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**GUIDE TO THE
EU-UK TRADE AND
COOPERATION
AGREEMENT**



GUIDANCE DOCUMENT



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INTRODUCTION

ACCESS THE FULL TRADE AND COOPERATION AGREEMENT

The full Trade and Cooperation Agreement between the EU and the UK can be downloaded in all EU languages here:

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AO-J.L_.2020.444.01.0014.01.ENG

SUMMARY

The **Trade and Cooperation Agreement** between the EU and the UK does not only provide for an agreement in the trade of goods, but it also includes provisions on other areas like investment, competition, state aid, data, energy and sustainability.

The deal provides for a tariff-free and quota-free trade of goods between the UK and the EU on all goods that comply with the appropriate rules of origin.

This Guide provides an overview of the main elements that are relevant to the printing industry both in the EU and in the UK. It is divided into sections addressing different aspects. Additional sections may be added when relevant information is available.

REFERENCES

EU reference

- » https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_2532
- » https://ec.europa.eu/taxation_customs/sites/taxation/files/2021-brex-it-top-50-faq.pdf
- » <https://trade.ec.europa.eu/access-to-markets/en/content/>

UK reference

- » <https://www.britishprint.com/industry-involvement/brexit/>
- » <https://www.gov.uk/government/publications/rules-of-origin-for-goods-moving-between-the-uk-and-eu>

RULES ON TRADE OF PRINTED PRODUCTS BETWEEN THE EU AND THE UK

Bilateral trade between the UK and EU will be duty-free and quota-free provided the relevant rules of origin are satisfied. This means goods will have to be of EU or UK origin. They must meet the EU-UK preferential rules of origin. These rules are set out in the agreement and determine the origin of goods based on where the products or input materials used in their production come from. The purpose is to ensure that preferential tariffs are only given to products that originate in the EU or UK and not from third countries.

RULES OF ORIGIN

To be considered 'originating' and qualify for preferential tariffs, products must be sufficiently worked or processed within the parties to the agreement. By contrast, 'non-originating' materials are materials imported from third countries.

A product will be considered 'originating' in the EU-UK free trade area if it is 'wholly obtained' in one of the parties; if it is produced in that party exclusively from originating materials, or if the 'non-originating' materials incorporated in it satisfy product-specific origin rules. Depending on the product, these rules can either require a specific process to be carried out on 'non-originating' materials in the EU or UK; impose a maximum threshold on 'non-originating' materials used; require that the resulting product falls under a different tariff classification (sub-) heading or Chapter; or be a combination of these rules.

APPLICABLE RULES FOR PRINTED PRODUCTS

Most printed products (graphics) are classified as HS 49 (Harmonised System classification Chapter 49).

The applicable rule for HS 49 is: *CTH or MaxNOM 50% (EXW)*

This means that when trading a **printed product** (graphics) which has been manufactured with input material that does not originate from the EU or the UK, it must be demonstrated that either:

1. this input material has a different HS classification (CTH); or
2. the maximum value of non-originating materials is less than 50% of the price of the product paid or payable to the producer (MaxNOM 50% (EXW)).

Example 1 printed product manufactured in the EU/UK with graphic paper imported from Indonesia

Graphic paper does not belong to the same HS classification as printed products (graphic paper is classified as HS 48), so condition (1) is satisfied. The printed product is considered as originating in the UK/EU and can therefore benefit from the preferential trade rules.

Example 2 pre-manufactured calendar imported from China to the EU/UK and further processed by an EU/UK printed company

The pre-manufactured calendar belongs to the same HS classification as the final printed product (HS 49). Condition (1) is not satisfied. To be considered as originating in the UK/EU and qualifying for the preferential trade rules, the value of the pre-manufactured calendar should be less than 50% of the total value of the product.

The same rules apply to **paper/board-based and plastic-based printed packaging**. However, as the converted products belong to the same HS categories as their substrate materials, compliance with condition (1) may not be satisfied when using 'not-originating' substrate.

Goods which fail to satisfy the relevant preferential origin rules will be subject to normal WTO import tariffs.

APPLICABLE CUSTOMS REQUIREMENTS BETWEEN THE EU AND THE UK

The UK being now out of the EU Customs Union, new customs obligations apply.

There are no changes in customs requirements for EU businesses trading goods directly with Northern Ireland (1), as long as these goods stay within Northern Ireland or the EU. The rules mentioned below are therefore only applicable to Great Britain (GB).

As of 1 January 2021, customs formalities are like those applied to the trade of goods to any other third countries.

