

Prepare for Brexit

Duty deferment and Customs guarantees

From 1 January 2021, there will be new rules for duty deferment in the UK. If you import goods regularly, you can apply for a duty deferment account (DDA) to allow you to make one monthly payment, by Direct Debit, instead of paying for individual consignments upon import. You may also need to apply for a Customs Comprehensive Guarantee (CCG) – an agreement to cover any customs debt that has arisen (actual debt) and any that will arise, from certain customs special procedures (potential debt). This guarantee will cover the customs duty, excise duty and import VAT due on your imports.

You may also decide to reduce financial guarantees by using:

- 1 AEOC (Customs Duty)
- 2 Excise Payment Security System (Excise Duty)
- 3 Simplified import VAT accounting or postponed VAT accounting

Apply for a duty deferment account

You will need to fill in a short form to apply for a duty deferment account and will be given a Duty Account Number (DAN).

[Apply now](#)

Guarantee your duty payments

Once you have applied, HM Revenue and Customs (HMRC) will tell you the level of guarantee you will need. You will then need to set up a Direct Debit Instruction and ask your bank, building society or insurance company to **guarantee your duty payments**.

To apply, you will need:

EORI Number

Contact Details

Correspondence Address

Direct Debit Instruction

Find out more at [GOV.UK](#)

Once you have a Deferment Account Number (DAN)

You will need to authorise PwC to use your duty approval number by completing this **C1207N form**.

PwC customs intermediary services



customs.services@pwc.com



03307 260113

Monday to Friday 8am to 6pm excluding bank holidays.
From 1 January 2021 – Saturdays and Sundays 9am to 1pm



What is a duty deferment account?

A duty deferment account (DDA) allows importers to delay paying customs excise duties and import VAT for up to six weeks from import. This enables goods to be cleared without being delayed pending payment. From 1 January 2021, traders must be established in the UK to apply for a DDA and may need to provide HMRC with security – in the form of a bank guarantee – if they are unable to get a guarantee waiver. If a DDA application is successful, the account limit will be the maximum amount covered by the guarantee.

Although import VAT may also be deferred under a DDA, importers may find it more cost effective to use the HMRC's Postponed VAT Accounting scheme, where import VAT is accounted for on the importer's VAT return.

Traders can be authorised to operate their own DDA, or alternatively, use their nominated Customs Intermediary's DDA at a cost. Applicants need to calculate the amount of customs and excise duty and import VAT they want to defer, to allow HMRC to calculate the guarantee level required. This allows HMRC to review applications on a risk-based basis.

What is a Customs Comprehensive Guarantee?

A Customs Comprehensive Guarantee (CCG) is a type of guarantee that can be used to cover multiple customs debts arising from one or more customs procedures. In order to use a CCG, a business needs to be authorised by HMRC and provide a guarantee, generally in the form of an undertaking from a UK approved financial institution.

From 1 January 2021, the UK will only require CCGs in specified circumstances and, unless requested by HMRC, they should not be required in Great Britain. If you want to use duty deferment for imports to Great Britain and Northern Ireland from 1 January 2021, you will need to apply for separate duty deferment accounts.

In Great Britain, a CCG is required if the **Union Common Transit** procedure is used more than three times a year. HMRC reserves the right to require a CCG from traders when a trader applies for the following customs procedures:

- inward processing;
- temporary admission;
- end use;
- customs warehouse.

Who can apply for a CCG?

Only a company official, such as a company secretary, director or partner, can submit a CCG application. Traders must:

- be established in the UK.
- have no serious or repeated infringements of customs or tax rules in the past three years.
- have no record of serious criminal offences related to their business activities in the past three years.

The criteria for a guarantee waiver

Traders need to have had a good compliance history with HMRC for the past three years and a good financial standing. There are two types of guarantee waivers, in respect of the maximum amount of customs and excise duties and import VAT that may be deferred at any month, as follows:

- Guarantee waiver of up to £10,000 per month: Traders must provide financial information to verify financial solvency.
- Guarantee waiver of over £10,000 per month: Traders must have positive net assets (excluding goodwill) greater than the waiver being applied for at the date of application. Where positive net assets are less than the value of the waiver, traders may still be able to get a partial guarantee waiver or accept a reduced deferral account limit.

Apply for CCG

To apply for a CCG, you will need to estimate your 'actual' and 'potential' customs debt. Actual debts are those which are payable at time of import. Potential debt includes customs duty, excise duty and import VAT, which is not chargeable straight away. For example, goods placed under the inward processing procedure.

[Apply now](#)

Applying for a reduction

You can apply for a reduction or waiver by completing this [form](#).

What happens next?

HMRC will carry out assurance checks and let you know the amount of guarantee you need. If you apply for reductions, HMRC will also let you know if this has been agreed

Guarantee form

Where a guarantee is needed, UK financial institutions are required to complete **CCG2**.

To apply, you'll need your

- EORI number and associated name
- Registered company number
- UK address associated with EORI number
- Correspondence address
- VAT number
- AEO certificate number (if applicable)
- Government Gateway user ID and password
- Duty Deferment Account Number (DAN)
- Company directors' details including Date of Birth
- Person responsible for customer authorisations, details and experience

Application overview

1. Complete the CCG1 application form using your government gateway account
2. If applying for a reduction in the level of guarantee, and the applicant is not authorised as an Authorised Economic Operator (AEO), a CCG1F form will also need to be completed
3. Submit the completed application form including any additional forms and supporting documentation through the government gateway account

Authorising use of your DAN

Traders can give authorisation to customs intermediaries to use their DANs by either completing form C1207N (to give regular access) or form C1207S (for one-off access) if making customs declarations using CHIEF, or through the government gateway.