

A photograph of a factory floor with several white industrial robotic arms with yellow cables. The arms are arranged in a line, receding into the distance. The floor is dark with yellow safety lines. The background shows a large industrial building with a glass roof.

Covid-19 Global Trade considerations

Responding to trade, customs and excise implications

April 2020



Building a better
working world

Important notes

Covid-19 is unexpectedly disrupting the global trade landscape. To respond to this impact, broad indirect tax considerations need to be examined on different levels.

- ▶ This document provides a snapshot of the customs and excise changes that have been announced in jurisdictions around the world in response to the Covid-19 crisis. It is designed to support conversations about policies that have been proposed or implemented in key jurisdictions
- ▶ Policy changes across the globe are being proposed and implemented on a daily basis. This document is updated on an ongoing basis but not all entries will be up-to-date as the process moves forward. In addition, not all jurisdictions are reflected in this document
- ▶ Find the most current version of this tracker on [ey.com](https://www.ey.com)
- ▶ You should consult with your EY engagement team to check for new developments



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EY teams have developed additional trackers to help you follow changes in

- ▶ [Immigration Policy](#)
- ▶ [Labor and Employment Law](#)
- ▶ [Tax Policy](#)

EY Tax professionals are updating the trackers regularly as the situation continues to develop.

Jurisdictions covered

<u>Global</u>	
<u>EU</u>	<u>Russia</u>
<u>Belgium</u>	<u>South Africa</u>
<u>Germany</u>	<u>Spain</u>
<u>India</u>	<u>Turkey</u>
<u>Ireland</u>	<u>United Kingdom</u>

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Around the globe, businesses are hit by the Covid-19 pandemic outbreak. Tax authorities react with various tax measures in order to support companies in these challenging times. Besides these measures, there might also be other in-house opportunities available, which could help to further improve your company's financial position. To learn more, consult our [Covid-19 EY page](#) or contact our global trade team.

General trend

- ▶ From a trade policy perspective, most governments are reacting in three ways
 - ▶ Eliminating import tariffs on Covid-19 critical goods such as PPE (personal protective equipment), ventilators and soap
 - ▶ Introducing export restrictions on Covid-19 critical goods
 - ▶ Relaxing regulatory requirements so that businesses can respond quicker and more efficiently

WCO

- ▶ The WCO and its Member administrations, together with relevant international organizations are closely monitoring the situation and will utilize all relevant WCO working bodies to address the implementation of appropriate measures while sharing best practices.
- ▶ A link to the WCO newsroom for the latest updates can be found here:

[WCO Newsroom](#)

Brazil

- ▶ Import tariffs on Covid-19 critical goods such as PPE, ventilators and soap are eliminated

China

- ▶ Cross-border donations for supporting the epidemic prevention and control are exempt from import duties and import-level VAT and Consumption Tax (CT)
- ▶ The import of ambulances and vehicles used for emergency purposes as well as certain medical supplies are exempted from customs duties
- ▶ China has cut VAT on medical services, catering and accommodation services, sundry personal services (e.g. hairdressing, laundry), public transport and on masks and protective clothing
- ▶ VAT has also been reduced from 3% to 1% on the cash accounting scheme for small businesses until the end of May

Colombia

- ▶ Customs duties applicable to the importation of certain medicines, medical equipment and devices as well as non-locally produced goods for the use of air travel industry were reduced to 0%

Malaysia

- ▶ The approval process for value-added activities performed by manufacturers with LMW status or located within an FIZ will no longer require approval from the Ministry of Finance/Royal Malaysian Customs Department (RMCD) headquarters; approvals will be given at the RMCD State/Zone level
- ▶ Import duty and/or sales tax exemption will be granted on the import or domestic purchase of machinery and equipment to be used in port operations

Thailand

- ▶ Face masks are exempted from import VAT

UAE

- ▶ Reduction in customs fees on products sold locally in Dubai markets and on submission of customs documents
- ▶ Suspension of bank guarantee requirements and refund of bank guarantee or cash paid by existing customs clearance companies

Temporary admission

The UCC and its Delegated Act provide for temporary admission procedures providing for a total relief of import duties in the event of:

- ▶ Disaster relief material
- ▶ Medical, surgical and laboratory equipment, urgently required because inadequacies of own facilities

