



Version: 24 August 2021

Brexit & EU-UK trade

Frequently Asked Questions

Content

Principles of the EU-UK Trade and Cooperation agreement	2
What is the EU-UK Trade and Cooperation Agreement?	2
Are there tariffs for goods between the EU and the UK?.....	3
What customs procedures have to be dealt with?	3
Value Added Tax (VAT)	4
How is VAT dealt with for import of new boats?.....	4
How is VAT dealt with for import of second-hand boats?	4
What documents are required to prove Returned Goods Relief (RGR).....	7
What is the definition of habitual residence?	8
What is the situation regarding Northern Ireland?.....	8
Can a boat be temporarily brought into EU/UK waters without VAT or other charges?.....	8
How is the Returned Goods Relief rule applied?	9
How is the transfer of residence procedure applied?.....	9
Which national authorities are responsible to provide advice?	9
Recreational Craft legislation & certification	9
Which legislation and standards apply for import of recreational craft in the UK?	9
How do the conformity assessment procedures for exports to the UK work?	9
Do boats that were purchased before the end of 2020 and delivered in 2021 have to be re-certified?.....	10
Will second-hand boats have to be re-certified when imported into EU and UK?.....	10
What is the situation regarding Northern Ireland?.....	12
Will manufacturers have to apply for a MIC code?.....	12
Further guidance.....	12

To better understand the new trade relationship between the EU and UK, this FAQ provides answers to several key questions. It should not be seen as a definitive source and considered for guidance only.



Version: 24 August 2021

For specific questions and legally binding answers, as well as specific scenarios not mentioned in this document, please contact responsible national administrations.

EBI is continuing to analyse the implementation of the new framework for trade between the EU and UK and will update this FAQ accordingly. Members are invited to alert EBI of further issues stemming from the new EU-UK relationship that require clarification.

For any questions, please contact the EBI Office: office@europeanboatingindustry.eu.

Principles of the EU-UK Trade and Cooperation agreement

What is the EU-UK Trade and Cooperation Agreement?

On 24 December 2020, the EU and UK agreed the Trade and Cooperation Agreement, which governs the new relationship between the EU and the UK. The agreement, together with a Commission presentation summarising it as well as additional resources can be found [here](#).

The new Trade and Cooperation Agreement governs the new EU-UK relationship in a wide range of policy areas. It establishes closer cooperation than traditional free trade agreements. It is currently being applied provisionally, since the EU has yet to ratify it formally. Ratification by the European Parliament and the Council of the EU will take place after the institutions have scrutinised the agreement in detail.

The agreement is made up of three pillars. The first and most important one is a free trade agreement covering trade in goods and services, as well as a wide range of other areas. It provides for zero tariffs and zero quotas on goods that comply with the rules of origin. It also includes the commitment of both parties to retaining high standards in environmental protection and labour rights, as well as fair state aid rules. This will ensure a level playing field between the UK and the EU. Other aspects covered include fish stocks, transport, energy, and coordination in social security. The UK will also participate in some EU programmes, such as Horizon Europe.

The second pillar is that of security. The agreement sets out a new framework for law enforcement and judicial cooperation. The third pillar is the new governance framework, which is the structure put in place to ensure the application of the Trade and Cooperation Agreement. A Joint Partnership Council made up of EU and UK representatives will be established, which will make sure the agreement is applied and will discuss potential issues. Enforcement mechanisms, as well as dispute settlement mechanisms, will be put in place to ensure that both parties compete on a level playing field. If one party violates a part of the Trade and Cooperation Agreement, the other party can take retaliatory measures.



Version: 24 August 2021

Are there tariffs for goods between the EU and the UK?

Under the new Trade and Cooperation Agreement, there will be no tariffs or quotas in EU-UK trade (including recreational boats). To benefit from zero tariffs, goods must comply with rules of origin (i.e. they must largely originate either in the EU or in the UK). This must be stated on the relevant export documents to benefit from zero tariffs.

