

TSS User Guides

Merchandise in Baggage



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HM Revenue
& Customs



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If there are any words or acronyms in this document that are unfamiliar, please visit the [Jargon Buster](#) or use the search tool on the [Northern Ireland Customs & Trade Academy \(NICTA\) website](#) to find a definition.¹

1 What is ‘Merchandise in Baggage’?

‘Merchandise in Baggage’ is **commercial goods for sale or business use** where:

- A commercial transport operator does not carry them for you
- Traders are carrying the goods in their accompanied baggage
- The goods are not recorded on the ship, train or aircraft manifest as freight
- The goods are not for personal use or meant as personal gifts

2 Does ‘Merchandise in Baggage’ need to be declared?

- You must declare all commercial goods
- There is no duty-free allowance for goods you are bringing in to sell or use in your business

Note: Moving ‘Merchandise in Baggage’ from **Northern Ireland (NI) to Great Britain (GB)** does not require completion of an export declaration, unless specific circumstances apply to the goods where one is required (for example, moving rough diamonds). Further details on requirements can be found on [GOV.UK](#).

For guidance on how the Trader Support Service (TSS) can support with export declarations, please consult the [Movement of goods from NI to GB: Step-by-step guide](#) on NICTA.

3 How to declare ‘Merchandise in Baggage’

There are two options when declaring ‘Merchandise in Baggage’: an oral declaration and a full declaration.

3.1 Oral declaration

An oral declaration involves going to the ‘**goods to declare**’ channel or the **red point phone** in the customs area (**where this facility is available at a port or airport**) to declare your goods and pay what you owe to a Border Force officer.

¹ Terms used in this guide refer to the terminology used on the TSS Portal. **Note** that these may not match the most recent terms used on GOV.UK, in HMRC’s Customs Declaration System or the Northern Ireland Online Tariff on [GOV.UK](#).



You will be verbally telling a customs officer:

- What the goods are (quantities, characteristics)
- What is the purpose of the goods (trade or business use)
- Who is making the declaration (the trader or the trader's representative)

When an oral declaration can be made

You can make an oral declaration if your **port of entry has the appropriate facilities** and if your goods:

- Have a value less than £873
- Weigh less than 1,000 kilograms
- Are not [restricted goods](#)
- Are not alcohol, tobacco or fuel (excise goods)

It is your responsibility to identify if your goods meet the criteria to be declared under oral declaration. Before your departure, check if:

1. There is a 'goods to declare' channel or red point phone available at your point of entry
 - For a list of UK airports and seaports with red channels or red point phones, see [GOV.UK](#)
2. The nature of your goods is allowed for oral declaration (see points above)

Declaring 'Merchandise in Baggage' by oral declaration

In line with current legislation, an oral declaration does not need an Entry Summary Declaration for movements from GB to NI (see point 7.4 on [GOV.UK](#)); however, you need to perform these **mandatory steps**:

1. Identify the '**goods to declare**' channel/**red phone** at the entry port/airport and verbally tell the customs officer:
 - What the goods are (quantities, characteristics)
 - What is the purpose of the goods (trade or business use)
 - Who is making the declaration (the trader or the trader's representative)
2. Pay in **cash** any duty due if the customs officer informs it is applicable (oral declarations are not suitable for importers who wish to use postponed accounting for import VAT or who use a duty deferment account)

Note: If your goods are **not eligible** for an oral declaration, or there are **no facilities available** for an oral declaration at the point of entry, then you need to make a full declaration for the commercial goods you are carrying in your baggage. You can use the [Trader Support Service](#) to submit the full declaration of these goods. You can follow the instructions highlighted in the [Full declaration](#) section of this guide.



3.2 Full declaration

If the goods do not meet the criteria mentioned in the [Oral declaration](#) section of this guide, you need to declare the ‘**Merchandise in Baggage**’ goods moving from GB to NI or Rest of the World (Excluding EU) to NI through TSS.

Ensure you are registered as a user in the [Trader Support Service \(TSS\)](#). You can follow the guidance in the [Registration: Step-by-step guide using TSS](#) on NICTA.

