



Doing business between the UK and the Andean Region (Colombia, Ecuador and Peru) from 1 Jan 2021:

What you should know

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This document is for information only. You should consult your legal advisers if you wish to ensure you understand the legal implications of trading from 1 January 2021 for your business.

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1. The New UK-Andean Countries Trade Agreement

Following the UK's departure from the European Union (EU), and recognizing the Andean Community as an important and growing partner for the UK with potential to increase and diversify our trade and investment relationship, both parties have agreed to continue this relationship through the new <u>UK-Andean Countries Trade Agreement</u>, signed in 2019. This Agreement reproduces the effects of the existing EU-Andean Countries Trade Agreement, and is intended to give certainty for business and avoid any trade disruption after the end of the Transition Period¹.

The EU-Andean Countries Trade Agreement has ceased to apply to the UK. The UK-Andean Countries Trade Agreement has been in force since 1st January 2021 with **Ecuador and Peru**. Considering that some internal procedures for its ratification are pending in Colombia, we have agreed to apply an alternative arrangement, which ensures continuity in trading conditions with **Colombia**, even if the Trade Agreement is not yet into force. For more information on this, you can contact our Trade Policy Officer for the Andean Region, <u>Andrea Perez</u>.

2. Forms and Paperwork: Origin Certificates and Declarations

Proof of Origin will remain the same within the new Agreement. This means that:

- If you are an **approved exporter** with an **authorization number** from the competent authority, you can continue to provide an "invoice declaration" as a proof of origin. Refer to <u>page 34</u> of the <u>UK-Andean Countries</u> Trade Agreement to find out the text that should be declared in the invoice.
- If the above does not apply to your business, you shall continue to apply for the EUR.1 Movement Certificate. The EUR.1 will remain as a valid Proof of Origin within the new Agreement and will require the same information. The only difference in the filling out will be that boxes 2. and 4. shall show the UK as the place of origin rather than the EU. Updated certificates of origin will be available as soon as the agreement takes effect from your usual providers, such as Chambers of Commerce.
- If you expect goods to be in transit when the UK-Andean Countries Trade Agreement enters into force, you might be required to obtain a retrospective certificate of origin. This will show that the goods originated in the UK and are eligible for preferential terms if your goods arrive on the date, or within 12 months after, the UK-Andean Countries Trade Agreement starts to apply. We strongly recommend you obtaining the retrospective certificate of origin from your usual provider as soon as the agreement takes effect.

3. Preferential Tariff Rates and Quotas

 Preferential tariff rates are offered by the importing country when exported products comply with the rules of origin specified in the Trade Agreement. The UK-Andean Countries Trade Agreement maintains the same rules of origin that currently apply within the EU-Andean Countries Trade Agreement.

¹ Period agreed between the UK and the EU during which the EU legislation and the trade agreements that the EU has with third countries still applied to the UK. The Transition Period started in February 1st, 2020 and lasted until December 31st, 2020.

- Existing preferential tariff rates for bilateral trade in goods between the UK and the Andean Countries, that
 were granted under the EU-Andean Countries Trade Agreement, will continue to apply within the framework of
 the UK-Andean Countries Trade Agreement. Tariff liberalisation schedules will continue as set out in the
 EU-Andean Countries trade Agreement.
- Refer to the Annex of this document to find examples of how tariff liberalisation schedules will continue to
 operate without disruption within the UK-Andean Countries Trade Agreement for UK products entering the
 Andean countries. Most of the main UK products exported to the Andean countries will enjoy total
 liberalisation or will pay very low tariffs from the first year of application of the UK-Andean Countries Trade
 Agreement.
- Similarly, the great majority of the Andean products enjoyed total tariff liberalization under the EU-Andean Countries Trade Agreement and they will continue as such within the new Agreement with the UK. Bananas coming into the UK from the Andean Countries will continue to pay the lowest preferential tariff set out in the Agreement: 75.00 EUR / 1000 kg.
- You can check what are the tariffs and other duties, customs procedures, rules of origin, and regulations (per product and per country) for exporting goods to and from the UK, by using the following tools:
 - i) <u>check how to export goods (CHEG)</u> helps UK businesses prepare their goods for export to another country;
 - ii) <u>trade with the UK (TWUK)</u> provides overseas businesses with information on UK tariffs, regulations and other key processes to help them trade with the UK effectively.
- In some cases, if you are not able to comply with the Agreement's rules of origin, the non-preferential applied
 rates may apply. However, for goods entering the UK, in fact, these may be lower than the ones that were
 applied under the EU legislation, because of changes in the UK's Most Favoured Nation tariff schedule (the
 "UK Global Tariff").
- Tariff Rate Quotas (TRQs) and Origin Quotas (alternative rules of origin that can be applied to specific
 products within the Agreement) have been tailored in the UK-Andean Countries Trade Agreement to adapt
 their volumes to the UK-Andean Countries trade relation. Please see tables 4 to 9 (for TRQs) and 16 to 17
 (Origin Quotas) of the Parliamentary Report on the Agreement, which details these new volumes.

