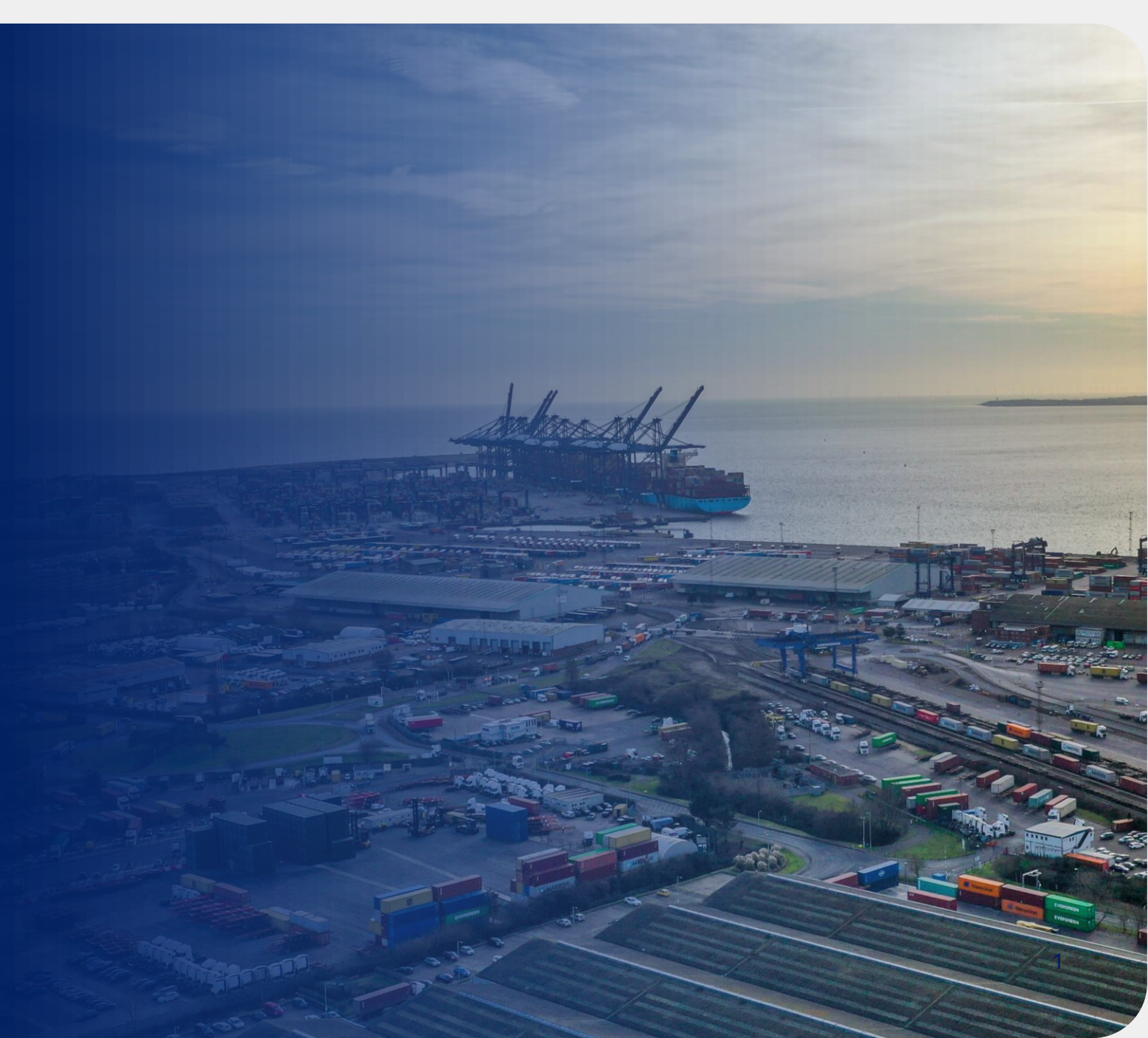


T1: Transit Documents

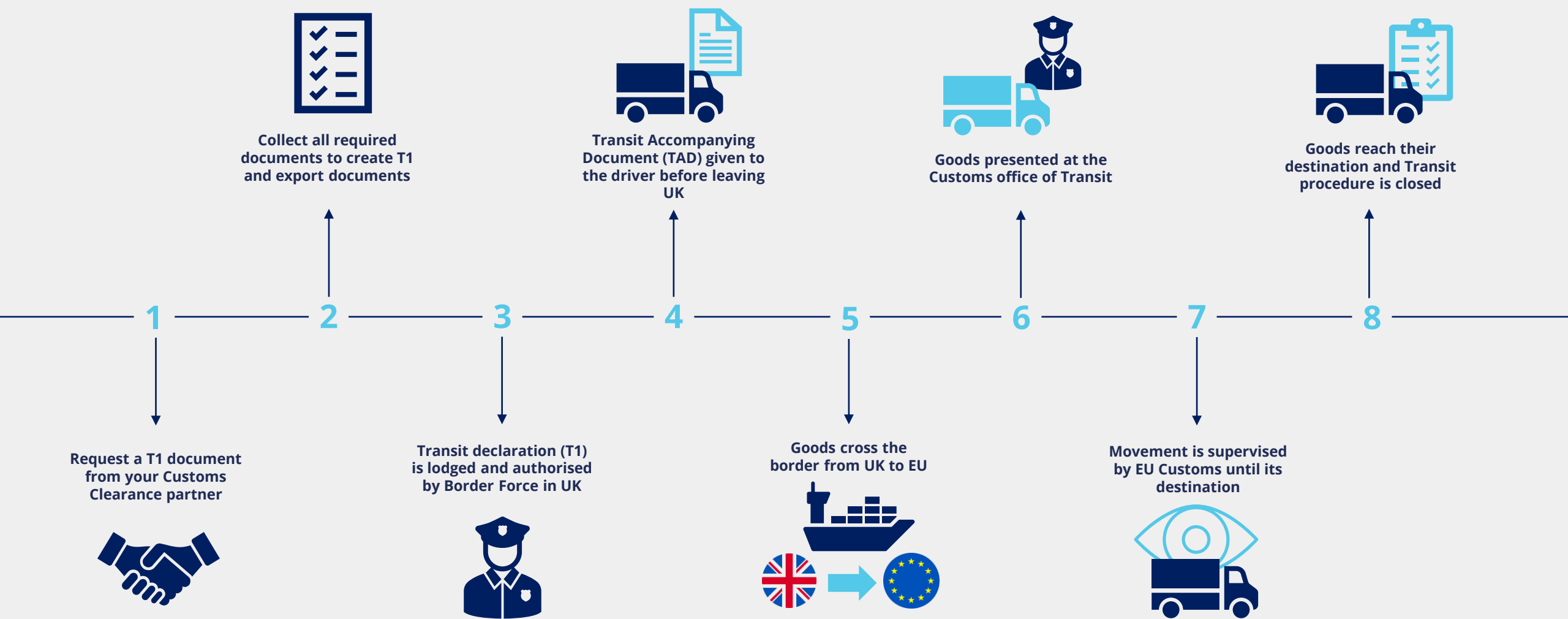
Key information on liability, procedure and responsibility of Burhill Logistics and exporters for successful completion of the Transit Procedure.



Contents

- Transit Process Map
- Burhill's Responsibility
- Exporter/Client's Responsibility
- What is a T1 document?
- What is needed for a T1?
- T1 Liability
- T1 Procedure
- Repercussions for non-compliance

Transit Process Map



Burhill's Responsibility

- As the holder of Customs Guarantee Burhill is responsible for providing the guarantee for any one live transit, to ensure the goods are covered by the procedure until they are discharged at destination.
- Burhill Logistics is responsible for completing the transit documentation using the information provided by the exporter/client and presenting this to customs in a form of electronic declaration. Physical copies will not be issued, as these must be obtained by the drivers at the Border Force office before departure.
- Burhill Logistics are responsible for providing any updates and communication with customs authorities regarding any issues or delays due to system or other errors.
- Burhill will send reminders to all customers, where transit procedures are not finalised within the expected time and encourage customers to provide relevant information to resolve any issues prior to CCTO involvement.
- Where required, Burhill will provide advice and support to ensure smooth completion of the transit procedure.



