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Exporting to the United Kingdom

A Handbook for Ghanaian Women-Led Businesses in the Cosmetics Sector

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Acronyms and abbreviations

CAP Code	United Kingdom Code of Non-broadcast Advertising and Direct and Promotional Marketing
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CPR	Cosmetic Products Regulation
CPSR	Cosmetic Product Safety Report
EPO	European Patent Office
EU	European Union
GB	Great Britain
GMP	good manufacturing practices
HMRC	His Majesty's Revenue and Customs
HS	Harmonized System
ICUMS	Integrated Customs Management System
Incoterms	International Commercial Terms
IPR	intellectual property rights
ISO	International Organization for Standardization
ITC	International Trade Centre
NI	Northern Ireland
OPSS	Office for Product Safety and Standards
PIF	Product Information File
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
ROO	Rules of Origin
RP	Responsible Person
SCPN	Submit Cosmetic Product Notification
SME	small and medium-sized enterprise
SUE	serious undesirable effect
SVHC	Substance of Very High Concern
TPA	Trade Partnership Agreement
UK	United Kingdom
UKIPO	United Kingdom Intellectual Property Office
UV	ultraviolet
VAT	value added tax

INCOTERMS ABBREVIATIONS

CIF	Cost Insurance Freight
CIP	Carrier and Insurance Paid To
CFR	Cost and Freight
CPT	Cost Paid To
DAP	Delivered at Place
DDP	Delivered Duty Paid
DPU	Delivered at Place Unloaded
EXW	Ex Works
FCA	Free Carrier
FOB	Free on Board

WHO SHOULD USE THIS HANDBOOK?

This Handbook explains the key and relevant legal and regulatory requirements needed for Ghanaian **small and medium-sized enterprises** (**SMEs** or **users**) to export **cosmetic products**, and specifically **cosmetics**, to the United Kingdom of Great Britain and Northern Ireland (**UK**).

Many of the regulatory requirements explained in this Handbook are extremely technical and detailed. Such requirements are typically addressed by professional exporters working with importers to the UK. To reflect this reality, the Handbook assumes that the actual physical exports will use medium or large-scale Ghanaian export aggregators. Nevertheless, this Handbook can be used by smaller-scale producers looking to export directly without using a professional exporter. To this end, the Handbook also has the relevant links to access the most technical requirements applicable to export products. The regulatory requirements explained in each chapter in this Handbook must be read in conjunction with the relevant appendices mentioned there, which further explain each regulatory requirement.

The Handbook is forward-looking by supplying an overview of new regulatory requirements that may be applicable in the future. In addition, it is highly likely that there will be sales opportunities involving related categories of products that have similar regulatory requirements as the products discussed in the Handbook.

Finally, it is entirely understandable that apart from technical regulatory export and import requirements, Handbook users will have various other export-related trading concerns such as market identification, rapidly changing consumer preferences, competitive product pricing and meeting current consumer demand in the UK. This Handbook does not address such non-legal trading concerns. Please contact the International Trade Centre (ITC) for help with such queries.

All information contained in this Handbook is current as of February 2024. Users are strongly encouraged to stay abreast of any new regulatory requirements that might affect their exports.

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Contents

LIST OF FIGURES

LIST OF TABLES

LIST OF BOXES

01 GHANAIAN REQUIREMENTS TO BE MET BEFORE UNDERTAKING EXPORTS

There are mandatory requirements to export under Ghanaian law. If any of these requirements are not yet met, please read this Chapter carefully before going ahead.

The following subsections walk the reader through each of the pre-export requirements.

Requirement 1	Is the business registered with the Registrar General's Department?
Requirement 2	Does the business owner have a Ghana Card Number?
Requirement 3	Do the products have the necessary Ghanaian export licences and certificates?

Requirement 1 - Is the business registered?

Business registration must be addressed before anything else. If the business is not registered, take prompt action to ensure registration. Businesses can register:

- In person, at the Registrar General's Department. The process involves:
  - **(I)** providing three options for a company name
  - **(II)** filling out an Entity Registration form
  - **(III)** submitting the completed form (with supporting documents) to the inspector
  - **(IV)** paying the registration fee.
- Online, at the website of the Registrar General's Department. New users must register for an account and are then able to apply for a company name reservation and entity registration.

Whether online or in-person, the business owner is required to have a Ghana Card Number, as discussed below.

Requirement 2 - Does the business owner have a Ghana Card Number?

As of January 2024, the Ghana Card Number has replaced the Taxpayer Identification Number system. The business owner will need to obtain a Ghana Card or an Economic Community of West African States Identity Card, both of which are issued by the National Identification Authority to Ghanaian citizens and foreign nationals legally / permanently living in Ghana.

Individuals can register for a Ghana Card at a designated office of the Ghana Revenue Authority or a National Identification Authority registration centre. A birth certificate, Ghanaian passport or certificate of acquired citizenship (as relevant) are required for registration. Individuals who have previously been issued a Taxpayer Identification Number should have this to hand. Number should have this to hand.

Requirement 3 - Do the products have the necessary Ghanaian export licence and authorization?

Exporters must ensure that they apply for and receive the right export licences and certificates to allow them to complete their Exporter Registration and obtain a Unique Consignment Reference for their export. This process is carried out through the Integrated Customs Management System (**ICUMS**) website.

1 STEP

Are there any prohibitions or restrictions on export?

Step 1 is to ensure that the products are not prohibited for export. A summary of prohibited exports is provided by the Ghana Revenue Authority and set out in Appendix I. Cosmetics products can typically be exported as they are 'non-traditional' exports. Even so, users are recommended to check the most recent list of prohibited exports and ensure that none of the products they wish to export are prohibited.

