



TRADE ALERT —

CUSTOMS ROUNDUP: 2025/26



The customs developments your business needs to be aware of and preparing for in 2025/26

Agenda —

The international trade environment is anticipated to become increasingly challenging this year, with growing regulatory complexity, heightened trade tensions, and the potential extension of trade sanctions and controls.

In light of these developments, it will be crucial for businesses to fully understand their responsibilities and implement a robust international trade compliance strategy.



01 Starting Strong

What to expect during the first half of 2025

02 Less is More

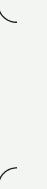
How to prepare for the final two quarters of 2025

03 On the Horizon

Other policy developments and what is on the cards for 2026

04 Our Support

How BKR can support you in 2025/26



Starting Strong —

What to expect during the first half of 2025.

2025 is anticipated to host several key technology and system changes, kicking off in January when the UK implements the upgraded version of the New Computerised Transit System (NCTS), in an attempt to streamline ever increasing transit operations, whilst enhancing security.

Further changes will shortly follow, with import S&S (Safety & Security) declarations becoming mandatory on all EU imports and bringing the UK into alignment with international standards. Exporters must also prepare for the removal of waiver codes in CDS (Customs Declaration Service), likely requiring more information to be provided to their appointed customs agents.

Changes in Northern Ireland are intended to take effect under the Windsor Framework Agreement at the end of the first quarter and will apply to all freight and parcel movements between GB and NI.

The EU will also complete the second phase of its Import Control System 2 (ICS2), optimising customs risk management and pre-arrival processes for maritime movements.

Collectively, the first quarter of 2025 encompasses some significant steps in modernising customs procedures and enhancing trade compliance across the UK and EU.

21st January 2025

UK authorities and software providers must have implemented the upgraded requirements for NCTS-5

31st January 2025

After several previous delays, S&S Declarations will be required on all GB imports from the European Union

31st January 2025

Waiver codes will be removed from CDS, requiring additional document statements on all export declarations

31st March 2025

New arrangements for freight and parcel movements take effect in Northern Ireland

1st April 2025

The second phase of ICS2 will be implemented for all EU maritime movements

NCTS Phase 5 reaches the Final State Rules deadline on the 21st January 2025

NCTS-5 was implemented in GB 1st July 2024 (28th June in Northern Ireland). Upgrading to NCTS-5 is a legal requirement of all *Common Transit Convention (CTC)* member countries. The upgrade should offer improved functionality, the full benefits becoming available once every CTC member country is using NCTS-5.

All member countries of the Common Transit Convention (CTC) should introduce the final new features of NCTS-5, known as the *Final State Rules*, by **21st January 2025**.

Traders/declarants need to check with their software provider regarding readiness, and familiarise themselves with the changes that will be in effect from 21 January 2025. These can be found on the [Transit newsletter](#) page on Gov.uk and are summarised below.

- Removal of the mandatory requirement for a paper Transit Accompanying Document (TAD).
- Electronic presentation of movement reference number (MRN), which can be held on a phone/tablet or other electronic means.
- Commodity codes to be mandatory for all goods in transit.
- Pre-lodged declarations to be amendable before final submission.
- Multiple 'house' consignments. Up to 99x house consignments, each with 999x line items, within 1 declaration.
- *Office of Incident*. The ability to report incidents en route, to a customs office, for real-time reporting directly into NCTS5.

Traders/declarants who use the free-to-use web portal on the Government Gateway should note that this will automatically be updated to reflect the above changes, at the implementation date/time.

01



Safety & Security Declarations will apply to EU import movements to GB from the **31st January 2025**

Despite numerous deadline extensions, as things stand, from 31 January 2025, EU imports into Great Britain (GB) will require safety and security declarations. For the detail [see here](#).

