



**TRADE FORWARD**  
SOUTHERN AFRICA

# KNOWLEDGE GUIDE SERIES

## Better understanding the UK Tariff Schedule



### What this Knowledge Guide covers

- 1 What is the UK Tariff Schedule, and what is new?
- 2 What information is required for a trader to establish the correct UK import tariff?
- 3 What is the Harmonized System classification system?
- 4 How does a trader access the UK global tariff schedule online?
- 5 Practical example: A product made in a SACU+M country

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### 1 Background to the UK Tariff Schedule and the new tariff regime

When the United Kingdom (UK) left the European Union (EU), it was no longer bound by the provisions of the EU common external tariff (CET). The UK has developed a new tariff schedule based on its own needs while also legally incorporating any concessions that it offered to the UK's preferential trade partners. While the EU's common external tariff continued to apply during the transition period of the UK's withdrawal from the EU customs area, the UK's own new tariff regime, first published in May 2020 and known as the **UK Global Tariff (UKGT)**, became effective and applicable to imports into the UK from 1 January 2021 onwards.

### The UK Global Tariff (UKGT) is the UK's new general tariff schedule, and replaces relevant provisions of the EU's Common External Tariff, on imports into the UK

The schedule contains the rates of duty applicable to **general** imports into the UK on standard trade terms - also known as the 'Most-Favoured-Nation' basis - and involving trade with other WTO Member States on a non-preferential basis. Goods that qualify for trade preferences under a trade agreement (such as the **UK-SACU+M Economic Partnership Agreement - EPA**) and which fulfil the **rules of origin** requirements, are not subject to the UKGT, but have their own import tariff (in most instances duty-free).

The UKGT features elements of tariff **simplification, reduction, elimination** and **technical adjustments**, compared to the UK's previous tariff regime

**The UK-SACU+M EPA and the UKGT:  
How do they relate?**

#### TARIFF REDUCTIONS

Apart from the tariff eliminations, a dozen tariff lines have been reduced from 21% to a new 10% tariff in the UKGT.

**21 to  
10%**

#### SIMPLIFICATION

The UKGT has simplified around 40% of tariff lines (e.g. through rounding down to the nearest standardised tariff band, or converting from specific duties into simple percentages). It also abolishes the 'Meursing' table used by the EU (which applies additional duties on food products according to the level of four ingredients - sucrose, starch, milk fat and milk protein).

**40%**

### What is different in the UKGT?

#### TECHNICAL ADJUSTMENTS

Technical adjustments include changing specific duties (10% of tariff lines) expressed in Euro to Pounds, and rounding these down.

**10%**

#### TARIFF ELIMINATION

Applicable to approximately 2,000 tariff lines (representing a 17% share of the total), 'nuisance tariffs' of 2% or less have been removed from the UKGT.

**2,000**

- The UKGT is the UK's **general** tariff schedule, applicable to all imports that **do not** enter the UK on a preferential basis.

The UKGT does **not** apply to UK imports from Botswana, Eswatini, Lesotho, Mozambique, Namibia, South Africa **if the following two conditions are fulfilled**:

- The product must be **eligible** for preferences under the agreement (EPA). Almost every product is EPA eligible
- The product must **originate** in the **SACU+M** countries in line with the **Rules of Origin** provisions

## 2 How does a trader establish the correct UK import tariff?

- The UKGT relates to general, **non-preferential** imports into the UK. Trade under **preferential** trade agreements (such as the UK - SACU+M EPA) is subject to lower, and mostly zero, tariffs on importation into the UK.

### ▼ The correct classification code of the product

International trade in goods requires that each product is correctly classified according to its unique tariff code. The **UKGT** generally sets tariffs at the 8 or 10-digit classification level, and a trader must choose the correct classification code at this level for the product concerned. Online tools (**such as the UK government's commodity code and tariff lookup tool**) can help traders with this task. Identifying the correct tariff classification can, at times, be a complex undertaking, but it is nevertheless essential that the correct classification code is established as this forms an important component in all international trade transactions. Incorrect classification codes could result in costly hold-ups, rejection, fines and other consequences at the border.