2 STEP

Does the business have the relevant certificates to be able to export?

Aside from export authorizations, there are several documents describing the technical nature of the product that will be required to complete the export registration process, so ensure that the business has these in place beforehand.

- A Certificate of Origin – this application may be completed on the ICUMS website or through an office of the Ghana National Chamber of Commerce and Industry.
- Certificates of product conformity – this application may be completed through the Ghana Standards Authority and is typically required for cosmetics products.
- The business will need to register with the following institutions:

  (I) Registrar General's Department
  (II) Ghana Exports Promotion Authority
  (III) Ghana Standards Authority
  (IV) Plant Protection and Regulatory Services Directorate of the Ministry of Food and Agriculture
  (V) Food and Drugs Authority (optional).

Certificate of Origin – application checklist

- Registrar General Certificate
- Commercial invoice
- Either packing list, waybill or bill of lading
- Harmonized System (HS) code of the product
- Name of the product

3 STEP

Complete the export registration process

All exporting businesses need to complete the export registration process, starting with requesting an ICUMS Company Account on the ICUMS website. The export registration process involves submitting an Electronic Customs Declaration and receiving a Unique Consignment Reference for the export.

02 ARE YOU READY TO ACCESS THE UNITED KINGDOM MARKET?

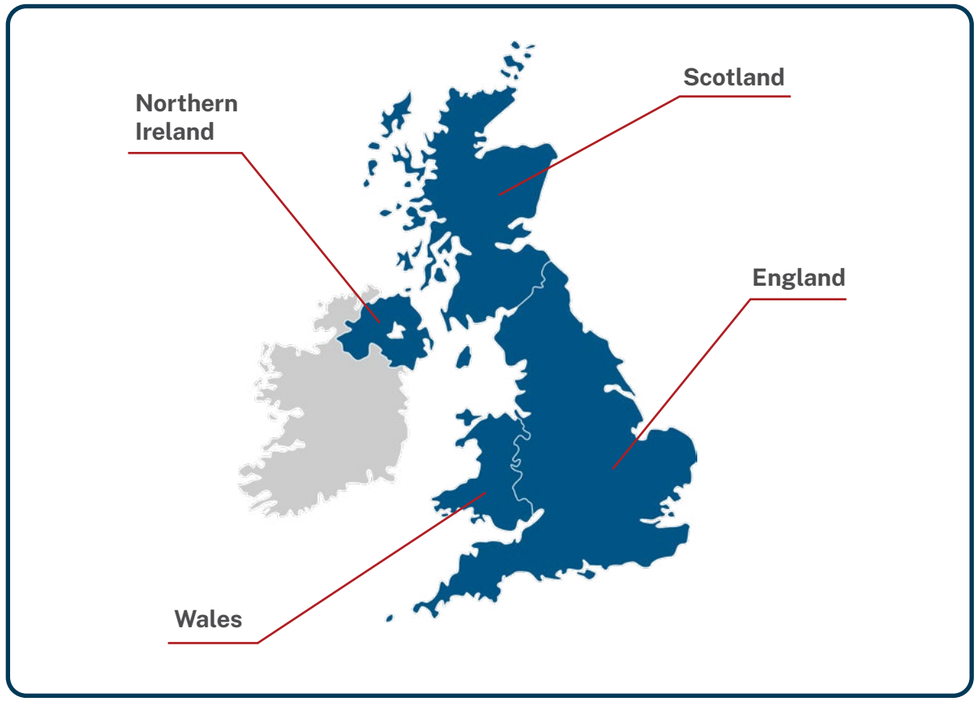
Congratulations! Your business is officially registered and authorized to export. The next step is to focus on running the export business, marketing the product, and attracting and keeping buyers. To attract and keep buyers, build a relationship based on trust and communication. This will help build and execute a trading or sales contract easily.

A. The United Kingdom market

The UK is made up of four nations: England, Scotland, Wales and Northern Ireland (**NI**).

On 31 January 2020, the UK exited the European Union (EU), an economic and political union of 27 countries.1 The UK's departure from the EU is commonly called '**Brexit**'.

Figure 1: Map of the United Kingdom



Before Brexit, the UK had to follow laws introduced by the EU. However, after Brexit, the UK is no longer obliged to do so and has its own laws, with the exception of NI. Under the terms of the Withdrawal Treaty, NI is still bound to comply with EU law, including regulations in the cosmetics space. Therefore, you will have to comply with two sets of legislation: the EU law for NI and the UK law for the remaining three nations, namely England, Scotland and Wales (together known as Great Britain (**GB**)).

At the time of writing of this Handbook, both sets of legislation are similar but there are certain differences.

If you decide to access only the GB geographic territory (England, Scotland and Wales), the applicable legislation will be the UK Cosmetic Products Regulation (CPR). Therefore, this booklet will refer to the UK legislation applicable in GB only.

QUICK TIP: NORTH IRLAND MARKET

In order to enter the NI market, please comply with the rules set out in the EU Handbook.

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B. Terms of sales contracts

This detailed contract outlines all the terms of the sales transaction and clarifies all rights and duties of both parties. It also saves time and resources when setting up a professional working relationship. Table 1 supplies a list of recommended clauses to include in the sales contract.