While safety and security (S&S) declarations are already required to be submitted for exports from GB to the EU, and for imports into GB from non-EU countries, the much-postponed implementation in relation to imports into GB from the EU has been scheduled for the end of January. This should close a gap in the authorities' cross-border administration of the UK's international trade, providing H.M. Revenue & Customs (HMRC) in particular with additional information for control and intervention purposes.

HMRC informs that the legal requirement to submit the S&S declaration (aka. ENS declaration) rests with the carrier e.g. international haulier (the operator of the active means of transport on or in which the goods are brought into the customs territory). The carrier may however use a representative or third party to meet their filing obligations. The data must be submitted in advance using an IT platform called 'S&S GB'.

Whilst most importers will not have to make any changes, new surcharges are likely and could be passed downstream by European transport providers who bear these new responsibilities.

Waiver code '999L' is to be permanently removed from CDS for export declarations on the **31st January 2025**

The '999L' export measure waiver document code is scheduled to be permanently removed for use on export declarations on 31st January 2025. If the 999L waiver document code is used for exports after 31 January 2025, the declaration will not be accepted (including pre-lodged declarations 'arrived' after that date), and goods will be delayed at the border.

Instead, the new national waiver codes published in the UK Tariff on Gov.UK should be used when submitting export declarations.

Further information about these national waiver document codes, including how to use them, is available on GOV.UK. Note that waivers can be added or amended to align with legislation.

What does this mean for exporters?

The removal of waiver codes will mean the customs agent is required to provide statements to HMRC regarding the nature and intended use of the goods. This will mean more information is needed when goods are declared for export, which will need to be provided by the exporter of the goods.



EU Alignment —

01

ICS2 to be deployed for all maritime imports from the **1st April 2025**

The European Union is amidst implementing a new customs pre-arrival security and safety programme, underpinned by a large-scale advance cargo safety and security information declaration system – *Import Control System 2 (ICS2)*. The programme is one of the main contributors towards establishing an integrated EU approach to reinforce customs risk management under their common risk management framework (CRMF). This pre-arrival security and safety programme is to support effective risk-based customs controls whilst facilitating the free flow of legitimate trade across the EU external borders.

Implementation dates for ICS 2 have been revised for surface freight transport modes, due to the significant issues encountered during implementation for EU air freight, which have extended the introduction period. The revised dates by which surface freight transport modes are to implement ICS2 are as follows: **Maritime** House level filers 1st April 2025. **Road / Rail** – 1st September 2025.

New arrangements for the treatment of freight and parcel movements between GB and NI take effect on the **31st March 2025**

The new arrangements under the *Windsor* Framework concerning Northern Ireland, for parcels and freight movements, postponed from 30 September 2024, are currently scheduled to take effect later this year, details to be made available by HMRC in due course. However, HMRC has stated on the record that **businesses should be fully prepared for them by 31 March 2025**.

The proposed new arrangements under the Windsor Framework are to reflect the different types of freight / parcel movements being made. Information provision requirements are also likely to vary dependent on movement type, carrier and the distribution channel used. A carrier is defined for the purpose as the operator who moves freight / parcels from Great Britain to Northern Ireland.

Further information can be obtained from the *Northern Ireland Stakeholder Engagement Team* at: nistakeholderengagementteam@hmrc.gov.uk

Less Is More —



There are several key customs and regulatory changes already set for the second half of 2025.

From 1st July, DEFRA (the Department for Environmental, Food and Rural Affairs) will introduce Sanitary and Phytosanitary (SPS) checks on medium-risk fruit and vegetables entering the UK, further enhancing the UK's new biosecurity protocols.

The New Computerised Transit System (NCTS) will see further updates, with the NCTS-6 deployment required by 1st September.

On 30th December, the EU will extend the existing Deforestation Regulations to mandate businesses to prove that products like coffee, soya, and timber are not linked to deforestation. These measures further emphasise stricter environmental standards, improved trade controls, and enhanced supply chain transparency and are anticipated to transform the way businesses view their supply chain's and manufacturing processes.

