS Groups

Data Element Group	What's different in CDS?	Link to CDS Vol 3 Tariff
1. Message Information Including Procedure Codes	Data Elements in Group 1 cover simple, overarching information relating to the whole declaration, or individual items on the declaration. This includes Procedure Codes and Additional Procedure Codes which replace Customs Procedure Codes and will now be split into two parts: 1. Procedure Codes are the first four-digit codes used and identify the requested procedure (for example permanent export), and the previous procedure (such as goods previously in free circulation and home use) 2. Additional Procedure Codes are three-digit codes used to identify any supplementary conditions that apply to the intended use of the goods. For example, goods for military use, or where no other Additional Procedure Code applies. <b>For example: Data Element 1/10 (Procedure code) and 1/11 (Additional Procedure Code). Box 37 (Customs Procedure Code) on a CHIEF declaration.</b>	<a href="#">Group 1</a>
2. References Including message and document references, certificates and authorisations	Data Elements in Group 2 cover information about documents accompanying the items on the declaration, certain customs authorisations, or information about declarations that have previously been made in respect of the items. Data Element 2/1 is used to declare the Master Unique Consignment Reference Number (MUCR) and Declaration Unique Consignment Reference Number (DUCR) which must be at header level. <b>For example: Data Element 2/1 (Simplified declaration or previous documents). Box 40 (Summary declaration/Previous document) on a CHIEF declaration.</b>	<a href="#">Group 2</a>
3. Parties Who is Involved in making the declaration	Data Elements in Group 3 cover information about different players within the supply chain of the goods; from exportation to importation, through to their declaration to CDS. For example, the Exporter, Declarant, Representative (if relevant), Consignee (if relevant) and Carrier (if relevant). <b>For example: Data Element 3/17 (Declarant), 3/18 (Declarant ID number i.e. EORI number), 3/19 (Representative), 3/20 (Representative ID number) and 3/21 (Representative status code). Box Number 14 (Declarant/Representative) on a CHIEF declaration.</b>	<a href="#">Group 3</a>
4. Valuation Information and Taxes The value of the goods	Data Elements in Group 4 tell the customs authorities how the goods have been valued, how the customs value has been built up, and how the statistical value for VAT has been determined. Regarding export declarations, much less valuation information is required on a declaration because taxes are not charged on exports. Data Element 4/11 Exports – this data element is only mandatory for invoices of £100,000 and above. <b>For example: Data Element 4/11 (Total amount invoiced). Box 22 (Currency and total amount invoiced) on a CHIEF declaration.</b>	<a href="#">Group 4</a>
5. Dates/Times/Periods/ Places/Countries/Regions Including dates, times and locations	Data Elements in Group 5 cover information on the countries involved in the supply chain for the exported goods – from manufacture/location of goods, to the declaration of goods, to Customs departure from the UK. For example, where the goods originated or were manufactured; where the goods were loaded for shipment; where the goods were shipped to; where the goods are being presented on export; and the ultimate destination of the goods. <b>For example: Data Element 5/8 (Country of destination code). Box 17a (Country of Destination Code) on a CHIEF declaration.</b>	<a href="#">Group 5</a>
6. Goods Identification Codes to identify specific goods	Data Elements in Group 6 tell Customs the quantity of goods being exported by packages and by weight, or other units of measurement, where required. Additionally, it tells Customs what the goods are, allowing Customs to identify the goods being exported, for comparison with the commercial documentation accompanying the exported goods. <b>For example: Data Element 6/8 (Description of goods). Box 31 (Description of goods) on a CHIEF declaration.</b>	<a href="#">Group 6</a>
7. Transport Information Modes, means and equipment	Data Elements in Group 7 cover details about how the goods are transported from the UK to the country of destination and final destination, if appropriate. For example, the identification and type of transport used to carry goods during specific parts of the supply chain through to export. <b>For example: DE 7/4 (Mode of Transport at the Border). Box 25 (Mode of Transport at the Border) on a CHIEF declaration.</b>	<a href="#">Group 7</a>
8. Other Statistical and tariff related data and guarantees	Data Elements in Group 8 cover miscellaneous information about the declaration that has not been captured elsewhere, such as guarantees, statistical data, and the nature of the transaction itself. <b>For example: Data Element 8/5 (Nature of transaction). Box 24 (Nature of transaction) on a CHIEF declaration. For example: Data Element 8/6 (statistical value), box 46 on a CHIEF declaration.</b>	<a href="#">Group 8</a>