Table 1: Recommended clauses to include in sales contracts

CLAUSE	EXPLANATION
Order confirmation in the form of a pro forma invoice	• Send to a buyer to confirm an order • Includes information such as the product description, quantity, price and delivery terms • Also used to request payment from a buyer
Payment terms	• Agreed-upon conditions for payment of an invoice • Specify the payment due date, the form of payment agreed upon and any penalties agreed upon for overdue payment
Lead time	• Amount of time it takes to produce and deliver goods from the time an order is placed • Can vary depending on the product, the exporter and the shipping method • Agreement on lead time will create trust between both parties and smoother trading relations
Minimum order quantities	• Minimum number of units that a buyer must order from the exporter • Helpful in improving efficiency in production
Design rights	• Legal rights that protect the appearance of a product, already possibly protected through intellectual property law (see Chapter 3 Part E) • Outlines the role of producer and buyer in terms of design rights in the product. Example: – *'Producer agrees that it shall notify buyer of any potential infringements in the design as it shall become aware…'*
Labelling and packaging	• Outlines the role of producer and buyer in terms of labelling and packaging. Some examples: – *'Producer shall be responsible for ensuring compliance with labelling requirements of the regulatory agency…'* – *'Producer shall be responsible for ordering adequate supplies of labels and other packaging materials on behalf of Buyer…'* – *'Buyer shall not be responsible for any unused labels or packaging materials due to product changes…"*
Customized developments	• Specific, tailor-made requests of a buyer • Should be in the trading contract so that the changes requested are agreed by both exporter and buyer and accommodated in the production / manufacturing process
Delivery terms ('Incoterms')	• A set of internationally recognized rules that define the responsibilities of exporter and buyers for the sale of goods in international transactions. Eleven terms are accepted worldwide (see below).

The sales contract should include delivery terms or Incoterms. Incoterms are a set of internationally recognized rules that define the responsibilities of exporters and buyers for the sale of goods in international transactions.

Incoterm rules are updated periodically to reflect changes in the global trading environment. The latest version of the Incoterm rules is Incoterms 2020. The UK Government has published an overview of these rules here. Overall, there are 11 general Incoterm rules, each defining the responsibilities of the exporter and buyer at different points in the shipping process. Including Incoterms in the sales contract makes clear these roles and the corresponding charges and fees each player possibly bears in the delivery process.

Delivery terms depend on the type of buyer. Table 2 only shows the usual or commonly preferred delivery terms per type of buyer and the possible scenario between a producer (**P**) and buyer (**B**). The rest are provided in Appendix 1 Part C.

Table 2: Incoterms – common delivery terms by type of buyer

TYPE OF BUYER	PREFERRED DELIVERY TERMS	EXPLANATION
Importer and wholesaler	Free On Board (**FOB**), Free Carrier (**FCA**)	• P handles and pays for delivering the goods on board the ship at the named port of shipment (FOB). • P clears goods for export and hands them over to the carrier (FCA). • B handles all costs and risks of loss or damage to the goods from the moment they are on board the ship (FOB) or handed over to the carrier (FCA).
Retail multiples	Cost Insurance Freight (**CIF**)	• P handles delivering the goods to the named port of destination, clearing them for import and insuring them for the buyer's benefit during the carriage. Hence, the shipping and insurance charges are included in your quotation.
Small retailer	Delivered Duty Paid (**DDP**), Delivery at Place (**DAP**)	• P handles delivering the goods to the buyer's premises at the named place of destination, clearing them for import and unloading them from the carrier (DDP). • B handles all costs and risks of loss or damage to the goods from the moment they are unloaded from the carrier at the named place of destination (DAP).
Importer consolidator	ExWorks (**EXW**)	• P handles making the goods available at their premises. • B handles all costs and risks of loss or damage to the goods from the moment they are made available at the seller's premises.

C. Product classification

The next step is to find the relevant UK tariff code applicable to the products to be imported into the UK. This product classification exercise is extremely important for calculating the applicable tariff rates when products enter the UK market.

Most countries use an international classification system or the (HS) code, which forms the initial six digits of the product code, with some variation between export destinations for the final set of digits completing the full tariff code. The tariff code of a product is based on the specific product and determines the tariff rate.

The UK uses its own system of commodity codes, adding UK-specific digits after the relevant six-digit HS code. The UK provides an online Tariff Tool to assist with classifying goods for import into the UK but you should seek professional support on obtaining the correct classification.

Appendix I Part D sets out further detail on HS codes and UK tariff codes, as well as giving examples of which codes may apply in this sector.

D. Availing lower tariffs – The UK-Ghana Trade Partnership Agreement and Rules of Origin

The UK has signed an Interim Trade Partnership Agreement (TPA) with Ghana, which is in effect. Under this, the UK commits to providing immediate duty-free, quota-free access to goods exported from Ghana.

Refer to Box 1 for an example of how Ghanaian producers can claim the preferential tariff rates under the UK-Ghana TPA.

Rules of Origin in the UK-Ghana TPA

The ROO specify the extent to which manufacturers / producers can buy raw materials from other countries and still claim the finished product as 'Ghanaian' in origin, to benefit from the 0% tariff.

If a product is manufactured using only locally sourced raw materials, i.e. from Ghana, the product is 'wholly obtained' in Ghana and a tariff of 0% is available for imports into the UK.

Box 1: How to claim the preferential tariff rates under the UK-Ghana TPA

- Personal deodorants and antiperspirants have a tariff rate of 6% when entering the UK. This is known as the most-favoured nation tariff rate. If, however, they are exported from Ghana under the UK-Ghana TPA, a tariff of 0% will apply. To claim this preferential tariff rate, Ghanaian producers will have to follow the applicable rules of origin (ROO) to show that the product 'originates in Ghana' or is 'Ghanaian in origin'.
- Note that many beauty and make-up preparation products, including manicure or pedicure preparations and shampoos, have a most-favoured nation tariff rate of 0%. This means that exporters need not follow the otherwise applicable ROO.
- To know more about proving that products are 'Ghanaian in origin', refer to the section below on ROO in the UK-Ghana TPA.