1st July 2025

DEFRA's deadline for SPS checks on medium-risk fruit and vegetable products will take effect

1st September 2025

NCTS-5 quickly progresses to NCTS-6 as further developments are introduced

30th December 2025

Preparation for the EU's Deforestation Regulations (EUDR) will be one of the final actions of the year for large businesses

DEFRA to introduce SPS checks on all 'medium-risk' fruit and vegetable products from the **1st July 2025**

The Department for Environment, Farming and Rural Affairs (DEFRA) has informed that planned checks on medium-risk fruit and vegetable products imported from the EU into the GB, would be postponed until **1st July 2025**. The checks were originally meant to come in on 30 October last year. However, an *easement* was introduced pushing it back until January, subsequently extended to mid-2025.

The easement is a temporary measure to ensure that the new UK government had a reasonable opportunity to review the planned implementation of these further border controls, informed by listening to the views of relevant businesses. This may result in changes to the risk categorisation for some produce or indeed deregulation based on a review of relevant science. If so such changes are likely to come into effect by the end of January.

DEFRA is to continue its reportedly systematic, proactive screening of potential new and emerging biosecurity risks, alongside maintaining its current approach to changes in risk levels via surveillance, enhanced inspection, regulation, import controls, research and awareness raising.



Further development of the 'New' Computerised Transit System as NCTS Phase 6 is launched on the **1st September 2025**

The implementation of NCTS-6 is planned for September, on the assumption that the NCTS-5 implementation will have been successfully completed some months earlier.

NCTS-6 will introduce certain changes to messaging data / structures and some changes to the Office of Transit process i.e. the addition of a new Office of Transit (OoT) statement: 'Arrival accepted at the OoT', and a separation between goods arriving at the office of transit and subsequently being approved or declined passage across the border. However, it is HMRC's intention that border processes will remain unchanged for businesses.

In addition, optionally, NCTS-6 allows Common Transit Convention contracting parties to offer transit users the facility to make a combined safety and security (S&S) and transit declaration, known as a TSAD. HMRC has said that the UK will not exercise this option, but that it has reserved the right to do so at a future date. Apparently this is to simplify the IT build and thereby reduce its cost and time-frame so as to deliver the core elements of NCTS-6 in time to comply with the 1st September deadline. HMRC intends to consult with stakeholders regarding any future TSAD opt-in.

