

LEGAL

New UK global tariff for fashion from Jan. 1 if no deal with EU

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Fashion and textile brands have to prepare for a global tariff regime starting Jan. 1 if the United Kingdom does not sign a free-trade deal with the European Union by the end of the transition period. Image credit: UKFT

By LUXURY DAILY NEWS SERVICE

Prime Minister Boris Johnson's government has announced a new approach to customs procedures starting Jan. 1 as the United Kingdom will not extend its transition period to untangle itself from the European Union.

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The government has acknowledged the COVID-19 outbreak's impact on U.K. companies' ability to prepare for the impact of leaving the E.U. without a free trade deal.

"UKFT is in constant dialogue with the government and we continue to raise the huge importance of securing a free trade deal with the EU as rapidly as possible," UKFT said in a statement.

Deal or no deal

Preparing for a no-deal scenario, the U.K. government will introduce new border controls in three stages, per a notification from **UKFT**, an organization representing the interests of the U.K.'s textile and fashion companies:

January 2021: Companies importing standard goods which covers all fashion and textiles 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.

Tariffs will need to be paid on all imports. Payments can be deferred until the customs declaration has been made.

Businesses will need to consider how they account for VAT on imported goods.

April 2021: All products of animal origin and all regulated plants and plant products will require pre-notification and the relevant health documentation.

July 2021: Companies moving all goods will have to make declarations at the point of import and pay relevant tariffs.

Full safety and security declarations will be required, and checks for animals and plants and their products will take place at GB Border Control Posts.

UKFT said further detail on what the controls mean in practice will be published as soon as it is available.

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