Refer to Appendix I Part E to know more about products ‘wholly obtained’ in Ghana under the UK-Ghana TPA.

If the product includes inputs sourced directly or indirectly from other countries, Ghanaian producers will need to show that their products are ‘sufficiently worked or processed’ in Ghana to claim the preferential tariff rate under the UK-Ghana TPA. To do so, Ghanaian producers must also satisfy certain working and/or processing conditions on the non-originating inputs.

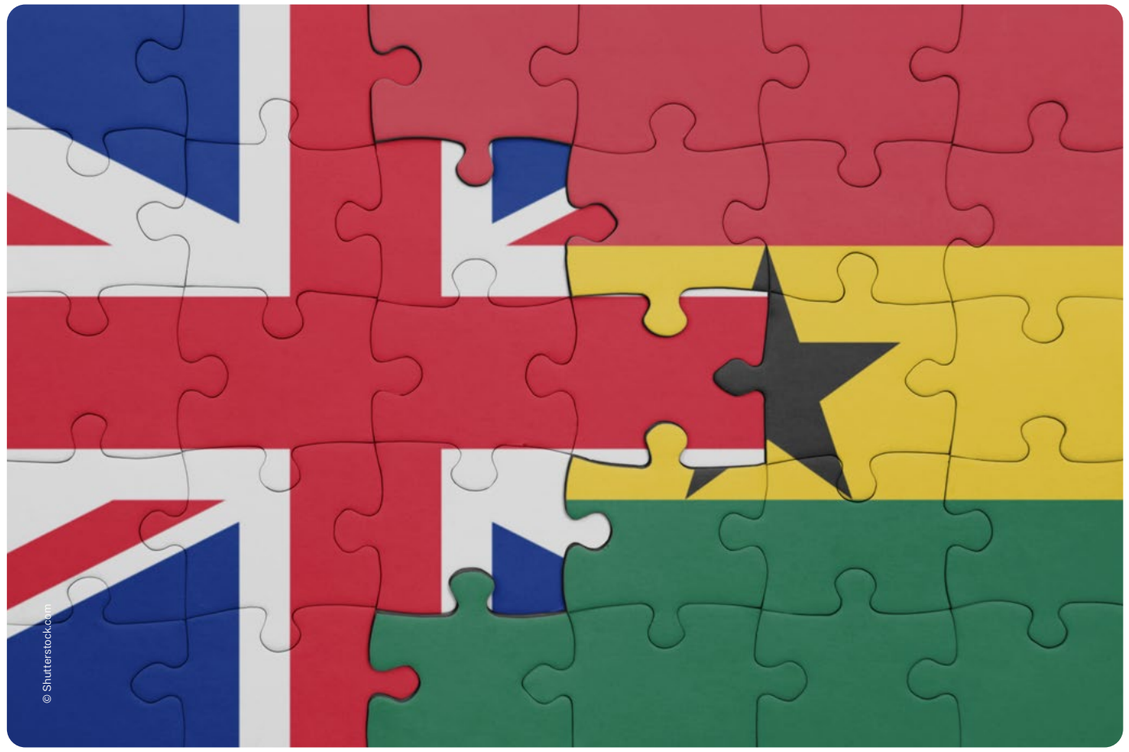
Refer to Protocol No. 1 and Annex II and Annex II-A to Protocol No.1 of the UK-Ghana TPA to learn more about the working and processing requirements.

To ensure preferential tariff treatment, provide an origin declaration.

The Ghana National Chamber of Commerce and Industry is responsible for issuing documentary evidence of origin for goods exported from Ghana. The origin declaration proves that the product exported is manufactured and produced in Ghana.

QUICK TIP: RAW MATERIAL VALUE

Bear in mind the value of imported raw materials if you wish to access preferential tariffs for importing into the UK. Plan from the raw material procurement stage to ensure the product is considered Ghanaian in origin.



03 MEETING UNITED KINGDOM PRODUCT REQUIREMENTS

A. Introduction

To export to the UK market, you need to meet the UK cosmetic product regulatory requirements.

The UK sets out laws that any individual or company must comply with in order to enter the UK market with their product. The regulatory requirements apply at various stages of the production process. Therefore, it would be advisable for you to consider this chapter early in the process of manufacturing so that you understand any restrictions the UK imposes on cosmetics manufacturers, such as a prohibition of animal testing.

All cosmetic products placed on the market in GB (England, Scotland and Wales) which are intended for sale must comply with the ‘UK Regulations’. The cosmetics marketed in NI need to comply with the ‘EU Regulation’.

This chapter will serve as a step-by-step guide through the UK CPR requirements that you have to comply with to be able to export your cosmetic products to GB. At the end of this chapter, you will find a checklist of questions outlining the issues that you need to consider. The UK Government has also published useful guidance on making cosmetic products available to consumers in GB.

B. Ingredients / substances that may be used in cosmetic products

When producing cosmetics, you need to be conscious that the UK Regulation contains lists of prohibited (Annex II) and restricted (Annex III) substances. Therefore, when substances are prohibited, you must not use them if you want your product to enter the GB market. For restricted substances, you can only use them in accordance with the conditions laid down in the UK Regulation. The UK Regulation also requires that only the colours, preservatives and ultraviolet (UV) filters listed in Annex IV, Annex V and Annex VI respectively can be used in cosmetics.

Special attention should be paid to **nanomaterials** for cosmetic ingredients, which are defined as 'an insoluble or biopersistent and intentionally manufactured material with one or more external dimensions, or an internal structure on the scale from 1 to 100 nm'. All nanomaterials present in a cosmetic product must be indicated in the main product notification made under Article 13 of the UK CPR, regardless of function.