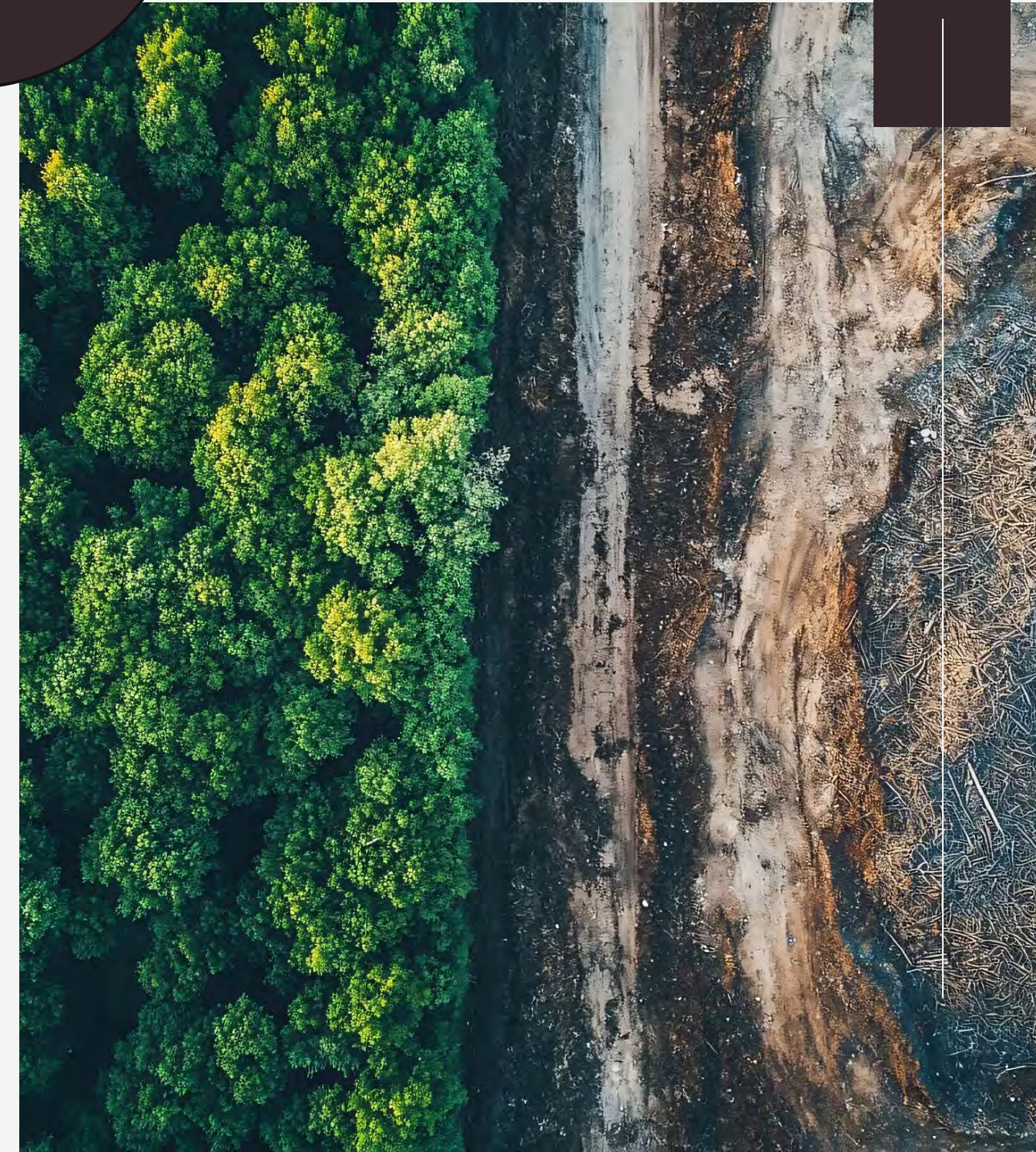
Large businesses prepare as the EU's Deforestation Regulations (EUDR) approaches the amended deadline set for **30th December 2025**.

[EU Deforestation Regulation \(EUDR\)](#) seeks to ensure that the products EU citizens consume do not contribute to global deforestation or forest degradation. The regulation aims to address the issue of *deforestation / forestry degradation* and indirectly, that of climate change and bio-diversity loss, by reducing EU consumption of relevant commodities and the production of linked goods and services.

For businesses dealing in goods within the scope of the EUDR, this will mean putting due diligence processes in place that will allow them to collect information and documentation showing that their products are *deforestation-free*. Companies need to assess whether there is a risk that their products are non-compliant and, if so, adopt risk mitigation measures, if this risk exists.

While the EUDR rules were set to apply for medium and large operators / traders as of 30th December 2024, this date has now been moved to 30th December 2025 for large companies and 30th June 2026 for small companies.

This postponement will give businesses extra time to prepare and to get ahead of the compliance requirement.



On The Horizon —

What else to expect during 2025 and what may need your attention in preparation for 2026...

The back end of 2025 and beginning of 2026 is already looking like a challenging time for businesses, with numerous regulatory and policy changes in the pipeline.

The presidential election result in the US is considered highly likely to prompt a conversation on the US's plans to implement new trade measures and tariffs aimed at protecting domestic industries and addressing global trade imbalances.

UK policymakers will also begin defining their plan to introduce the UK version of the EU's Carbon Border Adjustment Mechanism (CBAM) regulations, targeting certain carbon-intensive imports to support climate change goals. Similarly, the EU intend to roll out their Digital Product Passport (DPP) requirements, entailing detailed product data to enhance economic sustainability and supply-chain transparency.