Please note that the customs procedure, “specific use” and more in particular “temporary admission” can, provided that certain conditions are met, made orally (i.e. no need to submit customs declarations, which may decrease lead times)

Temporary admission

On 3 April 2020 the Commission has decided to approve requests from Member States and the UK to temporarily waive customs duties and VAT on the import of medical devices, and protective equipment. The decision takes effect retroactively from 30 January. More info can be found [here](#)

Council regulation (EC) No 1186/2009 provides, under certain conditions, for customs duty relief:

- ▶ Import of instruments and apparatus intended for medical research, establishing medical diagnoses or carrying out medical treatment
- ▶ Import of goods for the benefit of disaster victims

The conditions under which relief is provided are the following:

- ▶ Goods imported by State organisations or other charitable or philanthropic organisations and intended for free-of-charge distribution
- ▶ Goods imported by disaster-relief agencies in order to meet their needs
- ▶ Goods that are subject to a donation to federally approved health or medical instances and in which the donor doesn't have any commercial intent and is not connected to the manufacturer of the goods

Mind the practicalities while applying for mentioned customs duty relief schemes (e.g. communication to broker, clear indication on customs declaration, etc)

Entry of goods

Medical, surgical and laboratory equipment are not exempted from the obligation to lodge an entry summary declaration, even in emergency cases. However, the use of commercial, port or transport documents - under the condition that these documents contain the necessary particulars of the ENS and are available before a specific time-limit prior to the arrival of the goods in the EU can be permitted

Export of goods

If the customs office of export has not received any info/ evidence that the goods have left the EU within 150 days from the date of release of the goods for export, re-export or OPP, the customs office will not initiate an invalidation, unless it is explicitly requested by the declarant

Export authorization – Protectionist measures

Regulation (EU) 2020/402 making the exportation of protective equipment (e.g. face masks, mouth-nose-protection equipment, etc.) subject to an export authorization

- ▶ As of 21/03, no export licence is required for EFTA countries (Norway, Switzerland, Iceland and Liechtenstein) as well as for Andorra, the Faroe Islands, San Marino, the Vatican and the associated countries and territories with Denmark, France, the Netherlands and the UK (so-called Annex II countries).
- ▶ Ship supplies (=on board pharmacy for use on board by the crew) are exempted from the export restrictions
- ▶ The export authorization is attributed at the national level

Customs procedures

Goods in temporary storage for longer than 90 days

- ▶ According to the UCC, the maximum time limit of 90 days for temporary storage cannot be prolonged. If the goods fail to be placed under a customs procedure or re-exported due to circumstances related to the spread of Covid-19 disease, the economic operator may invoke force majeure

Possibility to use simplified declarations without prior authorisation

- ▶ The UCC allows simplified declarations without prior authorizations if the simplified declaration constitutes a non-regular or occasional use. The absence of a definition of the term 'regular use' allows for a certain flexibility to use simplified declarations

Acceptance of digital certificates

The Commission has recently issued recommendations to all member states to temporarily accept digital copies of specific certificates (such as a.o. EUR1, ATR) on the basis that these (digital) certificates are conform and originals will be received later in time. In relation to exports, the Commission has also issued guidelines to the member states to apply alternative certification methods, to avoiding the use of hard copy documents and or certificates

Customs Debts and Guarantees

Possibility to take into account economic operators' serious difficulties

- ▶ As regards possible payment facilities, while a blanket exemption is not possible, several provisions in the current legislation allow the customs authorities, on a case by case basis, to take account of serious economic or social difficulties in respect of the debtor, upon request by the operator and subject to the overall respect of the conditions foreseen by those provisions. It is up to the operator to document the likelihood of the economic and social difficulties

Exceeding the guarantee limits

- ▶ Exceeding the guarantee limits is not legally possible outside the scope of the current legal provisions on reduction of the guarantee amount or on the guarantee waiver. Nevertheless, the Commission is currently taking actions to ensure that the temporary admission of items for disaster victims of the COVID-19 pandemic crisis becomes free of customs duties and VAT, which would de facto waive the requirement of the guarantee for these specific goods.

Customs Decisions

Taxud encourages, in the present situation, economic operators to only apply for essential customs decisions only, to ensure the functioning of the supply chain and free flow of essential goods. As such the EU customs authorities can focus on the most urgent demands.