Any product containing a nanomaterial not already regulated in Annex IV, Annex V or Annex VI must be notified under Article 16 of the UK CPR, in addition to the product notification made under Article 13, **six months** before placing the product on the market. Please refer to the UK guidance on how to notify products containing nanomaterials.

DID YOU KNOW?

The UK law introduces prohibitions and restrictions on the use of certain substances in cosmetic products. For instance, use of substances that are carcinogenic, mutagenic or toxic for reproduction is banned.

QUICK TIP: Check nanomaterial's list

You cannot use a nanomaterial that is not listed in the Annexes of the UK CPR as a preservative, UV filter or colourant.

Chemicals and other hazardous substances

In addition to the prohibited and restricted substances set out in the UK Regulation, the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) is another UK regulation that identifies and prohibits the use of certain chemicals and hazardous substances. REACH limits 'Substances of Very High Concern' (**SVHCs**) in products placed on the market. The list of such SVHCs indicates why they are controlled so stringently in the UK.

QUICK TIP: Check REACH requirements

Make sure that substances used in your cosmetic product meet the REACH requirements.

All products sold in the UK market must meet the REACH requirements. This includes businesses that manufacture products that are imported into the UK.

There are certain obligations that rest on you as a manufacturer of cosmetic products and/or brand owner, including:

- **Restrictions**: You must follow specific restriction requirements for certain chemicals.
- **Authorization**: You must hold an authorization to use certain SVHCs.
- **Communication**: You must check with your supplier if the chemical is registered under UK REACH and inform them of its use in a cosmetic product.
- **Registration**: If you manufacture or import a substance in amounts totalling less than one ton a year, you do not need to register the substance with the Health and Safety Executive. Depending on the amount imported to the UK, you may be able to rely on this exemption from registration under REACH. If you do not fall under this exemption, please refer to Appendix II Part D to see if you fall under the exemption described therein.

If a substance does not appear on the list of prohibited or restricted substances (Annex II and Annex III) of the UK Regulation, then you can freely use that ingredient in a cosmetic product **provided that**:

- The ingredient is **not** used as a colour, preservative or UV filter.
- The substance is **not** classified as a carcinogenic, mutagenic or toxic for reproduction substance by the GB Classification, Labelling and Packaging Regulation (see guidance on the Regulation here).
- The substance **complies** with UK REACH.
- The manufacturer has the **appropriate safety data** to ensure the ingredient and the final product is safe.

QUICK TIP: Check the UK REACH guide

Familiarize yourself with the REACH Regulation in the UK. A useful guide on the UK REACH can be found here.

Ensure that the products contain 0.1% or less of the SVHC (calculated as the weight of the SVHC substance divided by the weight of the article).

Cosmetics products from endangered flora and fauna species

Some products are made with exotic or rare raw materials that come from highly endangered plants and animals. The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) prohibits the use of such raw materials. This is because such plants and animals are already at risk of disappearing. Ghana and the UK are both signatories to CITES. Raw materials from endangered species should never be used. To ensure that your product is free from materials that come from endangered plants and animals, refer to UK legislation (338/97). Vitellaria paradoxa, which is commonly known as the shea tree, is not classified as endangered.

DID YOU KNOW?

You must not test your product's ingredients, combination of ingredients or final formulation on animals. Animal testing is banned.

C. Appointment of a Responsible Person

In order to export products to GB, you will have to appoint a Responsible Person (**RP**). This RP will need to be appointed prior to you preparing the labelling of your cosmetic products because each of your cosmetic products which is to be placed on the GB market will need to be labelled with the name and address of the RP.

The RP can be a business or an individual and must be established in GB. The RP can be:

- The manufacturer
- The importer who is importing the product from outside of the UK market
- The distributor, if they label the product as their own (for example, using their brand name)
- An appointed company or person (who is named by the manufacturer or the importer).

Please refer to Appendix II Part A for a decision tree on how to identify an RP.

The RP is primarily responsible for ensuring that any cosmetic product placed on the GB market is safe and complies with UK legislation. The RP is also responsible for monitoring the cosmetic product, keeping an up-to-date document with information on the cosmetic product (called the Product Information File (**PIF**)) and notifying the Office for Product Safety and Standards (**OPSS**) about a cosmetic product before it is made available in GB. Please refer to Appendix II Part A for the main responsibilities of the RP.

The PIF must be prepared in English by the RP, kept for 10 years after the last batch of the cosmetic product is made available, and include:

- A description of the cosmetic product
- The Cosmetic Product Safety Report (**CPSR**)
- How Good Manufacturing Practices (**GMP**) have been followed
- Evidence for the cosmetic product's effects
- Data on animal testing.

The RP takes an active role in preparing a CPSR (see Part B below for further details).

D. Safety assessment and report

Before your cosmetic product can be made available on the GB market, your product has to undergo a **safety assessment** by a qualified professional (**Safety Assessor**). A qualified individual is most likely someone who has a university degree in pharmacy, toxicology, medicine or a similar discipline. In terms of finding an appropriate Safety Assessor, this page from the Cosmetic, Toiletry and Perfumery Association directs you to a list of assessors who are also members of the Association.5 The responsibility for ensuring that the safety assessment is performed by a suitably qualified person rests on the RP.