### ▼ The origin status of the product

The **UKGT** applies to general countries with which the UK does not have a preferential trade arrangement, **or** which do not meet the relevant local origin criteria to be able to claim preferential market access. The correct 'economic' origin of a product is determined by applying the relevant Rules of Origin criteria applicable to preferential trade between the UK and the exporting country, for example, the **UK-SACU+M EPA**. A product that 'originates' in a SACU+M country will then qualify for a tariff that is different (and generally duty-free) compared to the UKGT. Both the UKGT and the preferential tariff can be accessed by using the UK's tariff lookup tool.

► Also find the link on the TFSA Hub Website: [tfsouthernafrica.org](https://tfsouthernafrica.org)

## 3 What is the 'Harmonized System'?

### Why is it needed in international trade?

- ⊙ The Harmonized Commodity Description and Coding System (generally referred to as the Harmonized System, or 'HS') is a **product classification system** developed by the World Customs Organisation (WCO) and used globally, having been adopted by most customs authorities around the world.
- ⊙ It is used for the determination of customs tariffs, the recording of trade data, along with numerous other measures such as trade quotas, trade remedies and other trade restrictions, labeling requirements, the specification of rules of origin, and other purposes.
- ⊙ The HS coding system divides goods into 21 high level chapters (product groups), which in turn contain headings (4-digits), sub-headings (6-digits) and so forth.
- ⊙ The system is harmonised globally up to the 6-digit level, with the WCO publishing periodic updates (every 5 years, and adopted by countries' customs bodies). Beyond this 6-digit level of classification, countries further differentiate products at the 8-digit or 10-digit level according to their own needs, including for customs tariff and other trade-related purposes.
- ⊙ Customs tariffs are typically set at the 8-digit level and traders must familiarise themselves with the correct classification at this HS level as used by the importing country, rather than what may be in use in the exporting country (or any third country).

## 4 How does a trader access the UK classification code and tariff lookup tool?

An **online tool** allows traders to correctly identify the **product classification** for any goods being imported into the UK, and to look up the applicable **UK import tariff**, irrespective of whether the UKGT or the preferential tariff under the **UK-SACU+M EPA** applies to such trade.

UK Tariffs and Codes



Scan code with phone

► [www.trade-tariff.service.gov.uk/sections](https://www.trade-tariff.service.gov.uk/sections) GO

or [bit.ly/UK-tariffs](https://bit.ly/UK-tariffs) GO

## 5 Practical example: exporting leather shoes made in a SACU+M country

A producer of leather shoes in Botswana wishes to start exporting, but is uncertain of the applicable HS classification code and possible import tariffs into the UK. The shoes are assembled in Botswana using local materials, except for the rubber soles which are produced in South Africa, and sourced from there. Using the UK's online classification code and tariff lookup tool, the producer is able to identify the correct HS tariff classification code for the product, and determine that the product may be exported to the UK duty-free under the UK-SACU+M EPA (an 8% advantage compared to the UKGT), provided that the product is of SACU+M origin.

► The **Rules of Origin** drop-down menu in the **online tool** also sets out the prescribed local processing criteria to confer origin status.

### ○ Know your product

Ascertain the defining characteristics of the product concerned. In this example, the product involves 'veldskoen' leather shoes, constructed out of a leather upper, and a rubber sole. Confirm that your intended destination market forms part of the UK (England, Wales, Scotland or Northern Ireland).

2

Navigate to the **UK Tariff Online Tool** (link above) and enter the 8-digit tariff classification code of your product. If the HS code is not yet known, input a relevant **keyword** such as "shoe" in the search field or navigate to the relevant product commodity code by using the product sections and headings in the drop-down menus.

○ Use the online UK Tariff Tool (link and QR code above)

### ○ Establish the correct HS code

This will lead to:

► **Section XII - Footwear**  
→ **HS 6403**

Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather

→ **HS 640351**

Other footwear with outer soles of leather

→ **HS 64035111**

Covering the ankle but no part of the calf, with insoles of a length of less than 24cm

4

After establishing the product's HS classification code, the **UK Tariff Online Tool** will help navigate the user to the applicable tariff.

○ For shoes of HS code **6403511100**:

- **UKGT**: 8% duty
- **GSP**: 4.5% duty
- **UK-SACU+M EPA**: 0% / Duty-free

○ Confirm duties, RoO, VAT