To find out whether a product complies with these rules a Rules of Origin Self-Assessment can be completed on the [Access2Markets](#) portal. A checklist of for businesses exporting to the UK can be found [here](#). An introduction to rules of origin for traders can also be found [here](#) and the Commission has also put together a [questions and answers](#) on matters relating to the TCA rules of origin.

EU exporters wishing to benefit from duty-free treatment must be registered in the EU's [REX system](#), in order to be able to complete a statement on the origin of the goods being exported to the UK (information on contacting national authorities for REX registration can be found [here](#)).

What customs procedures have to be dealt with?

Customs controls and formalities required under EU law for trade with third countries (as set out in the [Union Customs Code](#)) apply to trade into and out of the EU Customs Union. Consequently, EU businesses must file customs declarations (including entry and exit summary declarations) when exporting or importing goods to and from the UK (except Northern Ireland, which remains aligned with the EU's Single Market for goods). In addition, businesses might need to provide security and safety data. The UK Government offers information on the declaration process for [importing from the EU to the UK](#) and for [exporting from the UK to the EU](#). European Commission guidance can be found [here](#).

EU businesses (and UK businesses established in the EU) wishing to import from or export to the UK (excluding Northern Ireland), need to ensure they have an EU Economic Operators Registration and Identification (EORI) number in order to complete customs formalities. EORI numbers previously issued in the UK are no longer recognised in the EU. EORI numbers are distributed by national authorities.

Under the agreement, the EU and the UK have agreed to recognise each other's Authorised Economic Operators programmes. This enables trusted traders to enjoy certain simplifications relating to security and safety in the customs procedures and possible inspections. More information about the programme can be found [here](#).

For further guidance, see the European Commission's [FAQs on tax and customs](#) and dedicated [webpage](#).



Version: 24 August 2021

Value Added Tax (VAT)

How is VAT dealt with for import of new boats?

All boats located in the EU or its territorial waters on 1 January 2021, whether they have been manufactured in the EU or imported from the UK, have retained their status as EU goods. In contrast, all boats located in UK territory and waters (excluding Northern Ireland) on 1 January 2021, including those that had been manufactured in the EU and then imported to the UK, have lost their status as EU goods. Therefore, if these boats enter EU territorial waters, they will be considered third-country boats, and will thus be treated as non-EU goods. They will therefore be subject to custom controls and VAT requirements, in the same way as any other third-country boat.

VAT payment is due on all imports of boats when they cross the border into the UK or into the EU, unless they are entitled to Returned Goods Relief, Temporary Admission, or the change of residence procedure (more below). These concepts are replicated in both EU and UK law, although they should be checked in each instance as there may be differences in interpretations.

It is recommended that documentary evidence is provided of the location of the boat at the end of the transition period to prove VAT status to custom authorities.

For further guidance, see the European Commission's [FAQs on tax and customs](#).

How is VAT dealt with for import of second-hand boats?

All boats located in the EU or its territorial waters on 1 January 2021, whether they have been manufactured in the EU or imported from the UK, have retained their status as EU goods. In contrast, all boats located in UK territory and waters (excluding Northern Ireland) on 1 January 2021, including those that had been manufactured in the EU and then imported to the UK, have lost their status as EU goods.

VAT payment is due on all imports of boats when they cross the border into the UK or into the EU, unless they are entitled to Returned Goods Relief, Temporary Admission, or the change of residence procedure (more below). These concepts are replicated in both EU and UK law, although they should be checked in each instance as there may be differences in interpretations.

It is recommended that documentary evidence is provided of the location of the boat at the end of the transition period to prove VAT status to custom authorities.

Clarifications from the European Commission



Version: 24 August 2021

The below scenarios were sent to the European Commission by EBI with requests for clarification (prepared jointly with British Marine). Should the original document from the Commission be required, this can be provided on-demand.

The following acronyms are used.