Positively, both the UK and EU have already established numerous new free trade agreements, expanding market access and reducing barriers.

Collectively these developments highlight a focus on sustainability, digitalisation, and global trade expansion in customs policies which will inevitably create challenges for traders and bring about significant changes to existing supply chains.



US Trade Measures

There is a reason the search term "tariff" spiked by more than 1,650% shortly after the end of the US presidential election

UK Carbon Border Adjustment Mechanism (CBAM)

Trailing the EU's implementation during 2024, the UK is expected to publish more details in preparation for 2027.

Digital Product Passports (DPP)

With an introduction as early as 2027, many traders eagerly await further instruction from EU policymakers

Free Trade Updates

New and revised free trade agreements intend to bring new opportunities to UK and EU traders in global markets

US Tariffs —

The rhetoric of the incoming Administration has led to significant concerns being expressed about the prospects for international **trade tariff levels** and growth going forward.

President elect Trump has expressed his high regard for the efficacy of the *tariff* as a trade policy instrument and has variously stated his intention to significantly raise U.S. tariffs as part of his general 'America First' approach to policy-making.

03

01

Additional tariffs on Chinese, Mexican and Canadian goods

The tariffs spoken of to date are an additional 10% across the board for goods of China origin and 25% for those of Canada or Mexico origin. Apart from tariff retaliation on the part of the countries affected, China may seek to invoke the WTO dispute settlement mechanism, whilst Canada and Mexico will likely seek to invoke that of their relevant free trade agreement with the USA. In response the U.S. Govt. may seek to rely on the national security exception provisions in both cases.

Particular concern expressed by the incoming administration about the rise of China may well result in **additional trade measures** over and above increased tariffs and the restrictions already in place for certain products.

02

Adjustments to the De Minimis threshold

In addition, it seems likely that the proposed measures of the Biden administration to tackle the apparent abuse of the **de minimis exemption** (US\$800 or less) for shipments entering the USA, of products considered unsafe or believed to be being unfairly traded, generated in particular by China founded e-commerce platforms, will be carried forward and implemented in some form or other this year. The U.S. authorities are looking to strengthen efforts to target and block shipments that break U.S. law, for example, around health and safety, intellectual property rights, product standards, the circumvention of trade rules, drug smuggling and so on.

The concern is that the type and volume of shipments entering the U.S. market claiming the *de minimus exemption*, put American consumers at risk and undermine local employment and businesses. This is because of the ease with which they can be imported, the limited information permitted to be declared, and the fact that they are not subject to the usual import duties and taxes. The U.S. Congress has been urged to legislate to reform the *exemption*. The latest proposals have recently been published for comment in the U.S. Federal Register (see [HERE](#)).

Ongoing Developments —

03

Preparation for the UK Carbon Border Adjustment Mechanism (UK-CBAM)

In its Autumn Budget the UK Government confirmed its intention to introduce a CBAM on **1st January 2027**. This will place a carbon price on goods imported to the UK from the aluminium, cement, fertilizer, hydrogen, iron, and steel sectors, as part of UK decarbonization efforts to reduce global emissions. The glass and ceramics sectors may be included later depending on the outcome of further government consultations with industry.

The value of the minimum registration threshold is to be increased from £10k to £50k, so only businesses importing £50,000 or more of CBAM goods over a 12-month period will need to comply with the UK CBAM.

Government CBAM policy is still under development and further details on next steps can be found within the [Government Response](#) to its policy consultation.

To stay informed of policy developments you can contact cbampolicyteam@hmrc.gov.uk to be added to the mailing list.

Products destined for the EU to carry a Digital Product Passport (DPP) from as early as 2027

As part of efforts to counter climate change and to reduce pressures on the natural environment, the EU's new [Eco-design for Sustainable Products Regulation](#) (ESPR) of last summer foresees the introduction of passports for traded goods, possibly as early as **2027**, with the clothing, footwear, consumer electronics and metals product groups likely to feature early in its adoption.