Transit of goods

The authorities are allowing flexibility on the time-limit of the transit document and the time-limit to send the control results, the latter will be extended with 6 days

Exceptionally, the notification may exceed the time limit specified in the authorisation but must be made at any time not later than the third day following the date on which the authorisation to unload the goods was received

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Special procedures

- As the imports of any medical support equipment or aid material can benefit from a full exemption of import duties, it is amongst other things legally allowed to declare these goods by the sole act of crossing the border or via lodging an oral declaration
- Taxud hereby confirms that an extension of the fixed time-limit for re-exporting goods under temporary admission (including Carnet ATA) will be granted to operators upon request

Continuation of trade defense procedures

Despite limitations imposed by the Covid-19 outbreak, the commission ensures continuation of trade defence procedures to make sure that economic damages for European companies related to unfair trade remain adequately addressed.

E-commerce – Empowerment for customs representation

- Express carriers and customs agents acting on behalf of consumers for the release into free circulation of low value consignments are struggling to meet their service obligations.
- To ease the administrative burden, customs authorities, during the period of the crisis, do not require any evidence of the empowerment from postal operators, express carriers or customs agents for the customs clearance activities they are carrying out on behalf of the consignee.

Green lanes

To ensure that supply chains continue to function throughout the EU, the European Commission calls on Member States to designate without delay all major internal border crossings in the Trans-European Transport Network (TEN-T) as green lanes. These green lanes should be open to all freight vehicles, regardless of the goods they carry. Including checks and health checks, crossing a border should not take more than 15 minutes.

Regulatory

- ▶ Consider EU quality standards when sourcing from outside the EU (e.g. quality standards for mouth masks, handgels, etc.)

Customs

- ▶ A shift from physical to virtual document controls and applications [not limited to Customs]
 - ▶ Certificates and permits that are originally delivered on paper may temporarily be sent digitally to the verifying officer, even if a write-off is required. In case of conformity, the declaration will be accepted
 - ▶ When permits or certificates are presented in this way, the declarant must enclose a declaration stating that the original documents are with him and will be archived within the framework of self-archiving
- ▶ Following the request of the European Commission, Belgium Customs Authorities have as a temporary countermeasure eased the application process for the authorization "Approved Exporter" (for preferential origin). As a result approved exporters may confirm that the exported goods are of European Preferential origin via an appropriate declaration on the (export) invoice or other commercial documents. This origin declaration replaces the hard copy EUR 1 certificate

The application for such an authorization and accompanying explanatory evidence can be submitted via mail, whereby the Central Customs Authorities will temporarily grant the Authorization based on an documentary assessment. The subsequent mandatory audit will take place posterior
- ▶ All holders of authorisation inward processing, customs warehousing, temporary storage, or loading and unloading areas can – provided that certain conditions are met - apply for expansion of their current authorisation with additional Belgian storage facilities. Generally speaking no prior audit required, exemptions are however possible.
- ▶ Investigate potential duty refund and VAT treatment of excess inventory destroyed or re-exported
- ▶ Investigate potential duty refund for returning goods
- ▶ Take advantage of VAT and duty deferral programs and other government stimuli
- ▶ Align with customs brokers to ensure operational continuity
- ▶ Align current customs procedures with a flexible supply-chain and potentially changing entry points
- ▶ At the national level, a potential reduction in guarantees for AEO companies
- ▶ Assess the impact on customs pillars:
 - ▶ Free trade agreements (FTA) eligibility and landed cost of alternate sourcing options
 - ▶ Customs valuation and elements that must be added or can be excluded due to changed global trade landscape
 - ▶ Potential increase of demurrage charges; International transportation and insurance cost; etc.
- ▶ Classification and need for national breakdown to qualify for duty exemption regimes