4. Origin Cumulation

- Origin Cumulation is the ability to consider materials from, or processing carried out in, another country as
 meeting originating criteria when incorporated into your export product. The criteria to meet origin cumulation
 are set out in the Agreement, but the main requirement is that working or processing of cumulated goods
 should go beyond the minimal operations listed in the Agreement.
- The new UK-Andean Countries Trade Agreement allows the UK and the Andean countries to cumulate origin with the EU countries. Thus:
 - If you are a UK exporter, you can continue to use EU materials or processing in your exports to the Andean countries.
 - ii) If you are an Andean exporter, you can use EU materials in your exports to the UK.
- The new UK-Andean Countries Trade Agreement will also allow for cumulation between all the parties of the Agreement. This means that cumulation is allowed between the UK and the Andean countries, and between the three Andean Countries.

In addition, the Andean countries will continue to be able to cumulate with other countries to export to the UK.
 These countries are: Bolivia, Venezuela and the Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama).

5. Goods in Transit in any EU country

- UK's or Andeans countries' goods in transit through the EU will not be subject to the same limitations as those
 in transit through other third countries. Thus, consignments in the EU may undergo operations including
 unloading, reloading, splitting, storing, labelling, marking or any operation designed to preserve them in
 good condition provided they remain under customs surveillance.
- Transit through any other third country is possible provided your goods remain under customs surveillance and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition.

6. Important Information for Key Goods

To import animals, animal products and high-risk food and feed not of animal origin into Great Britain, you will
need to register for the new Import of Products, Animals, Food and Feed System (IPAFFS). Businesses will
not be able to import into Great Britain using the EU's TRACES system from 1 January, but businesses must
continue to use TRACES to notify of any imports arriving in Northern Ireland.

Find further info on Importing animals, animal products and high-risk food and feed not of animal origin from 1 January 2021

Find information on how to register to IPAFSS on its Guidance

- If you are a UK exporter of animals and animal products to Non-EU countries, find information on how to obtain an <u>Export Health Certificate</u>.
- If you are a UK exporter of animal products to Non-EU countries, find here information on how to obtain an Export Health Certificate.
- Find guidance on importing and exporting fresh fruit and vegetable between the UK and non-EU countries.
- The UK has retained in its internal legislation the EU's regulation to control, deter and prevent Illegal,
 Unreported and Unregulated (IUU) fishing. Therefore, if you are a third country exporter of fish and fish
 products to the UK, you will continue to need a catch certificate to export your products to the UK. See more
 in importing or moving fish to the UK.
- Organic products produced in Great Britain (GB) will not use the EU Organic Logo any more to export to non-EU countries. Northern Ireland's (NI) organic products will remain under the EU legislation. If you are an organic exporter or importer to the UK, find more information in Organic Food: Labelling Rules.
- Find further guidance on Trading in drug precursors from 2021
- Find out which are the UK exporting controlled goods that will require an Export Licence.
- Find out which are the products that require an <u>Import Licence</u> to enter the UK.

7. Additional Information

- For more information about the new agreement check the UK-Andean Countries Trade Agreement Guidance
- Find information on the necessary procedures as a UK exporter on <u>Exporting and doing business abroad</u>
- Find information on the general procedures to enter goods into the UK market on <u>Trading with the UK as an overseas exporter</u>
- For more information on what may apply to your business or organisation check Brexit Transition.
- From 1 January 2021, the Northern Ireland Protocol will come into effect. <u>Find out how the Northern Ireland Protocol could affect your business</u>.
- Freight forwarding may save you time and money if you're exporting large volumes of goods or high value items by sea or air freight. Find out more about <u>freight forwarders</u> in the UK.