The DPP will be a *data carrier*, a unique electronically scannable identification code on some form of label/tag. A repository of all the requisite data concerning the product to which it is affixed, containing information such as its: material composition and origin, manufacturing process, environmental performance, supply-chain (the details / unique identifiers of each party), customs commodity code, related economic operator registration and identification (EORI) number, compliance documentation etc.

The initiative could prove a *game-changer* for companies' relationships with their customers and regulators, and with wider society, given the increased scrutiny and raised expectations DPPs are likely to generate, for example, around commitment to the proposed new *circular economy* approach.

For more detail click [HERE](#).

Free Trade Updates —

Despite the negativity of recent discussions around trade tariffs and duties, both the EU and UK have announced brand new and amendments to existing free-trade agreements (FTAs), creating preferential trade opportunities in several new global markets.

FTAs are intended to lower costs for businesses and consumers by reducing tariffs and making goods and services more affordable within trading partners' territories.

01

The Pan-Euro Mediterranean revised rules of origin

The Regional Convention on pan-Euro-Mediterranean preferential rules of origin (PEM Convention) was agreed in 2012 and established *common rules of origin* and cumulation among the PEM contracting parties and the EU to facilitate trade and integrate supply-chains across the area.

The contracting parties to the PEM Convention are: EU, EFTA (Switzerland, Norway, Iceland, and Liechtenstein), Faroe Islands, Algeria, Egypt, Israel, Jordan, Palestine, Lebanon, Morocco, Syria, Tunisia, Turkey, Albania, Bosnia & Herzegovina, North Macedonia, Montenegro, Serbia, Kosovo, Moldova, Georgia, and Ukraine.

The Convention has been revised, including its *rules of origin*, and these now apply transitionally on a bilateral basis with most of the PEM countries (except the few PEM countries still to ratify the revised convention). The Revised PEM Convention is effective from **1st January 2025**.

Until 1st January 2026, the two sets of alternative rules of origin will apply in the PEM area, allowing companies to elect to use either set. Proofs of origin issued before 1st January 2025 will still be valid if goods are in transit or under customs supervision on that date. Companies using the revised rules must indicate 'REVISED RULES' on proofs of origin by 31 December 2025. From **1st January 2026**, only the revised rules of origin will apply (the revised PEM Convention).

1. [The rules of origin of the PEM convention](#)
2. [The revised rules of origin of the PEM Convention](#)

These revised rules are said to be simplified and modernised rules of origin when compared with those of the 2012 PEM Convention (the product specific rules are more flexible and provisions on cumulation, duty drawback, tolerance and the transport conditions have been relaxed).

More information and the detail on the 2012 PEM Convention and its revision can be found [HERE](#) and [HERE](#).

03

Free Trade Updates —

02

Introduction of the EU-Mercosur Agreement brings new opportunities to trade in South American markets

On 6th December the European Union and four *Mercosur* countries – Argentina, Brazil, Paraguay and Uruguay – reached political agreement on proceeding with a new EU-Mercosur partnership agreement, covering political, co-operative, and trade aspects of the renewed relationship.

The end of negotiations constitutes the first step in the process towards conclusion of the agreement. The official documents will be published online shortly.

Following final legal polishing by both sides, the text will be translated into all official EU languages, and then submitted to the EU Council and Parliament.

Further information on the agreement can be found [Here](#) and [Here](#)

03

December's announcement brings new possibilities for UK traders under the CPTPP agreement

During December 2024, it was announced that the UK had acceded to the ***Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)***, a free trade agreement for products and services linking the following contracting countries: UK, Canada*, Australia, New Zealand, Japan, Malaysia, Singapore, Vietnam, Chile, Peru, Mexico*, and Brunei (*still to ratify UK accession).