Excises

- ▶ Deferred payment
 - ▶ Extension of deferred payments is limited to alcohol and non-alcoholic beverages; and relates to excise duties, packaging levies and VAT. This being said, the debt is payable Week 4 instead of Week 1 after submission excise declaration. In addition please note that depending on whether you hold a credit account or not:
 - ▶ A request for increased guarantee must be submitted with the competent customs & excise office (i.e. D&A Accounting Department) who will fictitiously increase guarantee;
 - ▶ Late payment interests will be waived; and
 - ▶ Supporting measures are valid up until 30June 2020. Please note that regardless of the changed payment terms, declarations are still to be submitted on regular basis (weekly or monthly). If you want further details, please reach out to your EY contact
- ▶ Simplified excise procedures for production of ethyl alcohol and disinfectants
 - ▶ Possibility to produce ethyl alcohol under existing excise authorization, without need for extension S400 (specific extension for ethyl alcohol)
 - ▶ Exempt supply, however excise declarations are still to be submitted.
 - ▶ Increased list of denaturants (e.g. ether)
 - ▶ Possibility for pharmacists to produce disinfectants without having in place the necessary excise authorization
- ▶ Be aware of potential indirect tax liabilities (o.a. excise duties) linked to e-commerce, especially for operators who are purely acting as a facilitator (e.g. platforms, 3PL, etc.). All persons who are directly or indirectly involved with taxable transactions might be held jointly liable in case of irregularities

Taxes regulated by federal law and administered by the customs administration (e.g. import VAT, excise tax and air traffic tax)

Deferments:

- ▶ Applications for deferral can be submitted until the end of the year 2020
- ▶ The measure applies both to import debt occurring in import transactions using regular duty payment (normally 10 days) as well as payment method of deferment account or payment deferral connected to simplified declaration or local clearance

Temporary waiver of enforcement of unsettled debt:

- ▶ May be requested, setting out the debtor's current situation

Advance payments:

- ▶ Adjustment of previously fixed advance payments possible on request by the end of the year (concerns especially energy tax and electricity tax)

Extension of deadlines in the area of greenhouse gas quota fulfillment reporting

- ▶ Deadlines for the reporting year 2019 are extended by 2 months until 15 June 2020, for:
 - ▶ The submission of the annual quota declaration,
 - ▶ The submission of written notifications by third parties pursuant
 - ▶ The conclusion of quota trading contracts pursuant

Foreign trade law

- ▶ From 19 March 2020: national export licensing requirement for exports and movements of medical protective equipment waived
- ▶ From 15 March 2020: new: eu export licensing requirement for export of medical protective equipment

Alcohol tax regulations for the production of disinfectants

- ▶ Simplifications for the production of disinfectants from 1-Propanol und 2-Propanol and denatured alcohol
- ▶ Tax exempt use of alcohol for pharmaceuticals is temporarily accepted also for production of disinfectants
- ▶ Licensed pharmacies are granted general license for use of untaxed alcohol for production of disinfectants
- ▶ Formalities related to above points must be regarded, simplifications granted until 31 May 2020

Handling of postal packages

- ▶ From 19 March 2020: national export licensing requirement for exports and movements of medical protective equipment waived
- ▶ From 15 March 2020: new: eu export licensing requirement for export of medical protective equipment

EOU/EHTP/STPI – Operational

- ▶ Submission of information relating to duty free import of capital goods / raw materials sufficient, if permission from EPCs not possible (subject to giving undertaking that difference duty if any shall be debited as and when the same is verified by the EPC officers)
- ▶ Permissions/authorisations for re-export / re-import applications applied and granted over mails
- ▶ Email intimation of daily imports / exports permitted
- ▶ Movement of laptops, desktops, video conference and other equipment permitted to facilitate work from home
- ▶ The above relaxation may vary from one Customs Commissionerate to another

Various email id's of Export Promotion Cells provided to facilitate above measures

Export restriction

- ▶ India Foreign Trade Policy amended prohibiting export of products such as:
 - ▶ Ventilators
 - ▶ N95 masks and surgical masks
 - ▶ Sanitizers
 - ▶ Certain medicines and formulations
 - ▶ All Personal Protection Equipment including Clothing and Masks
- ▶ Prohibited medicines allowed for exports under certain conditions

Trade facilitation

- ▶ Extension of timelines for various compliances and procedures under Foreign Trade Policy to be provided by the Ministry of Commerce
- ▶ Allowed retrospective issuance of the Certificate of Origin after the Authorised Indian Agencies are open.