TPE = The time at which the transition period ended – 31 December 2020, 23:00 UTC

VPS = VAT Paid Status: i.e. in free circulation

EU28 = EU before TPE, i.e. including UK

EU27 = EU after TPE, i.e. excluding UK

GB = England / Scotland / Wales excluding Northern Ireland

TA = Temporary Admission

RGR = Returned Goods Relief

UCC = Union Customs Code

Scenario	Impact on VAT Paid Status (VPS)
<ul style="list-style-type: none"> • GB owned/registered pleasure craft • In free circulation (VPS) within EU28 pre-TPE and has supporting documentary evidence) • Within EU27 as at TPE 	<p style="text-align: center;">✓ EU VAT Paid Status</p> <p>The boat retains EU VPS status.</p>
<ul style="list-style-type: none"> • GB owned/pleasure craft • In free circulation (VPS) in EU28 pre-TPE (and has documentary evidence) • Within an EU27 as at TPE • Boat leaves EU27 (for GB or elsewhere) and then returns to the EU27 	<p style="text-align: center;">✓ RGR & EU VAT Paid Status</p> <p>Boat is entitled to RGR on return to the EU27 and will have EU VPS, provided that all the conditions established in Article 203 UCC are fulfilled and, for VAT, that the boat is imported by the same person who exported it.</p>
<ul style="list-style-type: none"> • EU27 owned/pleasure craft • In free circulation within EU28 pre-TPE (and has documentary evidence) 	<p style="text-align: center;">? Documentation required</p> <p>It is for the Member State to decide whether the conditions for RGR is possible (Article 203 UCC) are met.</p>



Version: 24 August 2021

<ul style="list-style-type: none"> • Had previously been evidenced as being within the EU27 within the last three years • In GB as at TPE • Same owner who brought it out of EU27, returned to the EU27 within three years of departure 	<p>Article 203 UCC requires evidence of a previous export to the UK. The Commission guidance indicates that, in the absence of an export declaration, evidence of the previous movement of the boat to the UK is required. National authorities must therefore assess whether that satisfactory evidence can be provided in this scenario.</p> <p>See below for the documentation required.</p>
<ul style="list-style-type: none"> • GB owned/pleasure craft • In free circulation within EU28 pre-TPE (and has documentary evidence) • Had previously been evidenced as being within the EU27 within the last three years • In GB as at TPE • Same owner who brought it out of EU27, returned to the EU27 within three years of departure 	<p style="text-align: center;">? Documentation required</p> <p>It is for the Member State to decide whether the conditions for RGR (Article 203 UCC) are met. Article 203 UCC requires evidence of a previous export to the UK. The Commission guidance indicates that, in the absence of an export declaration, evidence of the previous movement of the boat to the UK is required. Member State authorities must therefore assess whether that satisfactory evidence can be provided in this scenario.</p> <p>See below for the documentation required.</p>
<ul style="list-style-type: none"> • GB or EU27 owned/pleasure craft • In free circulation within EU28 pre-TPE (and has documentary evidence) • No evidence of having been in the EU27 previously; or • Ownership has changed since it was last in the EU27 • In GB as at TPE 	<p style="text-align: center;">X EU VAT Paid Status</p> <p>Article 203 UCC requires evidence of a previous export to the UK. The Commission guidance indicates that, in the absence of an export declaration, evidence of the previous movement of the boat to the UK is required. If the boat has never been in EU27 it is impossible to provide evidence of movement to the UK.</p>
<ul style="list-style-type: none"> • EU27 owned/registered pleasure craft • EU28 VPS pre-TPE (and has documentary evidence) • In EU27 as at TPE 	<p style="text-align: center;">✓ EU VAT Paid Status</p> <p>The boat keeps its Union status and it is therefore in free circulation with EU VPS.</p>