EU COMPANY EXPORTING TO GB

- » Obtain an **EORI number** (Economic Operators Registration and Identification) to complete customs formalities. EORI numbers previously issued in the UK are no longer recognised in the EU. EORI numbers are distributed by national authorities.

National contact points to get an EORI: https://ec.europa.eu/taxation_customs/national-contact-points-or-websites-dedicated-uk-withdrawal-related-information_en

- » Register in **REX** (EU Registered Exporter System) to be able to complete a statement of the origin of the good

More information on REX: https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin/general-aspects-preferential-origin/arrangements-list/generalised-system-preferences/the_register_exporter_system_en#heading_2

- » File customs declaration. (The UK gives the possibility to defer customs declaration until 30 June 2021).
- » Goods should be covered by an Exit Summary

Declaration (**EXS**) for security and safety purposes.

EU COMPANY IMPORTING FROM GB

- » Obtain an **EORI number** (Economic Operators Registration and Identification) to complete customs formalities. EORI numbers previously issued in the UK are no longer recognised in the EU. EORI numbers are distributed by national authorities.

National contact points to get an EORI: https://ec.europa.eu/taxation_customs/national-contact-points-or-websites-dedicated-uk-withdrawal-related-information_en

- » Submit an **electronic declaration** to customs in the Member State to which the good is imported.
- » Goods should be covered by an Entry Summary Declaration (**ENS**)

GB COMPANY EXPORTING TO THE EU

- » Obtain an **EORI number** (Economic Operators Registration and Identification) in order to complete customs formalities. The EORI number should start with GB.

To get an EORI in the UK: <https://www.gov.uk/eori?step-by-step-nav=849f71d1-f290-4a8e-9458-add936efefc5>

- » Procedures described by UK government: <https://www.gov.uk/import-goods-into-uk>

GB COMPANY IMPORTING FROM THE EU

- » Procedures described by UK government: <https://www.gov.uk/export-goods>

1. Protocol on Ireland and Northern Ireland: https://ec.europa.eu/info/relations-united-kingdom/eu-uk-withdrawal-agreement/protocol-ireland-and-northern-ireland_en

APPLICABLE VAT RULES BETWEEN THE EU AND THE UK

The UK being now out of the EU VAT regime, new VAT obligations apply. As of 1 January 2021, EU VAT rules no longer apply in Great Britain (GB).

The Protocol on Ireland and Northern Ireland ⁽²⁾ now applies and EU rules for VAT continue to apply to all goods entering and leaving Northern Ireland from/to the EU. The rules mentioned below are therefore only applicable to (GB).

As of 1 January 2021, supplies and movements of goods between the EU and GB are subject to VAT rules on imports and exports.



VAT refund applications related to 2020, for VAT paid in the EU to a taxable person in the UK or vice versa, can be submitted in line with the usual procedure until **31 March 2021**.

IMPORTS INTO THE EU FROM GB

Imports of goods and subsequent supplies of goods from GB to an EU Member State are now subject to VAT in the Member State concerned.

VAT is payable to customs authorities at the time of importation unless the Member State of importation allows import VAT to be included in periodical VAT returns. The taxable amount is based on the value for customs purposes plus the cost of other charges, taxes and duties incurred by the importation itself.

A company established in GB carrying out taxable transactions in an EU Member State may be required to designate a tax representative as the person liable for payment of the VAT, in accordance with the EU VAT rules.

IMPORTS INTO GB FROM THE EU

Exporting EU company is generally exempt from VAT, although it must be proven that the goods have left the EU. Member States generally base this proof on the exit certification given to the exporter by the customs office of export.

Importing GB company which is VAT registered can account for import VAT on their VAT return by using postponed VAT accounting. Alternatively, it can choose to pay import VAT on importation. VAT can be reclaimed as input tax subject to the normal rules.

SUPPLY OF SERVICES

The supply of services **by a GB business to an EU business** is now taxable in the Member State where the customer is established. The customer will be liable for that VAT.

The supply of services **by an EU business to a GB business** is considered as being situated outside the EU and therefore not taxable under EU VAT rules. Services provided to a GB customer are covered by GB domestic VAT rules.

VAT REFERENCES

https://ec.europa.eu/info/sites/info/files/brexit_files/vat-goods_en.pdf

2. Protocol on Ireland and Northern Ireland: https://ec.europa.eu/info/relations-united-kingdom/eu-uk-withdrawal-agreement/protocol-ireland-and-northern-ireland_en



“ *Intergraf is committed to representing the European printing industry in the widest interpretation of the word. We will continue to support British companies as we do our other members outside of the EU.*

Beatrice Klose, Secretary General of Intergraf

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