Indian customs – operational

- ▶ To facilitate trade and timely clearance of goods, various Customs Houses in India have issued notices/instructions:
 - ▶ 24*7 Customs clearances
 - ▶ Nodal Officers identified to facilitate and assist importers, exporters and other stakeholders
 - ▶ Customs Labs to be functional and test results to be made available at the earliest
 - ▶ Waiver of late fees on delayed filing of Bill of Entry for imports from China
 - ▶ Creation of dedicated helpdesk to tackle issues faced by importers and exporters
- ▶ Certain facilities could vary from Custom House to Custom House in India
 - ▶ Due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing applications, reports, any other documents etc., time limit for any compliance under the Customs Act and other allied Laws where the time limit is expiring between 20 March 2020 to 29 June 2020 extended to 30 June 2020.

Customs – Import/export

- ▶ Critical pharmaceutical products and medicines will be given 'green routing' at import to facilitate uninterrupted supply.
- ▶ The export of certain personal protective equipment is subject to the production of an export control licence (in accordance with EU Regulation 2020/402). Irish established exporters should apply in writing to the Trade Licensing and Control Unit in the Department of Business, Enterprise and Innovation (DBEI) if they require an export control licence.
- ▶ Procedures at green lane border crossings should be minimised and streamlined to what is strictly necessary. Checks and screening should be carried out without drivers having to leave their vehicles, and drivers themselves should undergo only minimal checks. Drivers of freight vehicles should not be asked to produce any document other than their identification and driving license and if necessary a letter from the employer. The electronic submission/display of documents should be accepted.

Customs – operational

- ▶ Larger companies are expected to make payments as normal but Revenue will review the position by April 2020 and may extend it more broadly.
- ▶ Any larger businesses experiencing temporary cash flow or trading difficulties should contact and engage with Irish Revenue.
- ▶ All businesses experiencing temporary cash flow difficulties should continue to send in tax returns on time.
- ▶ All debt enforcement activity is suspended until further notice.
- ▶ Application of interest to late payments of VAT suspended for January/February 2020, which effectively acts as a VAT payment deferral.
- ▶ There are currently no government restrictions on manufacturing (except for the new statutory instrument mentioned above regarding export licencing of protective clothing and equipment). Irish ports are currently committed to continuing to support the flow of essential cargoes along with all other supply chain operators in shipping, distribution and haulage sectors.

Government

- ▶ The Department of Foreign Affairs and Trade in Ireland has identified transport workers in the freight and haulage sector, the maritime sector and in aviation as "essential workers" in ensuring the supply of essential goods. They should be able to transport goods internationally, while their health and safety is protected to the greatest extent possible.
- ▶ A €200m Strategic Banking Corporation of Ireland (SBCI) Working Capital scheme for eligible businesses impacted by Covid-19.
- ▶ Microenterprises can access Covid-19 loans of up to €50,000 from MicroFinance Ireland. The terms include a six months interest free and repayment free moratorium, with the loan to then be repaid over the remaining 30 months of the 36-month loan period.
- ▶ The €200m SBCI Covid-19 Working Capital Scheme for eligible businesses will be available within the next week. Maximum loan size will be €1.5 million (first €500,000 unsecured) and the maximum interest rate will be 4%. Applications can be made through the SBCI website at sbci.gov.ie. Eligibility criteria apply.

Temporary restriction on entry of foreign citizens and stateless persons into Russia

- ▶ The Russian Government imposed a temporary restriction on entry of foreign citizens and stateless persons into Russia. These restrictions do not apply, i.a., to personnel involved in international transportation, namely to drivers of automotive vehicles, crews of airplanes, sea and river vessels, train and locomotive brigades. The restrictions are in force from 18 March until 1 May 2020.

Expansion of green channel

- ▶ The Russian Prime Minister instructed to expand the so-called 'green channel' on certain types of socially significant goods. In practice it means that customs clearance of such imported goods will be performed faster with no or minimum of customs inspections at the border.

Reduction or nullification import duties on medical products

- ▶ The Council of the Eurasian Economic Union approved the decision to nullify or reduce import duties on medical products used to prevent and control the spread of Covid-19virus. A specific list of goods is to be agreed by the Union member-countries.

Violation of currency control regulation

- ▶ The Russian Ministry of Finance informed that violation by foreign counterparties of the terms of foreign trade contracts if caused by force majeure (epidemiological situation) can be considered as an evidence that residents are not responsible for violation of currency control regulation. However, each case of violation will be considered separately, taking into account all circumstances.

