

# Importing Goods ‘How To’ Guide

Finance Services

# 1. Importing Goods

###  Overview

* 1. **Any goods purchased or moved from the EU into the UK, is classed as an import.**

The import must be declared to HM Revenue and Customs (HMRC) correctly and any applicable import duty, VAT and other taxes must be paid to avoid penalties and delayed arrivals.

HMRC will hold the University responsible for any error on submitted declarations.

The University’s EORI Number is GB 142 047795000

###  Aims

* 1. This guidance will enable you to gather the information required to deal with the majority of straightforward imports and to recognise when the import is more complex and you may need further assistance.

Steps 2.1 – 2.6 below must be carried out **in advance** of the import being brought into the country.

## 2. Steps

2.1 Determine the full price of the goods

The value is usually the full amount paid to the supplier including delivery and insurance costs. If there is no sale (including hiring, leasing or return of our own goods) the open market value (i.e. the price if they are purchased) plus shipping and insurance should be used.

The supplier may have provided these details on a ‘commercial invoice’, or be able to provide the UK commodity code for import purposes and should know the commodity code they will use for import. This should be checked.

If the total value of the individual consignment is below £135, no import duty will be due but the University will have to account for UK supply VAT via self-assessment as applicable.

[Please see Appendix 1](#Appendix1)

2.2 Confirm commodity code on the UK Trade Tariff to obtain the import duty rate

 Every type of item imported has a code number. The supplier may have provided, or be able to provide the UK commodity code for import purposes and should know the commodity code they will use for import.

* + For imports form 01/01/2021, please check the new [UK Global Tariff](https://www.gov.uk/trade-tariff)
	+ Some of the most commonly used commodity codes and their related duty and VAT rates (before any relief is applied) are shown below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Commodity Code** | **Description** | **Import Duty Rate** | **VAT Rate** |
| 38220000 00 | 38 Misc chemical products, 22 Diagnostic or lab reagents on a backing, prepared diagnostic or lab reagents whether or not on a backing, other than those of heading 3002 or 3006; certified reference materials | 0% | 20% |
| 29349990 90 | 29 Organic chemicals, 34 Nucleic acids and their salts, whether or not chemically defied; other heterocyclic compounds, other, other, other, other. | 6.5% | 20% |
| 49019900 00 | 49 Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans, 01 Printed books, brochures, leaflets and similar printed matter, whether or not in single sheets, other, other. | 0% | 0% |
| 39269097 90 | 39 Plastics and articles thereof; 26 Other articles of plastics and articles of other materials of headings 3901 to 3914, other, other, other, other. | 6.5% | 20% |
| 90189084 00 | 90, Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof, 18 Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electromedical apparatus and sight-testing instruments, other instruments and appliances, other. | 0% | 20% |

2.3 Consider what Incoterms apply to the import

Incoterms are a set of internationally recognised rules that define the responsibilities of sellers and buyers. They specify who is responsible for paying for and managing the shipment, insurance, documentation and customs clearance

They determine:

* Where titles passes (i.e. legal ownership)
* Who is responsible for delivery to where
* Who has the insurance risk
* Who is responsible for the import into the UK

The most common Incoterms are:

* Ex-works (EXW) – customer collects and title passes at supplier’s premises
* Free on board (FOB)/Free carriage (FCA) – supplier delivers to nominated port in their country (e.g. FOB Shanghai)
* Cost, insurance and freight (CIF) – supplier pays for delivery to a port in UK
* Deliver at Place (DAP) – supplier delivers door to door, but customer clears customs.
* Deliver Duty Paid (DPP) – supplier does everything.

Ex works should be avoided, as title passing in the country of supply can lead to tax issues, such as the need to register for VAT/GST in that country.

Deliver Duty Paid (DDP) is the preferred Incoterms to use. The supplier will be responsible for the customs clearance and import taxes and should raise an invoice charging the University UK VAT where applicable.

If the supplier cannot use DPP, Deliver at Place (DAP) is often the next best option but the University will be responsible for clearing the goods through customs and paying import duty/VAT where applicable.

The supplier will often state the Incoterm they plan to use on their quote and other documents.

2.4 Consider who will clear the goods through Customs

Any import declaration will need to be submitted on the behalf of the University, by a freight forwarder, courier, fast parcel operator or customs broker. They will charge fees for clearing the goods and for facilitating payment of the import taxes. The University’s preferred courier/customs broker is DHL Global.

In many cases suppliers will appoint fast parcel operators (e.g. DHL) who specialise in quick delivery from door to door and will attempt to clear goods into the UK on the University’s behalf.

In all cases, please ensure there is a customs broker or similar in place to declare and clear goods through UK customs.

