

SLM Insights

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BREXIT ALERT: THE "UK GLOBAL TARIFF" PLAN

The "UK Global Tariff" plan will be approved by the end of the year, to take effect from January 2021, will be set in sterling pounds and provides for the removal of all duties below 2%.

Operators have to put an in depth attention in negotiations with British operators because goods that fall under the same tariff heading both in relation to the Common Tariff and in the UK Global Tariff may have different duty treatments.

In this respect, the same good, with specific characteristics by material or destination, can be classified differently by the Common Tariff and UK Tariff, with the consequence not only of a different duty treatment, but of a complexity of commercial measures and not to be applied or neglected upon entry of the good into the EU or England system.

The new tariff regime will delete duties on imports entering supply chains (copper alloy pipes, screws and bolts) worth a total of £ 30 billion. Duties on "green imports" will be also cut, including renewable energy products such as LED lights and thermostats.

The United Kingdom, on the other hand, will apply duties on products in some strategic sectors, such as agriculture, automotive and fishing. The London plan provides to impose a duty of 10% on cars and set tariffs for beef, butter and poultry.

Moreover, the UK Global Tariff foresees to delete duties on several other products, for which EU tariffs are currently provided (indicated in brackets): Dishwashers (2.7%), Freezers (2.5%), Sanitary products and tampons (6 , 3%), Paints (6.5%) and screwdrivers (2.7%), Mirrors (4%), Garden scissors and shears (4.7%), Padlocks (2.7%), Kitchen products as baking powder (6.1%), yeast (12%), bay leaves (7%), ground thyme (8.5%) and cocoa powder (8%), Christmas trees (2.5%)).

Almost all pharmaceuticals and most medical products (including ventilators) will be duty free. However, some products used to fight COVID-19 will keep a tariff.

However, the British Government has announced that the exemption from duties and VAT applied to these products to challenge the

emergency, if necessary, will be applied even after the entry into force of the UK Global Tariff.



Genova

Via XX Settembre, 14/17
16121 Genova
Tel. +39 010 586841

Milano

Via Agnello, 6/1
20121 Milano
Tel. +39 02 36576390

Venezia

San Polo 720
30125 Venezia
Tel. +39 041 2412865

mail@mordiglia.it
www.mordiglia.it