Customs Duty rebate on importing essential goods

The importation of essential goods will qualify for a full import duty rebate where these goods are imported for the relief of distress of persons impacted by Covid-19. To qualify for the relief, the following should be considered:

- ▶ The importer must obtain a certificate from ITAC that authorises the importer to import specified goods under the specific rebate item (item 412.11)
- ▶ The goods must qualify as essential goods as defined per Regulation R.398. ITAC published a list of products under 81 tariff headings that may qualify for this relief
- ▶ The importer must be registered with SARS customs as an importer and must be registered with CIPC (Companies and Intellectual Property Commission)
- ▶ Applications for a certificate to apply rebate item 412.11 may be submitted to ITAC by email and ITAC estimates that applications will be processed with 24 to 48 hours
- ▶ The goods imported under this rebate item may not be sold or disposed of to any party who is not entitled to any privileges under the item, or removed to Botswana, Lesotho, Namibia or eSwatini without ITAC's permission.
- ▶ The ITAC certificate will not be transferrable between entities
- ▶ The relief will apply to direct importations only and not to goods to be cleared into bond
- ▶ The period during which the importer may import the specified goods under this rebate item will be specified in the ITAC certificate
- ▶ The CEO of the applicant or a duly authorised representative will be required to declare under oath that the goods will be imported for the relief of distress of persons in cases of famine or other national disaster
- ▶ Where non-compliance is detected SARS Customs will take appropriate action, which may include criminal charge, withdrawal of the permit concerned and it may affect future applications for permits
- ▶ Should it be found that the goods imported under this rebate item are used for any purpose, other than for the relief of distress of persons impacted by Covid-19, the applicable customs duty, VAT, penalties and interest will be imposed by SARS

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Regulatory

- ▶ Reduced border controls for Personal Protective Equipment (PPE): masks, gloves, safety glasses, etc. (e.g. pharmaceutical quality control is not needed for specific cases)
- ▶ Flexibility in labelling measures and EU certification for non-medical devices (Personal Protective Equipment (PPE) when sourcing from outside the EU)

Customs

- ▶ Customs clearance could be carried out by any customs officer regardless the Customs Office of entry.
- ▶ The functions and tasks within the scope of the Customs Office will generally be carried out remotely with non-contact means. However, the physical presence of the officials necessary for the provision of certain services will be maintained (e.g. customs clearance).
- ▶ Sealing requirements under transit procedure may be replaced by an accurate and sufficient description of the goods.
- ▶ To streamline the customs procedures, the following measures have been taken:
 - ▶ Issuance by electronic means of Certificates of preferential origin (EUR-1) and ATA carnet.
 - ▶ Preferential use of the "Approved exporter status", avoiding the issuance of certificates of origin. The applications submitted will have priority treatment in their admission and granting.

Excises

Alcohol tax regulations for the production of disinfectants

- ▶ Simplified excise procedures for production of ethyl alcohol and disinfectant:
 - ▶ Increased list of denaturants for production of handgels and disinfectants (in case of using benzalkonium chloride or other authorized denaturant is not possible).
 - ▶ Possibility to produce disinfectants without having filed the necessary tax guarantee.
 - ▶ "Fast track" excise authorization for production of ethyl alcohol and disinfectants.
 - ▶ Relief of formal accompanying documents and procedures (EMCS) at national level.

Customs: Import/Export

- ▶ Customs duty on importation of bulk ethanol that will be used in manufacture of colognes and disinfectants has been decreased to 0%.
- ▶ Additional customs duty collected during importation of ozonotherapy, oxygenotherapy, arotherapy, artificial respiration or other therapeutic respiration devices and of single-use medical masks has been removed.
- ▶ Exportation of the following goods have been subjected to prior permission: Ethanol, Cologne, disinfectants, Protective masks, suits, glasses; hydrogen peroxide, Melt blown Fabrics, Medical masks, Medical sterile/non-sterile gloves, Aprons (used with chemicals).
- ▶ In exportation of goods supplied to market within the scope of Medical Device Regulation such as Ventilators, Ecmo, Cannulas, Intubation, Intensive Care Monitors, it has been stipulated that pre-approval is required by Pharmaceuticals and Medical Devices Agency of Turkey.
- ▶ In order to ensure customs operations of critical goods are carried out swiftly, it has been stated the requests for simplified procedures during importation of these goods are accepted and pre-arrival customs clearance is applied to these goods, until further notice: gloves used in surgery, serum and blood donor set cannula, Intravascular catheters, syringes, respiration devices.
- ▶ According to a letter by Ministry of Agriculture and Forestry, entry into Turkey of animals including exotic animals, amphibious animals, cats, dogs etc. accompanied by passengers or for commercial purposes has been suspended until further notice.
- ▶ According to Communiqué no 2019/1, a "registration document" is required during importation of goods classified under Chapter 64. A risk-based evaluation is carried out using the information in "registration document application form" filled by the importers. Those who do not meet the required criteria in this analysis are requested for further information and documentation. Single-use medical masks have been temporarily excluded from the process of requesting further information/documentation.