The CPSR is divided into two parts, Part A and Part B. Part A covers the cosmetic product safety information that is provided by the RP, including, among other things:

- Physical / chemical characteristics and the stability of the cosmetics product under reasonably foreseeable storage conditions (sometimes referred to as stability testing).
- The microbiological specifications of the substance or mixture (microbiological testing) and the cosmetic product, and the results of preservation challenge testing.
- The relevant characteristics of packaging material, in particular purity and stability (sometimes referred to as compatibility testing).
- Any claims made by a cosmetic product must be substantiated so you may need to perform studies to back up your claims.

In order to provide accurate information, additional testing of a cosmetic product might have to be completed. On the basis of such information, the Safety Assessor performs their assessment and describes the conclusions in Part B of the CPSR. Such conclusions should cover:

- An assessment of the product's safety
- Any necessary warnings or instructions for the product
- The scientific reasoning for the conclusions of the safety assessment
- Details of the Safety Assessor, including name, address, and proof of qualifications.

The CPSR forms part of the PIF.

Separately, you must also ensure that you comply with GMP, which was introduced to ensure that cosmetic products meet required quality standards and that the manufacturer is able to reproduce the product. To demonstrate compliance, we suggest complying with the relevant designated International Organization for Standardization (ISO) standard, ISO 22716.

QUICK TIP: Little children requirement

If your product is intended for use on children under the age of three, then a specific safety assessment is required.

QUICK TIP: Safety Assesor qualification

In order to ensure that your chosen Safety Assessor is duly qualified and experienced in cosmetic safety assessment and preparation of a CPSR, you may want to ensure that he/she will ask you for the relevant information about your product and its ingredients. Please see Appendix II Part B for further information.

E. Intellectual property rights

Every product covered by this Handbook comes from a unique idea. It takes creativity, months of research, unique designs and specific knowledge to convert this idea into something that can be sold on the market. The law, in the form of intellectual property rights (**IPR**), protects these creations. There are many types of IPR, and each serves a different function. These are patents, copyright, designs, trademarks, geographical indications and trade secrets.

Producers and exporters of cosmetics must be careful to ensure that they respect the IPR rights of producers in the UK.

QUICK TIP: Patent applications

Before you proceed with a patent application, ensure that your invention is new and not obvious. Be aware that patent application fees apply and you must renew your patent following the fourth anniversary of when you filed for it.

Patents

Patent is an IPR that aims to protect new inventions for up to 20 years, and is granted by either the UK Intellectual Property Office (**UKIPO**) or the European Patent Office (**EPO**). The EPO grants European patents that provide patent protection in up to 44 countries, including the UK; whereas UKIPO grants GB patents that provide patent protection in the UK only. Patentable inventions could include new and unknown ingredients, or ingredients that have not been previously used in cosmetics. It is usually not possible to obtain patents for naturally occurring ingredients unless they are composition products, such as a new emulsion containing the ingredient.

A patent would allow you to take legal action against others who make, sell, use or import your invention without permission. Another benefit of applying for a patent in the UK is the potential qualification for a Patent Box, which may reduce the rate of corporation tax on the profits earned from the patented inventions.

In order to obtain a patent, you need to file an application with UKIPO. If you prefer to submit an application to EPO then submit an electronic application using the EPO Online Filing software. Alternatively, you can file your European patent application in person, by postal services or by fax. Please note that EPO's strong preference is to receive applications electronically. You need to carefully assess with a patent attorney which option suits your needs best.

Trademarks

Trademarks are signs used to differentiate the products and services of one business from another business. Visible signs such as words, logos, shapes, position, patterns and colours can receive trademark registration.

To protect your brand in the UK, you would need to register your trademark there, even if it is already registered in Ghana. You can do so via UKIPO, which is the government body that deals with trademark applications. Trademarks must be renewed every 10 years.

Designs

Designs or industrial designs bring a product to life either in three-dimensional (product shape) or two-dimensional (colours, textures and patterns) form. A design registration helps protect the appearance of a product, such as its shape or pattern. Registration makes it easier to prove that the design is legally yours.

It forms the product's 'ornamental aspect', or the product's aesthetics and exterior appearance. To protect your design in the UK, you must register the design with UKIPO. You will need to prepare illustrations that show the design and send them with your registration application, and pay a registration fee. A design registration lasts five years. You must renew your design registration every five years to keep it protected – up to a maximum of 25 years.

Consequences of intellectual property infringement

IPR infringement is a serious offence, and serious action is undertaken by the Customs authorities at the port of entry to limit the entry of fake and reproduced goods. In the UK, Customs authorities have the right to stop, hold or even destroy products if they find or suspect that your products disregard any IPRs (including trademarks) registered in the UK. The Customs authorities can stop, release or hold the goods. This will be promptly informed to the 'holder of goods', or the importer, within one day.

QUICK TIP: Speak to an IPR lawyer

Engage with an IPR lawyer who is familiar with practical considerations about Customs enforcement procedures in the UK. Additionally, speak to them about the procedures to prevent the possibility of goods being stuck at Customs over infringement issues. While this is an expensive exercise, a simple cost-benefit analysis is likely to show that prevention is better than seeking a remedy.

F. Product sustainability from a regulatory and environmental perspective

You should keep in mind that the UK is increasingly pushing for more sustainable practices within the beauty industry, especially with regards to sustainable packaging.

The Packaging (Essential Requirements) Regulations 2015 impose a duty on an RP (this may be the importer) placing packaging on the UK market to ensure that the packaging meets the essential requirements relating to the manufacturing and composition of packaging, reusable packaging and the recoverable nature of packaging.

In a nutshell, essential requirements include:

- Packaging volume and weight must be the minimum amount to maintain the necessary levels of safety, hygiene and acceptance for the packaged product and for the consumer.
- Packaging must be manufactured so as to permit reuse or recovery in accordance with specific requirements.
- Noxious or hazardous substances in packaging must be minimized in emissions, ash or leachate from incineration or landfill.

