

Christmas shopping warning

If you are buying Christmas gifts online this year, take care that you are not presented with unexpected VAT, excise duty or customs duty charges before you can take possession of your purchases. HMRC is urging shoppers to consider certain custom's issues before they start browsing to buy gifts online. Otherwise, they may be hit with unexpected customs charges and end up over budget this holiday season.

Changes introduced on 1 January 2021 mean that in the same way that consumers have previously had to pay charges when buying certain items from non-EU sellers, they may now also need to do so when buying goods from the EU.

If buying abroad, HMRC recommend that you check if your order contains goods subject to excise duties, such as tobacco, alcohol, or perfume. Shoppers buying excise goods will need to pay import VAT and excise duty and may also need to pay customs duty.

Check if your order is worth more than £135, before extra costs, such as shipping, and insurance are applied. Anyone buying a more expensive product from abroad – over £135 – will now need to pay import VAT and may need to pay customs duty. The amount due will depend on a range of factors, including shipping and insurance costs so, to avoid surprises, consumers should consult their seller.

Remember there are also new charges if you're sending presents overseas – or if someone abroad sends gifts to you. Above the £39 threshold, import VAT will be due and once the value of the gift reaches £135,

customs duty will also be payable. You could also be charged a "handling fee".

Be aware of how and when you could be notified of charges. Anyone needing to pay customs charges will be contacted by the courier company and asked to pay the charges before they can receive their goods. Alternatively, the seller may arrange to pay any charges upfront on your behalf.

Customs duty won't be due on goods if they meet criteria set out in the EU-UK Trade and Cooperation Agreement and a zero tariff can be correctly applied. The Rules of Origin requirements mean that even if your parcel is valued above £135, if the goods you are buying originate in – or have been sufficiently worked or processed within – the EU, the seller confirms this and the zero tariff is claimed on the customs declaration, you will not need to pay any customs duties although import VAT will still be due.



If customs duty is due, the rate – or the tariff – for each item can be found within the trade tariff tool but it's recommended you check with your seller to find out exactly what you will owe.

We recommend that you check the guidance available - to help shoppers navigate these changes, HMRC has published a simple guide on GOV.UK.

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