8. Contact

- If you have queries about trade from 1 January 2021 contact the <u>Department for International Trade (DIT)</u> if you are a UK-based business. If you are based outside the UK, you can contact us here.
- Should you wish to speak to someone face to face, we have local trade offices based around the UK. Within each office, you can contact an international trade advisor. Find your local trade office.
- If you are a **UK exporter**, you can help us know the difficulties that you are having to enter a specific market, by reporting the Market Access Barrier.
- If you have specific tariff code classification queries, you can contact the <u>Tariff Classification Service Enquiry Line</u>.
- For country-specific or region-specific queries, feel free to contact our regional Trade Policy Officer for the Andean Region <u>Andrea Perez</u>.

9. ANNEX I

The tariff liberalisation schedules for UK products to enter **Colombia** and **Peru** will continue to be calculated from 2013, the year in which the EU Trade Agreement entered into force for these countries.

5 Main UK non-oil products exported to Colombia (2017-2019 Grand Total)

Product	National Applied Tariff	Liberalization Schedule	Agreement Tariff in 2020	Agreement Tariff in 2021	Total Liberalization year
Turbojets of a thrust > 132 kN	0%	A (Immediate)	0%	0%	2013
Motor cars and other motor vehicles	5%	D (8 equal cuts)	0%	0%	2020
Scotch Whisky (retail)	15%	F (11 equal cuts)	5.4%	3.6%	2023
Preparations, incl. premixes, for animal food*	10%	IC (8 equal cuts from the third year)	2.5%	1.25%	2022
Medicaments consisting of mixed or unmixed products, Other	10%	C (6 equal cuts)	0%	0%	2018

^{*} If the preparations are sweetened, the product is excluded from liberalization. It means that it will have to pay the Colombian national applied tariff for sweetened preparaţions.

5 Main UK non-oil products exported to Peru (2017-2019 Grand Total)

Product	National Applied Tariff	Liberalization Schedule	Agreement Tariff in 2020	Agreement Tariff in 2021	Total Liberalization year
Scotch Whiskey (for retail sale)	6%	0 (Immediate)	0%	0%	2013
Motor cars and other motor vehicles*	6%	10 (11 equal cuts)	2.5%	1.6%	2023
Compression-ignition internal combustion piston engine "diesel or semi-diesel engine"	0%	0 (Immediate)	0%	0%	2013
Immunological products (for retail sale)	0%	5 (6 equal cuts)	0%	0%	2018
Printed books, brochures and similar printed matter	0%	0 (Immediate)	0%	0%	2013

^{*} Only applies for cars with cylinder capacity from 1 500 cm 3 to 1 599 cm 3. Cars with cylinder capacity from 1 600 cm 3 to 3 000 cm 3 are included in category 5, which means that do not pay any tariff to enter Peru since 2018.

The tariff liberalisation schedules for UK products to enter Ecuador will continue to be calculated from 2017, the year in which the EU Trade Agreement entered into force with Ecuador.

5 Main UK non-oil products exported to Ecuador (2017-2019 Grand Total)

Product	National Applied Tariff	Liberalization Schedule	Agreement Tariff in 2020	Agreement Tariff in 2021	Total Liberalization year
Motor cars and other motor vehicles	40%	7 (8 equal cuts)	20%	15%	2024
Scotch Whiskey (for retail sale)	1% + \$0.25 G.A.L.	0 (Immediate)	0%	0%	2017
Immunological products (for retail sale)	0%	0 (Immediate)	0%	0%	2017
Printed books, brochures and similar printed matter	0%	0 (Immediate)	0%	0%	2017
Medicaments containing hormones or steroids (for retail sale)	5%	5 (6 equal cuts)	1.7%	0.8%	2022

Annex Sources:

- HMRC/UK Trade Info for selecting main exporting products
- Trade Agreement for identifying tariff liberalization schedules
- Check how to export goods tool for identifying current and MFN rates

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