Although this agreement will overlap with the UK's existing bilateral FTAs with a number of these countries, there is still opportunity in it for UK businesses to capitalise on.

The new agreement should greatly ease market access for traded goods and services between these countries, acting as a welcome spur to economic growth at a time when there is rising concern about the prospect of tariff walls going up between a number of significant trading partners. The CPTPP may offer a refreshing alternative to such for some businesses, in some cases possibly providing timely new options for diversifying sourcing, and for supplying certain markets differently.

UK traders have been able to trade with most of the CPTPP countries under the agreement from 15th December, with Australia applying from the 24th December, and likely with Canada and Mexico taking effect from early 2025. Once a CPTPP Party ratifies the UK's accession, the agreement can be expected to be applied with that Party 60 days later.

Further detail on the CPTTP can be found [Here](#)

Our Support —

Don't face these **challenges** alone...

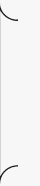
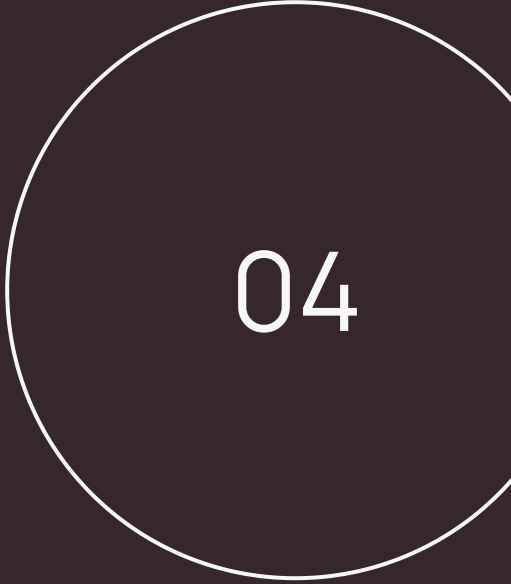
The international trade landscape would seem set to be becoming even more challenging this year, with likely **increased regulatory complexity and pressures, spill over from rising trade tensions and the continuance and possible extension of trade sanctions and controls to contend with.**

Given this, it will be particularly important for businesses to be clear about their responsibilities and to operate to an effective international trade compliance strategy.

This being so, we urge anyone concerned by, or endeavouring to make a start on their preparations for 2025 to contact their BKR representatives for further support.

Customs & International Trade Compliance Assessment

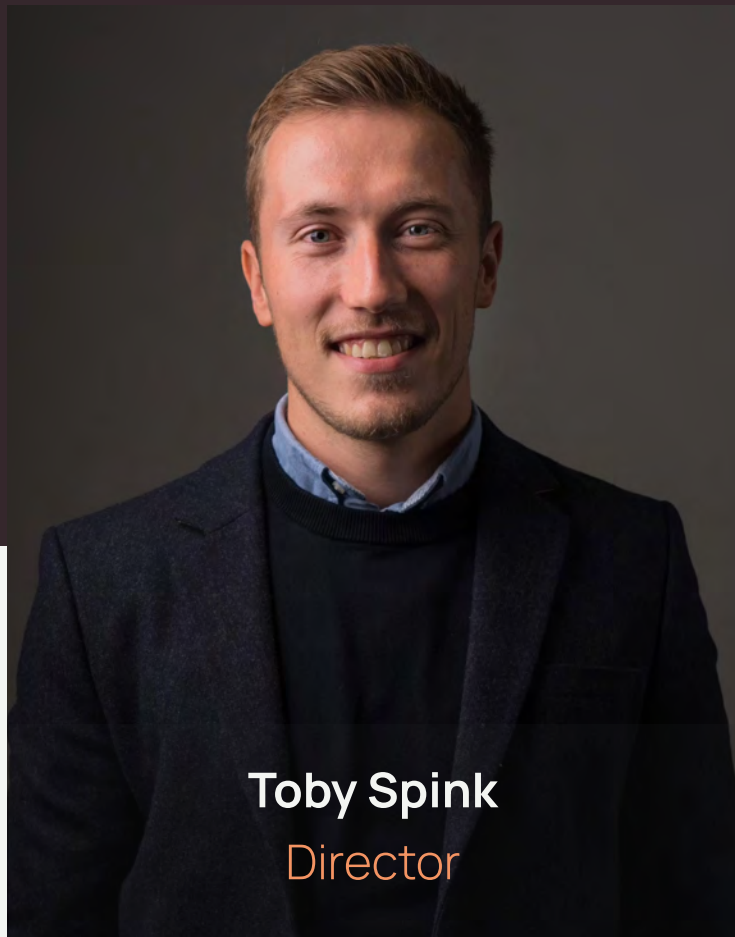
The beginning of the year is the perfect time to undergo a **Customs and International Trade Compliance Assessment**. This proactive step will not only ensure your customs operations are maintained in good shape but will likely also provide you with some strategic insights to help you adapt to the evolving trade landscape. By identifying opportunities and addressing potential challenges, BKR can help you navigate the complexities of the 2025/26 trade landscape and drive your business toward profitable growth.



