

Remark | VAT, Customs and Special Taxes

The United Kingdom agrees to provide 100% support for customs improvement and automation

1st October, 2020

To facilitate change in the internal processes of UK-based companies, the UK government has approved a £50 million direct aid scheme with retroactive effect from 12th June 2020

As a result of Brexit and the end of the transitional period on 31st December 2020, all companies currently trading goods to and from the UK will be forced to change their current working procedures as these trade transactions become qualified for import and/or export customs purposes. This will imply the need to design and implement customs processes which do not currently exist and to adapt systems to the completion of the relevant customs declarations.

To help change in the internal processes of UK-based companies, the UK government has approved a £50 million direct aid scheme, subsidising 100% of the costs that operators may incur, with retroactive effect to 12th June 2020.

The following entities are eligible for this aid:

- i) Traders;
- ii) Customs and forwarding agents;
- iii) Organisations engaged in the recruitment, training and education of persons who subsequently acquire the status of customs representatives;
- iv) Any other type of organisation which carries out the lodging of customs declarations.

To be eligible, applicants must be established in the United Kingdom or have had a branch office for at least one year.

The activities supported are divided into three main groups:

- **Employment:** because of the increase in customs obligations, companies will be forced to hire more staff. Help of up to £3,000 per employee is foreseen for external recruitment and a total of up to £12,000 per employee for wages;
- **Training:** direct support for employee training costs is agreed and may be up to 100% of the training costs, with a limit of £1,500 per employee. These training actions do not have to follow



a formal curriculum but can be both internal and external training actions. In the case of internal training, the limit is reduced to £250 per employee.

- **Systems improvements to increase the efficiency of all customs processes:** The aid will cover 100% of the costs related to systems or solutions already in place or to be implemented, their installation and/or configuration, first year of licensing and staff training.

The abovementioned aid applications have a maximum limit of €200,000 per operator, for a period of three years. It is therefore highly recommended that, if you are affected by this situation, you proceed with its processing as soon as possible, as the deadline for submitting the application had been set for 30th June 2020 or, alternatively, the date on which the total amount of the aid is used up.

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