



Ein cyf/Our ref: KS/390/20

11 November 2020

Dear Colleague,

We have been operating in unprecedented times for a few months now. I would personally like to thank all of you in the business community for your patience and co-operation as we work through the Covid-19 pandemic. I do not underestimate the difficulties which the restrictions have and will continue to cause for businesses as we act to protect lives.

Understandably, the Covid-19 crisis and its effects have been the main focus for all of us during much of 2020 and will continue to be with us for some time to come. Therefore, recognising how difficult it will be for businesses to manage within the fifty days remaining until the end of the transition period, I thought I would write with the aim of helping assist businesses which are not yet fully prepared for changes which will occur and affect many business operations from 1 January 2021.

From 1 January 2021, the UK will have left the EU Single Market so businesses here will no longer have access to the frictionless trade in goods or services with EU member states. This will be the case irrespective of whether the UK achieves a trade agreement with the EU or leaves through a non-negotiated outcome.

I understand that the ongoing uncertainty makes the necessary preparations for change difficult, but we know that some things will be different and some actions can be taken now to help prepare.

The UK Government has developed a [tracker](#) from which you can obtain a personalised list of actions. You can keep up to date with changes by registering for [HMRC's email updates](#) which will alert you as things change.

Business Wales EU Transition Portal

The [Business Wales EU Transition Portal](#) provides a central source of advice and guidance for businesses preparing for European transition and includes links to the UK Government's Public Information Campaign which went live on 13 July 2020. We will be using our Business Wales website to keep you updated on latest developments.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Imports, Exports & Customs

The UK Government issued a [letter](#) to all VAT registered businesses trading with the EU which provides a summary of the actions you will need to take. The letter explains what traders need to do to prepare for new processes for moving goods between Great Britain and the EU from 1 January 2021, including:

- Making sure a UK Economic Operator Registration and Identification (EORI) number is obtained.
- Deciding how to make customs declarations.
- Checking if imported goods are eligible for staged import controls.

On 12 June 2020, the UK Government announced that [new border controls](#) on imports from the EU to Great Britain will be introduced in stages as follows:

- From January 2021: Traders importing standard goods, covering everything from clothes to electronics, will need to prepare for basic customs requirements, such as keeping sufficient records of imported goods, and will have up to six months to complete customs declarations. While tariffs will need to be paid on all imports, payments can be deferred until a customs declaration has been made. There will be checks on controlled goods such as alcohol and tobacco. Businesses will also need to consider how they account for VAT on imported goods. There will also be physical checks at the point of destination or other approved premises on all high risk live animals and plants.
- From April 2021: All products of animal origin (POAO) – for example meat, pet food, honey, milk or egg products – and all regulated plants and plant products will also require pre-notification and the relevant health documentation.
- From July 2021: Traders moving all goods will have to make declarations at the point of importation and pay relevant tariffs. Full safety and security declarations will be required, while for Sanitary and Phytosanitary (SPS) commodities there will be an increase in physical checks and the taking of samples: checks for animals, plants and their products will now take place at GB border control posts.

These actions will not change regardless of the outcome of the UK Government's negotiations with the EU.

Other actions you can take now include:

- Checking if you need a licence to import or export your goods or if there will be changes to labelling and marking standards.
- Reviewing your commodity codes and ensuring that you are using the correct ones. This will help to avoid delays at the border and make sure that the correct duties are paid.
- Ensuring Incoterms® are negotiated at contract stage to avoid hold-ups at the border. These are the international standardised terms used in contracts which define the basic responsibilities of the parties for the goods at each point during the transit process from the seller's premises to the buyer's premises.

- If you move your goods between Great Britain and Northern Ireland, signing up for the [Trader Support Scheme](#) which will guide you through any changes due to the implementation of the Northern Ireland Protocol.
- Hauliers who undertake journeys to or through the EU, establishing whether or not ECMT permits are needed from 1 January 2021. The deadline to apply for an ECMT permit for 2021 is 20 November 2020. Further information on ECMT permits and applications is available [here](#).

The Welsh Government is able to offer tailored advice to businesses engaged in international trade which can be accessed via Business Wales.

Tariff Checker

Use the [UK trade tariff checker](#) service to check the UK Global Tariff that will apply to goods you import from 1 January 2021. You can also check the difference between what you pay now and what you will pay from 1 January 2021. The UK Global Tariff will apply to all goods you import from 1 January 2021 unless an exception applies.

Personal Data

UK businesses will be affected where they:

- Receive personal data from organisations abroad, including the European Economic Area (EEA) which includes the EU.
- Operate in the EEA

The EU has an established mechanism, based on adequacy decisions, to allow the unrestricted transfer (subject to General Data Protection Regulations compliance) of personal data to countries outside the EU. The EU has committed in the Political Declaration for the European Commission to begin its adequacy assessment of the UK as soon as possible after the UK leaves the EU, endeavouring to adopt an adequacy decision during the transition period if the applicable conditions are met.

As it is currently uncertain whether or not the EU will make an adequacy decision in respect of the UK before the end of the transition period, you should act swiftly if you want to ensure you can continue to receive personal data from EU/EEA countries in the future. The Information Commissioner's Office provides more [detailed guidance](#) on what actions might be necessary.

People – EU Nationals, Migration and Mobility of Staff

If any member of your staff or their family are from the EU, Switzerland, Norway, Iceland or Liechtenstein they will need to [check](#) if they need to apply to the settlement scheme.

If you are engaged in trade with the EU, it will be important to consider how these changes might affect your business.

HMRC


HMRC is continuing with its letter campaign to VAT registered traders which signposts them to specific actions they can take to get ready for the end of the transition period. All letters are published [here](#) and more will be uploaded when they are sent out each month.

Grants

Find out what [grants](#) you can apply for to receive funding for recruitment, training and IT improvements if your business completes customs declarations.

I recognise that this is a difficult time for businesses and the high demand for the Business Development Grants totalling £100m made available as part of the third phase of our Economic Resilience Fund only serves to reinforce this. While it has been necessary to close the application process for these grants due to the high volume of applications received, I am pleased to confirm my colleague the Finance Minister has set aside funding for a fourth phase of the Economic Resilience Fund to support business and employees. We are currently developing a mechanism for businesses to express an interest in that fund in the coming weeks and we will keep you updated through the Business Wales site.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ken Skates', with a long horizontal flourish extending to the right.

Ken Skates AS/MS

Gweinidog yr Economi, Thrafnidiaeth a Gogledd Cymru
Minister for Economy, Transport and North Wales