[Please see Appendix 3](#Appendix3)

2.5 Consider whether and duty or VAT reliefs apply

**Do not consider import duty relief on items under £1000 as the costs of administering the relief can significantly exceed the benefit**

If there is a nil rate of duty under the [UK Global Tariff](https://www.gov.uk/trade-tariff), an application is unnecessary.

Import duty relief can be claimed on:

* Scientific instruments imported for educational purposes or non-commercial scientific research
* Purchased/donated medical equipment to be used for medical purposes contact VAT@exeter.ac.uk if this may apply and you require further support.

Medical VAT relief may also be claimed on specific goods and medicinal products substances used for a qualifying medical purpose. Please refer to the VAT intranet for further details <https://www.exeter.ac.uk/departments/finance/taxandvat/>

Import duty and VAT relief can be claimed on goods imported for testing to destruction. Please ensure the import courier is aware of these instructions prior to shipment into the UK.

2.6 Consider whether any import controls or import licenses apply

There are controls in place for the import of firearms, artworks and antiques, plants and animals, medicines, textiles and chemicals an import licence may be required.

Further information to apply for a licence.

[Please see Appendix 2](#Appendix2)

2.7 Complete the Import Notification form and send a copy to the supplier and freight forwarder

 Include your special instructions, certificates or authorisations on the notification form sent to the freight forwarder and supplier. They will submit the import declaration to HMRC as part of the customs clearance process on the University’s behalf.

Ensure a copy of this documentation is retained by the College for future audit requirements.

2.8 Pay and import taxes that may be due via freight forwarder or customs broker

The University does not have a deferment account and does not use Postponed VAT Accounting. The College must pay any taxes due to the freight forwarder or customs broker. Charges will be made for customs clearance, as well as facilitating payment to HRMC.

 If clearance is administered by DHL Global, a purchase order can be raised and DHL will invoice the University.

 In other cases, the freight forwarder/customs broker or similar often requires immediate payment to release the goods. Paying import taxes and administration fees with a purchasing card is the preferred option to minimise delays.

 The freight forwarder will provide an invoice or request for payment and other supporting documentation (e.g. air waybill) in order for the payment to be made. This should be processed in T1 in the usual way to ensure payment is made in a timely manner.

2.9 Obtain the required import evidence from the freight forwarder

 The following documents should be retained by the College: airway bill/bill of lading, C88 (official customs evidence), delivery note, commercial invoice and any other relevant information.

 These documents need to be retained for 6 years in case of HMRC audit.

 **Please provide clear instructions in advance to the freight carrier if you are:**

* Temporarily importing into the UK goods that will be re-exported
* Temporarily exporting goods that will be re-imported back to the UK
* Importing goods that will be processed or repaired before being re-exported again
* Exporting the University’s own goods for repair or processing that will be re-imported once again.

**Appendix 1**

**Purchase of goods – Low value consignments not exceeding £135 in value (from 01/01/2021)**

Where the supplier is based outside the UK and the value of the consignment is below £135 in value, ‘UK supply and VAT’ will apply on the purchase. This means:

* The University’s VAT registration number should be provided to the supplier
* The supplier will quote the reference ’reverse charge’ on the invoice
* UK supply VAT (rather than import VAT) will be due via self-assessment, this will be debited to the same finance code as the (net) payment for the goods
* No import duty will be payable, but a customs declaration will still need to be submitted, via a freight forwarder or agent.

The £135 threshold is based on the sales cost of the full consignment (not on each individual item within it). It does not include:

* Transport and insurance costs, unless they are included in the price and not separately indicated on the invoice
* Any other taxes and charges identifiable by the customs authorities from any relevant documents.

**Appendix 2**

**Import Licences**

The UK government has import controls in place for the following goods which may require an import Licence:

* Firearms and ammunition
* Certain plants, seeds and soil
* Animal and animal products
* Certain controlled drugs and medicines
* Precursor chemicals, pesticides, ozone depleting substances (ODS) amongst other chemicals

**For further information, please see government guidance,** [**getting the right licences for international trading**](https://www.gov.uk/import-goods-into-uk)

**Appendix 3**

**Preferred Courier/customs Broker**

DHL Global is the University’s preferred courier/customs broker.

If the goods are to be delivered by the suppliers’ appointed carrier, but you wish to use DHL Global to submit the import declaration and pay any taxes arising, please ensure that the supplier is instructed to consign the goods to the University of Exeter c/o DHL Global

Contact DHL Global to obtain a price for clearance charges and use of their deferment account to pay any import taxes. They will also require:

* The carriers airway bill number
* A copy of the completed Import Notification form