## Annex 8. Clearance of goods forms

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See: <a href="https://www.gov.uk/government/collections/forms-for-import-and-export#clearance-of-goods-forms">https://www.gov.uk/government/collections/forms-for-import-and-export#clearance-of-goods-forms</a>	31 December 2020
<i>Use these forms to request clearance of goods being imported to or exported from the UK:</i>	Form
	Presentation of goods (C1600A)
	31 December 2020
Apply for a manual release if the ALVS cannot process an automatic release (ALVS1)	Form
19 January 2015	Presentation of goods for export (arrival) (C1601)
	31 December 2020
Form	
Make a Customs Clearance Request (C21)	<i>Declaration forms for imports and exports</i>
8 October 2014	<i>Use these forms to declare goods entering or leaving the UK:</i>
Form	
Submit a notice of arrival of certain classes of goods (C27)	Form
4 April 2014	Change or cancel a Simplified Frontier Declaration
	30 August 2019
Form	
Apply to remove goods from a transit shed (C130)	Form
31 December 2020	Request partial entry print of import and export data
	23 November 2011
Form	
Permission to progress shipment of goods after export (C130EX)	Form
4 April 2014	Tell HMRC about the temporary arrival of a non-UK private motor vehicle for personal use (C110)
	31 December 2020
Form	
Shipping bill and stores for outgoing aircraft (C208)	Form
4 April 2014	General declaration for inward or outward flights (C155)
	4 April 2014
Form	
Record your aircraft cargo (C257)	Form
4 April 2014	Declare re-importation of an unaccompanied private motor vehicle from outside the UK (C179B)
	31 December 2020
Form	
Apply for release of a private motor vehicle on payment of Customs Duty and VAT (C384)	Form
31 December 2020	Declare any weapons on board an aircraft (C913)
	4 April 2014
Form	
Apply for release of a private vessel on payment of customs duty and VAT (C384 (Vessels))	Form
31 December 2020	Declare imports of antiques that are over 100 years old (C920A)
	4 April 2014
Form	
Make a summary declaration of goods arriving from non-UK countries (C1600)	

Form Declare returned goods relief on postal importations (C1309) 31 December 2020	<i>Customs Declaration Service forms and guidance HMRC is introducing Customs Declaration Service (CDS) gradually:</i>
Form Declare pleasure craft on voyages leaving or arriving in the UK (C1331) 31 December 2020	Form Find out how to prepare for the Customs Declaration Service. Request entry or clearance during CHIEF or CDS downtime 17 November 2020
Form Customs declaration for passengers leaving the UK (C1336) 4 April 2014	Form Get your import VAT and duty adjustment statements 13 September 2019
Form Submit a notification of exit of goods (C1602 departure) 31 December 2020	Guidance Get copies of your duty deferment statements 9 August 2019
Form Amend import or export licence declarations (C1700) 1 October 2014	Guidance Check how to get your import VAT certificate (C79) 9 June 2020
Form Record a certificate of posting of goods (C&E132) 4 April 2014	Guidance Manage your email address for the Customs Declaration Service 31 October 2019
Form Declare Returned Goods Relief when using duplicate lists (C&E1246) 31 December 2020	Guidance Customs freight simplified procedures information papers You can find customs freight simplified procedures (CFSP) information papers published before 1 January 2017 on the National Archives website.
<i>CHIEF forms</i> <i>Use these forms to complete a manual Customs Handling of Import and Export Freight (CHIEF) declaration:</i>	Find CFSP information papers published from 1 January 2017 below. Importation of goods from North Korea (CFSP information paper 1) 20 June 2017
Form Request entry or clearance during CHIEF or CDS downtime 17 November 2020	
Form Record CHIEF entries you changed or cleared before a system failure (C1403 (F)) 4 April 2014	Guidance Published 29 June 2020
Form Ask for access to CHIEF through WEX channels (PA7) 14 January 2021	



## Annex 10. HMRC's example invoice summary form

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See: <https://www.gov.uk/hmrc-internal-manuals/import-and-national-clearance-hub-procedures/inchp13150> (accessed 21 March 2021)

Check for Brexit updates to this form.  
Entry number [please indicate]  
Summary of invoices CIF FOB

Invoice Number	Description of goods	Number of pieces	Currency	Value

## Annex 11. Routing and import status codes

### Routing codes

There are new entry routings which were introduced for the new arrangements for processing entries subject to trading standards controls. See CIP (2015) 07 <https://>

[www.gov.uk/hmrc-internal-manuals/import-and-national-clearance-hub-procedures/inchp04200](https://www.gov.uk/hmrc-internal-manuals/import-and-national-clearance-hub-procedures/inchp04200)

A combination of numeric and alphabetic codes is used to identify specific functions. These are:

Route 0	Awaiting a response from another government system before the route is determined.
Route 1	Requiring the supporting documentation to be examined.
Route 2	Requiring goods and documents to be examined.
Route 3	Which implies automatic clearance after a short period of time, during which the documentation must be submitted and customs have the opportunity to examine it.
Route 6	CFSP. Paperless declaration with the entry being given immediate clearance, i.e. zero time out.
Non CFSP	No paper declaration held by customs. Allocated to authorised paying agents, where entry is Route 3 and there are no customs checks.

### Other routes that may be allocated are:

Route H	Has always applied to pre-lodged entries (with no unresolved front end credibility (FEC) failures)
Route E	Applies to entries with stored data linked to them
Route F	Applies to entries with unresolved FEC failures
Routes 2/5, 1/5 and 5	Are equivalent to Route 2, 1 and 3 entries, where the method of payment includes 'cash'.

CHIEF does not allow clearance while the Route of an entry is 'E', 'F' or 'H'.

### Import clearance status (ICS) codes

ICS codes are an integral part of the processing of the entry. They add to the information provided by the route codes and are a means

of indicating to the direct trader input (DTI) agent and to customs the stage of processing of the entry.

They are also used to stop automatic clearance of an entry when necessary.

After clearance, they are a useful source of management information.