The UK has recently enacted extended waste packaging laws that require certain producers to collect and report data on the amount of packaging placed on the market. Furthermore, in accordance with such laws, companies fulfilling certain criteria will need to pay fees for packaging that has been introduced on the market to cover costs linked to collecting, sorting and recycling. Guidance issued by the UK Government on the application of these laws can be found here.

G. Product packaging and labelling

Buyers depend a lot on product labelling before buying a good. With so many options available, customers think about many factors before deciding, such as the product's purpose, price, materials, feel, design and more. Including information about the product's composition can greatly help in their decision-making process and protect them from harmful materials.

The label of your cosmetic product must contain certain information before it is made available on the GB market. It is particularly important that the customer be made aware in case of known allergies to any ingredients.

The label must, where applicable, include the following information:

a) The name and address of the RP for the GB market or the EU RP for the NI market

b) The country of origin if the product is imported to the UK

c) The weight or volume

d) The date until which the cosmetic product can be used

e) Any precautions for use

f) An identification number (for example batch number)

g) What the cosmetic product does

h) All ingredients included in the product, listed in descending order of weight.

More specific details regarding the above information can be found in Appendix II Part E.

The information detailed on the label of your product must be provided in **indelible, easily legible and visible lettering**.

It may sometimes not be possible or practical to include all precautions and ingredients if there is insufficient space on the packaging of the product. In those instances it may be necessary to include the information within the packaging of the product, such as on a leaflet.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H. Claims

Claims are statements used in advertising that are made in relation to products about their particular benefits, characteristics or function. In the UK, one of the main general advertising rules is that claims made for products generally **must not be unclear, false or misleading.**

When labelling, making available on the market or advertising cosmetic products, you cannot use text, names, trademarks, pictures and figurative or other signs to imply that these products have characteristics or functions that **they do not have**.

Any claims you make for your product (including environmental claims) must be justifiable. Regulation EU No 655/2013 has set out six common criteria that also apply in the UK for the justification of claims, to ensure the protection of consumers against misleading claims for cosmetic products. Claims cannot be made if they breach one of the six common criteria. These criteria are:

1. **Legal compliance**: Claims must comply with all applicable legal and self-regulatory regimes.
2. **Truthfulness**: Claims should not be based on false or irrelevant information.
3. **Evidential support**: Claims, whether implicit or explicit, must be supported by evidence that is adequate and verifiable.
4. **Honesty**: Claims must not go beyond supporting evidence, nor imply by action or omission that the product has characteristics or functions that it does not have.
5. **Fairness**: Claims should be objective, and not denigrate competitors nor denigrate ingredients that can be legally and safely used in cosmetic products.
6. **Informed decision-making**: Claims should contribute to the ability of consumers and professionals to make informed decisions, by inclusion of the necessary information on function and characteristics of the cosmetic product.

QUICK TIP: Check the criteria

Before making any claims for your products you should familiarize yourself with the six common criteria for the justification of claims for cosmetic products and what they mean in practice. This information can be found under the Annex of Regulation EU No. 655/2013 here.

In the UK, the Advertising Standards Authority is the independent regulator of advertising across all media. It administers advertising codes such as the UK Code of Non-broadcast Advertising and Direct and Promotional Marketing (**CAP Code**).

The CAP Code is the rulebook for non-broadcast advertisements, sales promotions and direct marketing communications. In particular, it requires that marketers hold documentary evidence for their claims before submitting a marketing communication for publication. General guidance published by the Advertising Standards Authority on advertising cosmetic products can be found here.

The GB RP will be responsible for the wording of all claims that are made as well as their substantiation.

Claims on animal testing

Companies can make claims that no animal testing was carried out during the development of the product. However, these claims can only be made if:

- No animal tests were carried out or commissioned on the finished product, or its prototype, or any of its ingredients
- No animal tests were carried out on any ingredients by others for the purposes of developing new cosmetic products.

The Cosmetic, Toiletry and Perfumery Association has also issued guidance in relation to the following types of claims:

- 'Free From' claims (see here).
- 'Hypoallergenic' (see here, also referring to the European Commission's Technical Document on Cosmetic Claims).
- 'Natural' and 'organic' claims (see here).
- Environmental green claims (see here).

DID YOU KNOW?

If you make any medicinal claims for your product, the Medicines and Healthcare Products Regulatory Agency in the UK may classify your product as medicinal, either by function or by presentation, and determine that your product ought to be licensed as a medicine. This could result in the suspension of the sale of your product until such licence is obtained, among other sanctions.

I. Notification of a cosmetic product before being placed on the United Kingdom market

Before a cosmetic product is made available in GB, the RP must submit information on the cosmetic product to OPSS through the online Submit Cosmetic Product Notification (**SCPN**) Portal. Please see here for guidance on how to submit a cosmetic product notification and refer to Appendix II Part G for the information that the RP will have to provide when submitting the notification.

The SCPN number, which you receive following notification, is not required to be included on the labelling on the cosmetic packaging.

J. What happens after your product is on the market?

The enforcement authorities monitor compliance of the cosmetic product by checking the PIF and how a company complies with GMP, and by carrying out physical product checks and laboratory analysis when necessary.

Information on serious undesirable effects (**SUEs**) and undesirable effects attributable to a cosmetic product are required to be included in the CPSR, which forms part of the PIF. Therefore, the Safety Assessor needs to be informed when a SUE occurs.