Once you have registered on TSS, you can proceed to complete a Full Frontier Declaration for the commercial goods you are carrying in your baggage. The [Full Frontier Declaration: Step-by-step guide](#) can help you to submit your declaration correctly.

4 How to account VAT for ‘Merchandise in Baggage’

4.1 VAT on goods sold between Great Britain and Northern Ireland

For goods sold between GB and NI the seller of the goods will charge customers VAT and should show this on the invoice. The VAT charged will be accounted for as output VAT on the VAT Return. The seller will not be able to claim this back as input VAT.

Where the customer receives an invoice from the seller showing that VAT has been charged, they may use this as evidence to reclaim the VAT as input VAT, subject to the normal rules.

4.2 Businesses moving their own goods from Great Britain to Northern Ireland

The owner of the goods, or the person having control of the leased goods, is liable for VAT on the removal into NI and should follow the normal accounting rules.

When a VAT-registered business moves goods from GB into NI, VAT will be due. The business will need to account for VAT on the movement. This should be included as output VAT on the VAT Return.

Where the goods are being used for taxable sales, the VAT may also be reclaimed as input VAT on its UK VAT Return, subject to the normal rules.

Where a business uses the goods for exempt activities, or where the goods are put to a taxable use and also exempt use, it may be required to make an adjustment to its partial exemption calculations.

Where a business has control of another party’s goods, and moves them from GB to NI, they will be required to account for the VAT on the movement. They should issue an import document to the owner if it is the owner that has the right to recover any input tax.

Input tax recovery of the VAT on own or third-party movements follow the normal VAT rules.



You can find detailed information about the VAT treatment when trading between GB and NI on [GOV.UK](https://www.gov.uk).

4.3 Import VAT

If your goods are considered '**at risk**' and they are moving under either of these journeys, then EU duty and the respective import VAT associated to it may be applicable:

- GB to NI, or
- Rest of the World (excluding EU) to NI

Further information about goods 'at risk' can be found in the **Goods 'at risk'** section of the [Tariffs on goods movements into NI guide](#) on NICTA.

Oral declarations

If applicable, importers making an oral declaration will pay duty and import VAT in cash at the verbal declaration point. **You will not be able to account for import VAT on your VAT Return**; therefore, oral declarations are not suitable for importers who wish to use postponed accounting for import VAT or who use a duty deferment account.

Full declarations

If your goods are not eligible for an oral declaration or the facility to make an oral declaration is not available, you must pay any customs duty or import VAT if applicable.

In this scenario, if you wish to account for import VAT on your VAT Return, you need to provide your VAT registration number at the consignment (header) level of your declaration. In TSS this field is activated when answering '**Yes**' to the question [Use Postponed VAT Accounting?](#)

* Use Postponed VAT Accounting?

Yes

Choosing to seek Postponed VAT Accounting at the consignment level, will preclude declaration of Onward Supply Relief (PC series: 42) at the goods level. If your goods are being sold to a VAT-registered buyer in another EU country, and hence are eligible for Onward Supply Relief, please don't respond Yes to the field

* VAT Number (for PVA)

PVA accounting is only applicable where a valid GB VAT registration number can be provided. The number should start with "GB" followed by up to 9 digits.

- Other VAT scenarios with NI are fully explained on [GOV.UK](https://www.gov.uk)
- Requirements for getting VAT refunds are indicated on [GOV.UK](https://www.gov.uk)

5 I need to know more

There are additional guides available on [NICTA](https://www.nicta.gov.uk) to support you with trade into and out of NI:



- [Data guide: TSS declaration data requirements](#)
- [Video: How to submit a Full Frontier Declaration](#)
- [Guidance on resolution to common error codes for Supplementary and Full Frontier Declarations](#)
- [Tariffs on goods movements into NI](#)
- [Guidance on controlled goods and the Online Tariff Tool](#)
- [How to use the TSS Portal](#)

You can also consult the [TSS Contact Centre](#) for support on 0800 060 8888.

6 Changes to guidance and policy

Last updated November 2024.

November 2024: Updated to reflect changes to Trader Journey Assistant

June 2024: Re-structure of content and updates to journeys supported by TSS Merchandise in Baggage

July 2022: Addition of section on changes to guidance and policy.

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