

Note to ATA Carnet customers - ATA Carnets and Brexit

Our provider has been working closely with HM Revenue & Customs to get as much clarity as they can in issuing, processing and regularising Carnets so that that you can continue to ship goods temporarily as efficiently as possible.

The purpose of this note is to give you information on ATA Carnet issue if there is a 'no deal' situation and the UK leaves the EU on 31st October 2019 on World Trade Organisation terms.

This note therefore assumes that:

- **Day 1 (D1) of the UK trading will be on WTO rules**
- **that it has been confirmed that ATA Carnet can be used for temporary imports and exports between the UK and the EU 27 after D1, as it used for signatory countries in the rest of the world**

1. ATA Carnet document

We have produced a new ATA Carnet document with amendments to the front and back covers (where the UK was classified as an EU member) to reflect the fact that the UK has officially left the EU.

The new format will be supplied by your issuing Chamber and must be used from Day 1 [D1].

2. Security rates

The EU is one bloc and therefore one destination for ATA Carnet goods. The single security rate we will be requiring customers to provide for the bloc is 40 per cent.

3. Ports and airports

HM Revenue & Customs have been preparing for the 'no deal' possibility and are updating a document that lists all ports and airports that are authorised to process ATA Carnet, and gives the opening hours and instructive comments to help you ensure the document is seen and processed by customs at export and re-import.

It is anticipated that this will be regularly updated, especially with regard to additional sites that may be put into place to facilitate Carnet processing after Brexit.

4. Applying for ATA Carnets before D1 which may involve EU 27 countries

There are a number of scenarios we have explored which relate to the issue of ATA Carnets affected by the UK's changing status. There will not be many instances of such cases but we think it worth sharing with you nonetheless.

Scenario 1 – UK goods shipped to a third country (e.g. Turkey) before D1 and returning overland via EU (non-working visit to EU) after D1

Example: Goods shipped to Turkey, returned to UK overland via EU. Since the goods will no longer be in free circulation on return to the EU, it could be the case that transit vouchers will be required to facilitate crossing the EU 27 states. How do EU 27 customs deal with them after D1?

Response

Any Carnets that are issued for third countries between now and D1 that may involve an overland return journey via EU, will require a set of transit vouchers to allow for crossing the EU after D1.

For Carnets that are already in circulation, you will be required to contact the Chamber that issued your ATA Carnet and request transit vouchers to facilitate transit through the EU.

We are seeking agreement through the ATA Carnet governing body from EU 27 NGAs whereby any Carnets which arrive at EU border and do not have appropriate transit vouchers can get the required vouchers issued from the host NGA. This would speed up the process of obtaining the required vouchers and expedite movement of the goods.

Scenario 2 – UK goods being shipped to a third country before D1 and returning overland via EU (including a working visit) after D1

Example: Goods shipped to Switzerland initially, then on to Germany for a working visit before returning to UK. Bearing in mind that the goods will no longer be in free circulation, the working visit to Germany (EU) will require importation/re-exportation vouchers. How do EU 27 customs deal with them?

Response

Any Carnets that are issued for third countries between now and D1, that may also involve a working visit to the EU, will require an additional set of importation/re-exportation vouchers to allow for temporary admission to EU after D1.

For Carnets that are already in circulation, same scenario as in 1 will apply (albeit the vouchers required will be importation/re-exportation).

Scenario 3 – UK Carnet goods designed to a third country via EU at the “crossover point” (goods arrive in EU before D1 but onward movement to a third country is after D1)

Example: Goods being driven from UK to France on the eve of D1 with the intention to be flown from Paris to New York on D1. At the time of the goods being moved from UK to France, the goods would have been in free circulation so the ATA Carnet would have been validated and exportation counterfoil endorsed by UK customs on the way out of UK. Carnet was not stamped into France as the goods were in free circulation. The crossover point has now passed, however, and the movement between the location of the goods in France and to the port of exit (in France) after D1 would now be subject to EU Customs procedures.

Response

We are hoping that HMRC can reach an agreement with their EU counterparts whereby any UK goods that were shipped to EU on an ATA Carnet before D1 are allowed to complete their intended action without any additional requirements after D1. In the example above, this would imply allowing the goods to fly out of Paris on the basis of the existing validated UK Carnet, but without the need to endorse the Carnet itself for that particular action (since the Carnet + goods are already inside the national borders). Naturally on return to EU, Scenarios 1 or 2 will apply.

Scenario 4 – UK goods destined to an EU Member State before D1 and returning after D1 (with no ATA Carnet issued or Customs declarations completed)

Example: UK goods are to be shipped to Spain before D1, scheduled to stay until later in 2019 then returned to UK, by land or air. Any goods that are currently in free circulation do not require an ATA Carnet to move between Member States. Following the D1 the movement of UK goods through EU will be subject to customs procedures and the goods will need to be declared to HMRC as returned goods (which may also require trader to provide HMRC with proof of the UK status of the goods).

Response

If transporting goods in **baggage**, you may consider using a Duplicate List procedure on exit from the UK. This may serve as proof that the goods were originally exported from the UK. Please note that you may still be expected to provide reasonable proof of UK status of the goods to the UK customs. These could be VAT receipts confirming purchase in the UK, commercial evidence showing that the goods are on the trader's books / inventory, shipment documents issued for previous movements etc.

The document should be prepared on your company letterhead and list items to be exported including serial numbers, identifying marks, quantities and values. Destination and Intended use of the goods must also be stated at the end of the document.

You may also be asked to complete form [C&E1246](#) to claim a returned goods relief on return to the UK.

Freight Forwarders may consider using the **T2L** procedure as proof that the goods were exported from the UK.

Note of course that in the event of the Withdrawal Agreement being voted positively on between now and 31 October 2019 there would be no change in ATA Carnet issue procedures or Carnet forms until the end of the transition period i.e. 1 January 2021.

Finally, we should add that the situation is not yet wholly clear but the information above should be of some help.

Please get in touch to discuss further atacarnet@essexchambers.co.uk