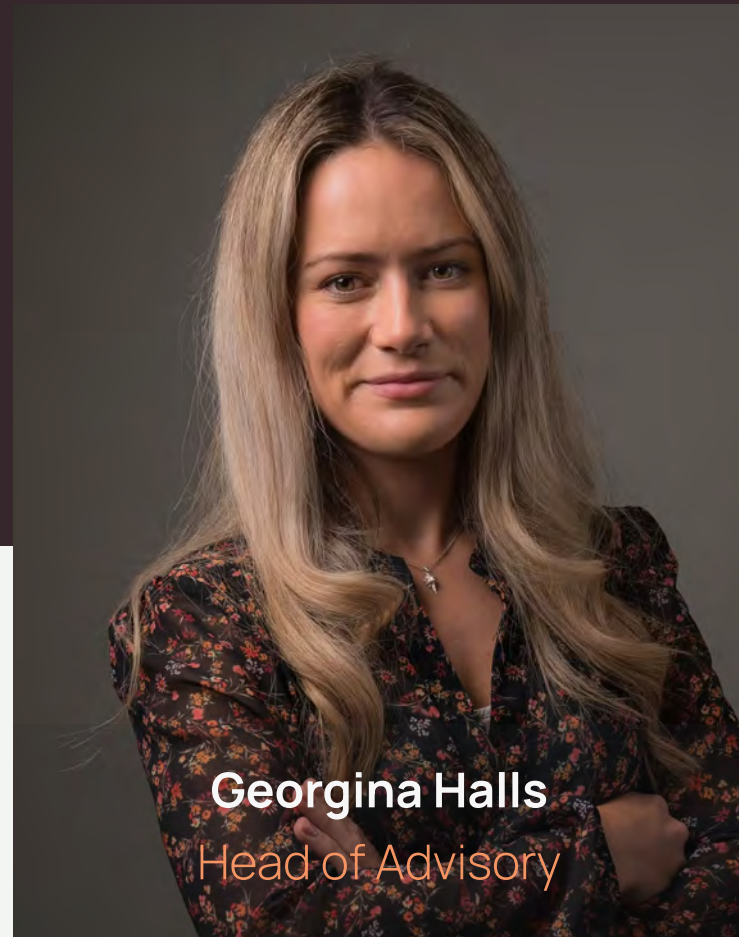
Say Hello —

BKR Consultants Ltd specialises in providing expert advice on customs clearance, trade compliance, duty management, and supply chain optimization.

Our primary objective is to assist clients in minimising import duty costs while ensuring robust compliance with regulations. We deliver strategic guidance and utilise specialised resources to address the complexities of international trade, offering capabilities that many businesses find challenging to develop internally.



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