

CHAPTER 20

PERSONAL RELIEFS

20.1 Introduction

We have already mentioned that when goods are imported into the EU a **C88** needs to be completed and duty and import VAT must be paid before the goods will be released from Customs. There are, however, a number of '**personal reliefs**' that afford an importer relief from **customs duties**, **sometimes excise duties** and **sometimes VAT** as well. We're going to look at some of them in this chapter.

20.2 Legislation

Most of the personal reliefs that we're going to look at are currently contained in **Regulation 1186/2009**. This codified **Council Regulation 918/83**, which originally contained the reliefs. The new regulation is in essence a re-cast of the original legislation. It was re-written in the interests of clarity because the original regulation had been amended many times over the last 25 years. In the UK, the **Customs & Excise Duties (Personal Reliefs etc) Order of 1992** replicates most of the EU law. The Order is also called **Statutory Instrument 1992/3193**.

Regulation
1186/2009

[Customs &
Excise Duties
\(Personal
Reliefs etc\)
Order 1992
SI 1992/3193](#)

The 'personal reliefs' contained in the EU regulation afford relief from **customs duties**, **agricultural levies** and **CAP charges** and those contained in the UK SI as well as benefiting from relief from the duties we've just mentioned also benefit from **import VAT and excise duty relief**.

20.3 Personal property belonging to persons who are transferring their home from a third country to the Community

Art 3
1186/2009

The first relief that we are going to look at is '**personal property belonging to persons who are transferring their home from a third country to the community**.' You may be thinking that it is strange that the SI is not laid out in 'regulations' but as this is an 'Order' it is laid out in articles.

[Art 11 SI
1992/3193](#)

Illustration 1

Imagine that you live out in Australia and decide to permanently immigrate to the UK. You bring with you your typical household belongings. When you import these personal possessions into the UK, do you have to pay duties and VAT on their import? Provided a number of conditions are satisfied then they will be allowed to enter the community **free of customs duties**, **free of import VAT** and **free of excise duties** as well.

The conditions are that the goods should have been **used outside the community for a minimum of 6 months** and the person should have **lived outside the community for at least a continuous 12 months**. Both of these periods are subject to exceptions.

Relief is **not given for alcohol, tobacco products, commercial means of transport** or articles for use in a **trade**. Relief is usually granted provided the property was either **imported within the 6 months prior** to the person moving to the community, or within the **12 months** after they have moved there.

20.4 Marriage relief

The next personal relief that we are going to look at is goods that are imported as a result of someone getting married.

Art 12
1186/2009

Illustration 2

Again we have the UK and Australia. You are Australian and got married in your home town of Sydney. You have now arrived to live in the UK with your English husband following your wedding. You want to bring over your wedding clothes and you have also been given some presents from people in Australia that you want to send back to the UK. Do you have to pay duties and import VAT when you import these items? Provided you satisfy the conditions of this relief they can be **imported without any duties, import VAT or excise duties**.

[Art 13 SI 1992/3193](#)

The relief covers:

- **wedding clothes** - so this covers our veil, dress, tiara and morning suit; and
- **household effects** - which would appear to cover the chair; and
- **wedding presents**. Wedding gifts sent separately to the UK only benefit from this relief if they do not exceed one **1,000€** or **£800** per donor.

The relief is generally given to someone who has **lived outside the community for a continuous 12 month period** and they need to produce evidence of their marriage at the time of import, for example, their marriage certificate. Relief is **not given for alcohol or tobacco products** and the goods should generally be **imported within the period starting 2 months before the marriage and ending 4 months after it**. Customs may be flexible on time scales.

20.5 Inherited goods relief

Illustration 3

Once again we have the UK with our UK resident individual and we also have Australia where one of our relatives has suddenly died. Under his will we are left some crystal glasses and also a very rare painting. We are going to bring them back to the UK. Do we have to pay duties or VAT? Provided we satisfy the conditions of the relief we **do not have to pay any customs duties, import VAT or excise duties** on import.

Art 17
1186/2009

[Art 21 SI 1992/3193](#)

Relief is not given for every type of product, for instance **alcohol** and **tobacco** products, **commercial means of transport** and articles to be used in a **business**, for instance stock or livestock are excluded. There are some other exceptions and you can read them in the legislation.

In order to obtain relief, the goods should generally be imported **within 2 years after the inheritance** has been finalised. In order to prove that you are inheriting these goods Customs are likely to ask for a copy of the will or other legal document.

Example 1

For each of the reliefs listed, you need to decide which duties do not have to be paid at the time of import. Put an X in the box where the duty is not due.

	Customs Duties	Import VAT	Excise Duties
Importing property on transferring your home from a third country to the UK			
Goods imported on the occasion of marriage			
Goods acquired by inheritance			

20.6 Imported consignments of negligible value

The next relief that we are going to look at is imported consignments of negligible value. This article was amended by Regulation 274/2008. The amendment concerns the value of goods that benefit from relief.