Version: 24 August 2021

<ul style="list-style-type: none"> • VAT paid on original new purchase in GB a number of years ago • Subsequent ownership and location within the EU27 	
<ul style="list-style-type: none"> • GB owned/registered pleasure craft • Owner is ordinarily resident in GB • Using boat within EU27 on TA • Owner has an EU27 holiday property where they keep the boat moored (in their name) 	<p style="text-align: center;">✓ Temporary admission</p> <p>A person is established in the customs territory of the Union if he/she fulfils the conditions established in Article 5(31) UCC. If the person is not established in the customs territory of the Union, then he/she can declare the boat for temporary admission if it has non-Union customs status.</p> <p>Please see below point on the definition of establishment.</p>
<ul style="list-style-type: none"> • GB owned/registered pleasure craft • Business owned • EU VPS before TPE • In EU27 as at TPE • Kept and used within the EU27 • Long-term lease to individual for private use • GB VAT accounted for on annual lease charge 	<p style="text-align: center;">✓ EU VAT Paid Status</p> <p>According to the information provided, the boat has Union status and keeps it unless the boat is taken outside the customs territory of the Union.</p>

Additional information has also been requested from UK HM Revenue and Customs (HMRC), including on Northern Ireland. This information will be added to this FAQ once received.

What documents are required to prove Returned Goods Relief (RGR)

This refers to the above scenarios on Returned Goods Relief (RGR) that are marked as “documentation required”. For these the Commission had indicated that in the absence of a formal export declaration – which is likely to be the situation in most cases for recreational boats – evidence of previous movement is required, and national authorities must assess what evidence is satisfactory.

Clarification was therefore requested from the Commission on the type of evidence considered satisfactory to demonstrate the date of export from the EU and the date of import into the EU as returned goods.



Version: 24 August 2021

The following documents were confirmed by the Commission as evidence to show whether the conditions for Returned Goods Relief (RGR, Article 203 UCC) are fulfilled or not.

These documents can be considered as valid evidence as long as they are issued by a third party (e.g. port authority or customs authorities) and they refer to the relevant data according to the concrete case, such as vessel registration number, date or place.

- Mooring / berthing receipt / storage receipt
- Fuel / repair invoices that reference the vessel and the dates / location
- Registration documents
- Bills of Sale (indicating location at the time a vessel changed ownership)
- Customs / border control documents
- Logbook / GPS / tracking recordings

What is the definition of habitual residence?

Related to the above scenario on eligibility for Temporary Admission, clarification was requested from the Commission on when a person is 'established' within the EU27. The Commission confirmed that there is no definition of 'habitual residence' in the UCC, but that the following two cases would not be considered as establishment.

- Ownership of a second home or holiday property that is not a principal private residence;
- Ownership of a mooring, berth or a vessel kept in the EU which is not used as principal private residence.

It was also confirmed that in the case of a person whose actual private home is a vessel and provided that this person can prove so, the vessel can be considered as a residence.

What is the situation regarding Northern Ireland?

For practical purposes, Northern Ireland remains in the EU Single Market, and therefore internal EU rules for customs and VAT continue to apply to goods entering and leaving Northern Ireland from and to the EU. This means that trading goods between the EU and Northern Ireland will be treated as an intra-EU transaction, with no customs formalities.

Can a boat be temporarily brought into EU/UK waters without VAT or other charges?

A boat for private use can be temporarily brought into the EU from the UK or any other third country without paying VAT or other charges, through the temporary admission procedure. The boat must be registered outside the EU and owned by a person established outside the EU, to benefit from this procedure with relief from import duty and VAT. The boat can remain in the EU for no more than 18 months. The same would be the case for the equivalent scenario regarding the UK.



Version: 24 August 2021

This is taken from the European Commission [FAQ on tax and customs](#).

How is the Returned Goods Relief rule applied?

If a recreational boat leaves the EU or its territorial waters and is then brought back to the EU and fulfils the conditions to be considered as a returned good, then it can be declared to customs as such, and Returned Goods Relief applied. To qualify, the recreational boat must have been originally exported from the EU, be re-imported in the same condition and only if the person that re-imports the boat is the same person who originally exported it. The boat must be re-imported within three years of it leaving the EU. The same would be the case for the equivalent scenario regarding the UK.

