

THÔNG TIN VỀ CƠ CHẾ THUẾ TỐI HƯỆ QUỐC CỦA VƯƠNG QUỐC ANH HẬU BREXIT

The UK's new Most Favoured Nation tariff regime: UK Global Tariff (UKGT)

In May 2020, the UK published its new “Most Favoured Nation” applied tariff regime, the UK Global Tariff (UKGT). The UKGT will replace the EU’s Common External Tariff (CET), which the UK currently applies, when the transition period ends on 1 January 2021.

While the UKGT is derived from the CET, it makes three key changes.

- First, the UK has taken a rounding down approach with the UKGT. UKGT reduces rates across a large number of lines, with many moving to zero. Roughly 47% of tariff lines are tariff-free in the UKGT, compared to 27% in the CET.
- As well as rounding down, the UK has removed the Entry Price System (EPS) and other complex tariff elements such as the Meursing table.
- Finally, the UK will convert its tariff schedule from euros into pounds in order to provide predictability for UK traders. MFN tariffs will be converted to sterling using a rate of 0.83687 £/€, which is a recent 5-year average rate. Compared to current rates (around 0.90 £/€ as of early December 2020), this is a reduction of around 7%.

What are the operational implications for the UK-Vietnam trade?

The preferential tariff rates in our agreement are based on liberalisation from the CET and not the UKGT, which means that there may be some cases in which preferential rates are higher than MFN rates set out in the UKGT. Some preferential rates are Euro-denominated, and some rates include complex agricultural tariffs which have been removed from the UKGT.

To ensure consistency between trade between the UK and Vietnam and to mitigate the risk that your traders may mistakenly import under higher rates than are available to them, we have made some changes in our tariff systems to adjust applied preferential rates. Specifically:

1. **Where the preferential rate is clearly higher than the UKGT rate, we will instead apply the lower UKGT rate in HMRC’s system.** Importers can already select the UKGT rate. We are simply making this change so that they will not accidentally pay a higher rate if they select to import under the preferential rate. Standard preferential rates are applied in cases where it will vary for individual consignments whether the UKGT rate or the FTA rate is lower (e.g. If one is defined as an *ad valorem* rate and the other as a specific rate).

2. **For any preferential rates which have a currency component expressed in Euros, the UK will apply the same currency conversion from the UKGT to convert this into GBP.** Using this exchange rate means the UK will, at the current EUR/GBP exchange rate, apply the relevant tariffs at a rate which is lower than the rate stated in the FTA.
3. **Where complex agricultural tariffs are removed in UKGT, these will be removed from the applied preferential tariff rates.** This affects tariff lines covered by the EU's entry price regime and those that contain an "agricultural component". As a result of this, and unless the UK was to reintroduce such complex agricultural tariffs in the UKGT, several preferential rates that are currently only "reduced" will be fully duty-free.

Next steps

- The UK government is legislating to implement preferential arrangements in two batches. You can find reference documents for individual FTA for the first batch at the links below. The second batch will be in place before the end of the year.
 - **Central America, Chile, CDI, ESA, Faroe Islands:** <https://www.gov.uk/government/publications/reference-documents-for-the-customs-tariff-preferential-trade-arrangements-eu-exit-regulations-2020-part-1>
 - **Georgia, Israel, South Korea, Kosovo:** <https://www.gov.uk/government/publications/reference-documents-for-the-customs-tariff-preferential-trade-arrangements-eu-exit-regulations-2020-part-2>
 - **Pacific States, Palestinian Authority, Morocco, Tunisia, Switzerland:** <https://www.gov.uk/government/publications/reference-documents-for-the-customs-tariff-preferential-trade-arrangements-eu-exit-regulations-2020-part-3>
- From 1 January, the [UK's Trade With the UK tool](#) will set out all applied tariff rates. In the intervening period, the UK is publishing a temporary tariff tool where you can see all rates which will apply from 1 January. I will share this link when it is available.

The UK has made the changes set out above to ensure your traders are charged the lowest available tariff rates for a product line. Please refer to the links in next steps for further information.



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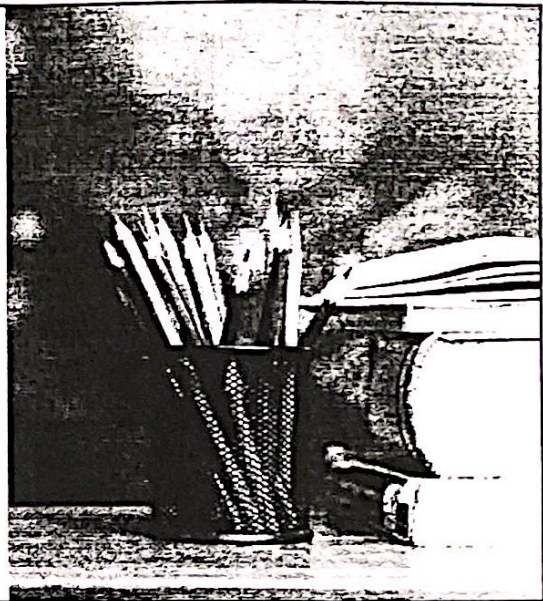


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Points of Contact



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Mailboxes

- **Geographical Indicators (GI):** protectedfoodnames@defra.gov.uk
- **Sanitary and Phytosanitary (SPS) Goods:** tradesecretariat@defra.gov.uk
- **Trade in Services:** tradeinservices@trade.gov.uk
- **Trade for Sustainable Development (TSD):** Tradeandsustainability@trade.gov.uk
- **Business Readiness:** euexit@trade.gov.uk
- **Customs:** customsinternational@hmrc.gov.uk

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DEFRA Mailboxes

- On the list of mailboxes:
- For enquiries relating to **SPS trade assurance for live animals and animal products**, please contact: ukassurancesps@defra.gov.uk
- For enquiries relating to export health certificates (EHCs) for the export of live animals and animal products from the UK, please contact: marketaccess@defra.gov.uk
- For enquiries relating to **plant health imports**, please contact the **UK National Plant Protection Organisation**: uknppo@defra.gov.uk
- **DEFRA's Trade Secretariat function coordinates the implementation of the agri-food elements of UK's trade agreements.** For queries relating to trade agreement implementation in agri-food sectors, please contact: tradesecretariat@defra.gov.uk

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Customs Contact Points (EUR1 Forms)

- **Issuing EUR1 Forms**
- EUR1 forms are authenticated and issued by the National Clearance Hub.
- Please note that due to the impact of the coronavirus, these can only be applied for and issued electronically. **Applications for the issue of an EUR1 certificate must be emailed with 'EUR1 endorsement' in the email subject line to NCH.Movements.Digital@hmrc.gov.uk**
- For reference, the postal address is:
 - HMRC Central Issuing Office
 - The National Clearance Hub
 - Ralli Quays 3 Stanley Street,
 - Salford,
 - M60 9HL
- The post address above is not being used at present.
- EUR1 forms can also be authenticated by local Chambers of Commerce and the Institute of Chartered Shipbrokers (ICS). However they charge for this service.

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Customs Contact Points (EUR1 Forms) [2]

- **Verification of EUR1 Forms**

- Verification of EUR1 forms, origin declarations and supplier's declarations are carried out by the Tariff Preference Team based in Leeds.
- Email: tariff_prefs_cope@hmrc.gov.uk
- Requests for verification should be sent to the address below:
HM Revenue & Customs, Tariff Preference Team
Peter Bennett House, Redvers Close
Leeds, LS16 6RQ
- Please note that as part of HMRC's plans to relocate to regional centres, this address will change when the work transfers to the new regional centres in Leeds.