Art 23
1186/2009

Illustration 4

Imagine that you are a UK resident individual and have been looking for Bros' Greatest Hits on cd. Unfortunately, you cannot find it anywhere in the UK, so you look on the internet and find that you can get it from America.

Your CD is going to arrive in the post. Does this mean that you can have it delivered direct to your door without any duties or VAT becoming due? Postal imports are subject to the same types of prohibition, restrictions and duty charges as goods that are imported on arrival at docks or airports. Therefore, at first sight we will still have to pay any duty and VAT due.

However, this relief says that provided our goods are a maximum **150€**, which at current exchange rates would come out at approximately **£135**, then we will **not have to pay any customs duties**. (The €150 limit prior to 1st December 2008 is €22, or approximately £18. So you can see that the limit has been increased quite significantly! Well it was set over 15 years ago!) I definitely think that the cd in the above example will fall well within this limit. Again relief is not given for all types of products. It is not given for alcohol, perfumes or tobacco

products.

Note that the limit has been increased for Customs Duty purposes but not for import VAT.

20.7 Imports of capital goods

Where capital goods are imported on the transfer of activities from a third country to the EU, customs duty relief is given.

It applies where:

1. The activity has ceased in the third country;
2. the goods have been used for at least 12 months before the operation ceased abroad;
3. the goods will be used for the same purpose after the transfer; and
4. the goods are appropriate to the nature and size of the undertaking

Art 28
1186/2009

There are some exclusions from the relief and these are listed in Article 31.

The idea behind the relief is to encourage businesses to operate from the EU. It creates jobs for EU people and helps the economy.

20.8 Consignments sent from one private individual to another

The penultimate relief that we cover is where consignments are sent by one private individual in a non EU country to another in the EU.

Art 25
1186/2009

Illustration 5

We live in the UK and our aunty lives in Australia. She decides to send us a t-shirt for our birthday and posts it to us in the UK. Again, under normal rules, we would have to pay our duties and import VAT.

However, provided the product is of a **non commercial nature**, i.e. it is an occasional import, is used for our personal use or that of our family and no payment has passed between us and our aunty, then duty relief could be available. The duty relief is generally available for a consignment not exceeding **£135**.

For certain goods such as cigarettes, there are also quantitative limits, which you can read in the regulation.

Excise duty relief on unaccompanied goods has been abolished by the Finance Act 2007. However, import VAT relief is available by virtue of Statutory Instrument 1986/939. Here the value of the goods should not exceed £40 (or €45).

[SI 1986/939](#) as amended by [SI 2010/1185](#)

20.9 Goods contained in a traveller's personal luggage

The final personal relief we're going to cover in this chapter is goods contained in traveller's personal luggage.

Art 41
1186/2009

This is covered in Article 41 of the EU regulation. The regulation contains new rules which were introduced from 1st December 2008. The current article now says that goods contained in a person's luggage will be granted duty free admission if they are exempt from VAT and excise duties - in accordance with Council Directive 2007/74/EC. It would include the following example:

[2007/74/EC](#)

Illustration 6

You are a UK resident individual who has been abroad on holiday to Australia. During your holiday you purchased some gifts for you and your family. When you arrive back in the UK, certain goods contained in your luggage, that are of a non commercial nature, i.e. for personal use for you or your family, can be **imported free of duties and VAT**.

There are maximum limits for items such as tobacco and alcoholic products. In a number of cases, the Member State can choose the limit they wish to apply, out of two given. For example, they can exempt either 200 cigarettes or exempt the lower limit of 40 cigarettes. See article 8 for all the limits for tobacco products.

Art 8
[2007/74/EC](#)

Where the goods are not covered by a specific quantitative limit laid down in the Directive, they are granted relief provided that they don't exceed **€300 per person**. This equates to approximately **£270**. This limit was **€175 prior to 1st December 2008**.

SI 1994/955

There are different limits for travellers who arrive by air and sea, and travellers under the age of 15.

Example 2

You need to fill in the blanks with the missing number.

Consignments of negligible value can be imported free of customs duties. 'Negligible' means they have a value not exceeding approximately £.....

Consignments sent by one private individual to another will not incur import VAT, provided their value does not exceed £.....

Goods (other than tobacco/alcohol products etc) contained in a traveller's personal luggage can be imported free of duties and import VAT if they have a maximum value of approximately £..... (Assume the person is not travelling by air or sea.)

Answer 1

	Customs Duties	Import VAT	Excise Duties
Importing property on transferring your home from a third country to the UK	X	X	X
Goods imported on the occasion of marriage	X	X	X
Goods acquired by inheritance	X	X	X

Answer 2

Consignments of negligible value can be imported free of customs duties. 'Negligible' means they have a value not exceeding approximately **£135**.

Consignments sent by one private individual to another will not incur import VAT, provided their value does not exceed **£40**.

Goods (other than tobacco/alcohol products etc) contained in a traveller's personal luggage can be imported free of duties and import VAT if they have a maximum value of approximately **£270**. (Assuming the person did not travel by air or sea.