Please carefully consider the table of scenarios mentioned above. More information is provided by the [UK Government](#) on Returned Goods Relief.

How is the transfer of residence procedure applied?

If you are transferring your normal residence from the EU to the UK or vice versa, it may be possible to claim relief from customs duty and VAT. This relief applies to certain goods, including pleasure craft.

Which national authorities are responsible to provide advice?

The European Commission provides a list of National contact points or websites dedicated to UK Withdrawal-related information. It can be found [here](#).

Recreational Craft legislation & certification

Which legislation and standards apply for import of recreational craft in the UK?

The legal frameworks of the EU and UK are now separate. Nonetheless, the EU's Recreational Craft Directive 2013/53/EU ([link](#)) was transferred into UK law without notable changes as the Recreational Craft Regulations 2017 ([link](#)), which mirror the EU Directive. A guiding document to help businesses that intend to place craft in the UK market can be found [here](#).

EU harmonised standards for recreational craft remain unchanged in the UK, although they are now called "designated standards" under the new British terminology. Designated standards for recreational craft can be found [here](#). Notified bodies are called approved bodies.

How do the conformity assessment procedures for exports to the UK work?

CE markings will remain valid in the UK until 31 December 2022 under a special transition period (extended by one year). From 1 January 2023, CE-marked goods will have to obtain the new UKCA (UK



Version: 24 August 2021

Conformity Assessment) marking from a UK approved body before being placed in the UK market (except Northern Ireland). Information and confirmation about the extended deadline can be found [here](#). CE marked goods that meet EU requirements can continue to be placed on the GB market until 1 January 2023 where EU and UK requirements remain the same (includes Recreational Craft Directive). This includes goods which have been assessed by an EU recognised notified body.

Under the UK's new conformity assessment framework, approved bodies are those notified bodies that were registered in the UK before 1 January 2021 (they do not need to seek re-accreditation). They will be able to assess products for the UK market (notwithstanding Northern Ireland). Approved bodies must be based in the UK. The list of UK approved bodies can be found [here](#). Currently, there is only one approved body in the UK as it was already previously accredited in the UK. One EU-based notified bodies (IMCI) has applied for accreditation but is waiting on the accreditation process. EBI is closely monitoring the development together with the notified body.

Products that are assessed by a UK approved body will carry the new UKCA (UK Conformity Assessment) marking.

For products being placed in the Northern Irish market, the CE marking alone must be used, although this must be accompanied by the new UKNI marking if a UK approved body has been used to carry out the conformity assessment.

Check [here](#) for detailed information and the specific application.

Do boats that were purchased before the end of 2020 and delivered in 2021 have to be re-certified?

Recreational boats ordered (bought) before end-December 2020 but shipped since 1 January 2021 from the UK to the EU can still be made available without having to be re-certified by an EU notified body. This follows the terms of the Withdrawal Agreement.

Will second-hand boats have to be re-certified when imported into EU and UK?

The import of a second-hand boat from the UK into the EU (and vice versa) since 1st January 2021 would be treated as an import and a Post-Construction Assessment would have to be completed. EU technical harmonisation legislation, including the RCD is applicable at the moment of placing the product on the market and/or putting it into service and until the product reaches the end user.

The rules are the same for the EU (Recreational Craft Directive) and the UK (Recreational Craft Regulations). Second-hand boats with CE marking being imported from the EU to be placed on the UK market will, after 1 January 2023, be required to obtain a new UKCA certificate.

In dialogue with the EU and UK authorities, the key questions on certification for second-hand boats were raised, and clarification received. EBI has been liaising with the European Commission and British

10



Version: 24 August 2021

Marine has taken the lead with the Department for Business, Energy and Industrial Strategy (BEIS). The scenarios have been confirmed by BEIS and are understood to be correct based on guidance by the European Commission.