Client's Responsibility

- It is the client's responsibility to provide all information for Burhill Logistics to issue a transit document upon their request, ensuring information is accurate and complete.
- Clients must notify Burhill Logistics of any changes to the information provided prior to goods departure from UK.
- It is the client's responsibility to relay all instructions provided by Burhill Logistics to the drivers and transport companies to successfully activate the transit procedure.
- It is the client's responsibility to ensure the T1 is discharged at destination within expected time (normally 7-10 days, but on some occasions no longer than 3 weeks).
- Clients must respond to Burhill Logistics where a T1 has not been discharged and provide all information that is required as evidence to CCTO so that T1 can be closed.
- The client will accept all responsibility for payment of any duties and VAT, administration fees and other related charges that may be incurred due to unfinalized transits.

What is a T1 Document?

A T1 document is used for moving goods further inland than France or another sea border of the EU and other countries.

With a T1 document, goods can be moved across borders without the need for import clearance, meaning that import VAT and duty does not need to be paid until the goods reach their destination.

A T1 is an essential part of such movements especially since the UK is no longer a part of the European Union.

What is needed for T1 Document?

- Commercial Invoice
- Packing List
- Transport Documentation
- Any other supporting documentation
- Customs Guarantee – normally this is held by the customs broker completing the T1 and export documentation
- Office of departure from UK, office of transit (first port of entry in EU) and office of destination (where T1 will be discharged)



T1 Liability

- To obtain a T1, the customs documentation and information must be provided at which point Burhill Logistics will be able to begin the process of raising the documents.
- As the Customs Guarantee Holder, is it Burhill who is liable to the payment of duty and VAT in the eyes of HMRC. This is to prevent any misuse of the transit procedure by the UK businesses (exporters), to avoid paying taxes, as the taxes can then be levied on the goods by any country if the T1 is never discharged at the destination.
- If the T1 is not completed at the destination, it will be the guaranteed party (the exporter) who will be contacted by Burhill and will be liable for the taxes that HMRC believe are due.
- The Customs Guarantee only provides a certain amount of monetary cover, so it is important that T1s are correctly closed at the destination, so that the liability can be released.
- Failure to do so, may lead to the guarantee amount to be exhausted and prevent future shipments from being guaranteed, therefore preventing Burhill from providing this service to other customers.

T1 Procedure

- Once the request has been received, Burhill can raise the T1 documents using NCTS5 procedure.
- This is completed electronically; however, the haulier must present the goods to the border force of the port of exit.
- This is then authorised by Border Force and a physical or electronic copy of the T1 is presented, at which point the truck can start its movement.
- A copy of the T1 must always travel with the goods, as customs offices must be able to identify the goods covered by the transit procedure.
- Once the goods have reached the country of destination, they must be presented to the border agency and import clearance must be completed.
- The import clearance agent must declare the T1 documents number (MRN) on their import declaration, as this is proof that duty and VAT has been paid.
- The standard time limit for completion of the T1 is around 7-10 days but can be extended to 2-3 weeks on some occasions.

Repercussions for non-compliance

- If the T1 is not closed at the destination within the allocated time limit, UK customs will begin a process of reclaiming the duty and VAT, which HMRC believe is due on the goods, as the transit procedure has not been finalised.
- **Stage 1**
The Central Community Transit Office (CCTO) will issue a notice to Burhill Logistics, as the Customs Guarantee holder, and request evidence that the T1 has been discharged at destination, so that the T1 can be closed on NCTS5.
- **Stage 2**
If the above evidence is not received within one month of the first notice being issued, the CCTO will issue a "Right to be Heard" notice. This notice will extend the investigation period by another month, as a last chance to provide evidence of T1 procedure completion.
- **Stage 3**
If no evidence has been provided after Stage 2, a C18 demand note will be issued to Burhill Logistics for duty and VAT owed to HMRC. Burhill Logistics will pass these charges over to the exporter due to non-compliance of their clients at destination.