Relaxing Regulatory Requirements

- ▶ A letter has been published by Ministry of Trade on Authorized Economic Operator (AEO) responsibilities. With respect to fulfillment of responsibilities by companies, which apply for AEO ed in relevant articles of Regulation on Simplification of Customs Transactions (Regulation) under specific periods:
 - ▶ For responsibilities which arise as of 19 March 2020 according to stipulations of the Regulation, the relevant periods have stopped until further notice and they will continue after the measures are removed.
 - ▶ In the event of situations in which such responsibilities occur after 19 March 2020, the relevant periods will not start until the measures are removed.
- ▶ Durations/deadlines in relation of Inward Processing have been extended.
- ▶ With a view to ensuring that businesses are not harmed, application of administrative fines has been suspended in the case that a transit period is exceeded.
- ▶ An amendment has been made regarding Recycling Contribution Fee. Therefore, return period for Recycling Contribution Fee in 2020 has been set to 6 months. The period is 3 months for the next years.
- ▶ Regime period has been extended to 30 June 2020 for goods subject to Temporary Importation, Processing under Customs Control, Outward Processing regimes and Temporary Exportation transactions and whose regime duration expired on 1 February 2020. No application is required.
- ▶ An information letter has been published on the customs services that can be provided via online systems by Directorate of Customs and Foreign Trade of Istanbul, Turkey. It has been reminded that it is important for importers to continue their operations without contacting the administrations in person as much as possible.

Regulatory

- ▶ Consider if any products are affected, after the expansion of list of medicine banned from parallel export
- ▶ Consider if any products being exported are subject to the production of an export authorisation, in line with Commission Implementing Regulation (EU) 2020/402
- ▶ Monitor the potential changes in import control requirements

Excises

- ▶ Explore duty refunds for excise goods e.g. those unfit for consumption.
- ▶ Consider possibility of expedited procedures for both ethyl alcohol denaturation as well as the production of disinfectants by pharmacists

Customs

Customs Duties and import VAT have been temporarily waived on a list of vital medical products until 31 July 2020

On 31 March 2020 HMRC released Guidance on the relief from import duty and VAT on protective equipment, relevant medical devices or equipment brought into the UK from non-EU countries during the COVID 19 outbreak. This relief is available immediately for state organisations, including state bodies, public bodies and other bodies governed by public law and other authorised non-state bodies and applies to qualifying imported goods. VAT on domestic supplies is not affected by this relief. VAT must be charged and accounted for on the onward sale at the normal rate. The relief applies until 31 July 2020.

Considerations:

- ▶ Accelerate Order to Cash process by ensuring accurate and therefore timely customs clearance
- ▶ Prepare for longer timeframe of HMRC processing Customs authorisations application
- ▶ Maximise cashflow benefit by using deferment account
- ▶ Explore possibility of guarantee reduction and waiver, e.g. through AEO or other VAT/Excise regimes
- ▶ Consider if any rebates or discounts will be anticipated, and the possibility of duty refund
- ▶ Use data and analytics solutions to identify quick cash savings for future imports
- ▶ Utilise FTAs to realise available preference
- ▶ Identify suboptimal classifications and valuations and seek refund
- ▶ Utilise Customs Special Procedures
- ▶ Review master data used for previous submissions to identify any available retrospective duty reclaims, including:
 - ▶ Classification
 - ▶ Valuation
 - ▶ Origin
- ▶ Actively survey Government response measures to identify impacts and opportunities quickly

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