

## **Temporary Admission of Thoroughbreds for Racing and Breeding**

### **1. Background**

The Thoroughbred Racing and Breeding industry have raised concerns that customs processes for movements of horses between Great Britain and the EU, in particular the requirements for using the Temporary Admission procedure, are having a detrimental impact on the industry.

Temporary Admission is a Customs Special Procedure which provides full relief from customs duty and import VAT for goods temporarily imported into the UK. Thoroughbred and breeding horse owners who use Temporary Admission typically do so through the Authorisation by Declaration (AbD) method which requires them to provide a financial guarantee to cover any Customs duty and/or Import VAT liability that may become due if the Temporary Admission procedure was not correctly discharged.

A financial guarantee is not normally required as a condition for full authorisation to use Temporary Admission, however full authorisation is only normally granted to the owners of the imported goods. Intermediaries (Freight Forwarders and Customs Agents) completing customs formalities are not normally able to apply for full authorisation.

Due to the ownership structure of thoroughbreds and breeding horses, many horses are owned by numerous individuals and their involvement in the training of horses and entry into races tends to be minimal. The industry is concerned that this diverse structure of ownership makes it difficult for owners to meet the conditions to become fully authorised to use Temporary Admission. As a consequence, owners are using AbD for the regular movement of horses and the associated requirement to provide a financial guarantee can result in a substantial financial outlay that isn't immediately recoverable.

HMRC has listened to the industry's concerns and, taking into consideration the diverse ownership structures and different responsibilities involved when organising and transporting horses to an event, is implementing a change to the normal Temporary Admission requirements for temporarily importing thoroughbreds and breeding horses.

## **2. Change to the use of Temporary Admission procedure for thoroughbreds and breeding horses**

From 11 July 2022 HMRC will allow a Freight Forwarder or a Customs Agent working on behalf of the thoroughbred racing and breeding industry to apply for a full Temporary Admission authorisation.

This new industry specific facilitation will be open to an intermediary who specialises in the movement of thoroughbreds and/or breeding horses and will allow a single Temporary Admission authorisation holder to cater for numerous owners. As a financial guarantee is not normally required as a condition of full authorisation to use Temporary Admission it may also remove the need for a security guarantee, reducing any financial burden that the industry may have faced.

To use this facilitation, the intermediary will need to be the principal under the arrangement and not an indirect agent. Conditions for applying for a full authorisation are:

- The authorisation must be in the intermediary's own name and they are responsible for ensuring the goods are put to their prescribed use or arranging for them to be used for those purposes on behalf of the importer.
- The intermediary must offer additional services beyond completing import, export declarations and transporting the goods to and from a location, for example safe carriage and ensuring all veterinary/health checks are completed.
- The authorisation holder must be in control of the goods and will be liable to any potential customs and/or VAT debt.