Below are the scenarios for second-hand boats that were covered by the EU's Recreational Craft Directive and the UK's Recreational Craft Regulations. In cases where recertification would be required, a Post-Construction Assessment (PCA) will have to be completed. This applies from the end of the transition period (TP) on 1 January 2021.

Scenario	Situation in 2021 and 2022	Situation in 2023
<p>Scenario 1</p> <ul style="list-style-type: none"> • Boat in GB at end of TP • CE-marked • Sold in GB • Remains in GB 	Would <u>not</u> need to be recertified	Would <u>not</u> need to be recertified
<p>Scenario 2</p> <ul style="list-style-type: none"> • Boat in GB at end of TP • CE-marked • Imported to EU27 	Would need to be recertified	Would need to be recertified
<p>Scenario 3</p> <ul style="list-style-type: none"> • Boat in EU27 at end of TP • CE-marked • Sold in EU27 • Remains in EU27 	Would <u>not</u> need to be recertified	Would <u>not</u> need to be recertified
<p>Scenario 4</p> <ul style="list-style-type: none"> • Boat in EU27 at end of TP • CE-marked • Imported to GB 	Would <u>not</u> need to be recertified	Would need to be recertified
<p>Scenario 5</p> <p>In GB sold to EU end user, but:</p> <ul style="list-style-type: none"> • First sale in EU-27 (not GB market), (CE-marked, 	Would <u>not</u> need to be recertified (but proof required by national authorities)	Would <u>not</u> need to be recertified (but proof required by national authorities)



Version: 24 August 2021

bought by EU citizen, registered, and used in EU) <ul style="list-style-type: none">• Second sale to GB before 1 January 2021• Subsequent sale back to EU		
--	--	--

Further clarifications are being sought from BEIS and the European Commission related to trade with Northern Ireland, as well as the proof require for scenario 5.

What is the situation regarding Northern Ireland?

Northern Ireland remains in the EU Internal Market. EU rules, including the Recreational Craft Directive, continue to apply in the same way as for EU Member States. Hence, recreational boats placed on the market in Northern Ireland have to comply with the applicable EU legislation.

Certificates issued by notified bodies based in Northern Ireland are only valid for Northern Ireland (no such notified body currently exists for the RCD).

Will manufacturers have to apply for a MIC code?

The Recreational Craft Directive 2013/53/EU requires each watercraft to be marked with an identification number, which includes a Manufacturer Identification Code (MIC) assigned by national authorities or authorised national bodies. Craft with a UK-granted unique code can no longer be placed on the EU market, and UK manufacturers wishing to sell craft in the EU must apply for a MIC to the relevant national authority of the Member State in which they intend to place the craft on the market (application in only one Member State). Likewise, EU manufacturers selling boats in the UK market require an UK MIC code. The register of MIC codes in the UK is managed by [British Marine](#).

Further guidance

The European Commission provides general information about the EU-UK Trade and Cooperation Agreement [here](#) and [here](#).

In the Commission's [FAQs on tax and customs](#), you will find clear and useful information on tax and customs issues. The [Stakeholder notice on VAT for goods](#) also provides relevant information.

The [Access2Markets](#) portal provides a tool to learn about tariffs, taxes, rules of origin, product requirements, customs procedures, trade barriers and statistics between any two countries (both EU and non-EU) for any given product.



Version: 24 August 2021

This [Commission webpage](#) provides documents with guidance on the implications of Brexit for a number of sectors, including [recreational boating](#). This should be read together with the sectoral guidance for [industrial products](#).

The UK Government [Brexit webpage](#) provides useful information on trading between the EU and the UK. Specifically, information on placing manufactured goods in the British market (except Northern Ireland) can be found [here](#), while documents relating to rules of origin requirements can be found [here](#).

The Royal Yachting Association provides information on its [website](#) related to Brexit, including on the use of RYA certificates and the ICC (International Certificate for Operators of Pleasure Craft).