The RP and distributors must report any SUE to OPSS at seriousundesirableeffects@businessandtrade.gov.uk and local authority trading standards. Consumers or health professionals may also report SUEs of a cosmetic product. Notification should take place 'without delay', which is defined in the guidance to mean **30 days** from anyone in the company becoming informed of a possible SUE. The relevant forms to complete when reporting a SUE can be accessed here. The Secretary of State must immediately inform all other competent authorities of any information reported.

Definitions

UNDESIRABLE EFFECT

An adverse reaction for human health attributable to the normal or reasonably foreseeable use of a cosmetic product.

SUE

Undesirable effect that results in temporary or permanent functional incapacity, disability, hospitalization, congenital anomalies or an immediate vital risk or death.

K. Checklist of questions and issues to consider when entering the GB market

Here is a checklist of regulatory questions and actions that you need to consider and undertake to place your cosmetic products on the UK market. Please note that these questions are not exhaustive.

TO CONSIDER, DO OR CHECK	HAVE YOU CONSIDERED/ DONE THIS YET? IF NOT, YOU NEED TO THINK ABOUT IT: YES	NOT YET
RP and safety assessment		
Have you appointed your RP?		
Is the RP providing the required information to the Safety Assessor?		
Does the Safety Assessor have adequate qualifications?		
Is your RP preparing the PIF?		
Is the Safety Assessor preparing the CPSR with the assistance of you RP?		
Will your RP submit a cosmetic product notification to OPSS through the online portal before placing your product on the market?		
Product composition and ingredients		
Have you familiarized yourself which substances are prohibited or restricted under the UK CPR?		
Have you ensured not to use SVHCs that are regulated under REACH?		
If any of your chemical substances are regulated under REACH, you must follow REACH requirements such as registration and authorization of certain substances		
If you are using colours, preservatives and UV filters, you must only use those that are listed in the Annexes of the UK CPR		
If your product contains nanomaterials, bring this to the attention of your RP, as they will need to include such information in notifications		
You must not use material that comes from endangered plants and animals		
You must not test your cosmetic products on animals		
External aspects of the product		
Have you considered potential registration of a patent, trademark or design?		
Have you included all compulsory information about your product on the product label?		
Have you ensured that the claims you are making about your product are not misleading and are justifiable, following the six common criteria?		
Have you considered whether the claims you are making could be categorized as health claims and indicate that your cosmetic product is a medicine?		
When you are advertising your product in the UK, you should keep documentary evidence to support the claims you are making		
If you are making claims that you have not tested your product on animals, you need to fulfil certain conditions		

04 VOLUNTARY SUSTAINABILITY CERTIFICATIONS

In a competitive global market, showing that products are sustainable and correctly manufactured increases the chances of maximizing the customer base. Sustainability certificates and labels fixed on the product inform customers that the product is sustainable and correctly manufactured. They also assure customers that they support a business that is socially responsible, ethical and sustainable. Ecolabels accepted in the UK may differ from labels accepted in Ghana.

Private ecolabels and sustainability labels are accepted in the UK but use a range of criteria to calculate the product's effect on the environment across the life cycle of production. All voluntary certifications require producers to use sustainable practices before qualifying. Producers must also ensure that every stage of the supply chain meets the fundamental principles and rights at work set by the International Labour Organization and the Ghana Ministry of Employment and Labour Relations. There are five broad categories of fundamental principles and rights at work:

- Freedom of association and the effective recognition of the right to collective bargaining
- The elimination of all forms of forced or compulsory labour
- The effective abolition of child labour
- The elimination of discrimination in respect of employment and occupation
- The right to a safe and healthy working environment.

The management and leadership of the business should align with the principles of decent work and meet all the legal conditions given by the Commission on Human Rights and Administrative Justice.

Specific information is provided in Appendix III regarding private sustainability labels, connecting with sustainable businesses and using tools for awareness-raising and capacity-building for you and your employees.

Useful information on sustainability certifications

- If you are not ready yet to apply for a sustainability certification, connect with Ghanaian suppliers that have already received this certification and purchase raw materials from those suppliers. That way, you contribute to the overall sustainability environment in Ghana too.
- Some certifying bodies allow certification as a group, so you and other businesses in Ghana can apply for group certification.
- If you are a trader or retailer, remember that product certification is only under your brand name.
- Remain competitive through the following tips:
  - (i) Use natural and organic ingredients, where possible, throughout the production process.
  - (ii) Opt for packaging that is recyclable or made from recycled materials. Some packaging is even biodegradable or compostable.

Supplier sustainability resources

Use the ITC Sustainability Gateway to check which suppliers in your country hold any of the voluntary sustainability certifications for their raw materials. It includes the Sustainability Map and the Sustainability Standards (it has approximately 1,000 sustainability standards in its database). These guidelines cover a wide range of subjects, including:

- **Environment**: Climate change, water, energy, waste, materials and biodiversity.
- **Social issues**: Labour, human rights, health and safety, community development, care for indigenous peoples.
- **Governance**: Anti-corruption, corporate governance and ethical business practices.

Some other ITC resources you can explore and learn from are: SME Trade Academy and SheTrades Academy.

05 VALUE ADDED TAX

There are two types of value added tax (VAT) that might apply to goods imported into the UK, namely:

1. UK VAT on supplies of goods to customers in the UK (which we simply refer to as 'UK VAT'); and
2. Import VAT, which applies at the point the goods are brought (imported) into the UK.

Both types of VAT are distinct from each other and are applied slightly differently; however, importers generally only face a single VAT charge, as any Import VAT is often recoverable as 'input tax' against the UK VAT on the supply to the customer. We explain this in further detail below.

UK VAT

All goods supplied to customers in the UK are generally subject to VAT at the rate of 20%, unless they are subject to an exemption. The UK VAT treatment of goods imported to the UK depends on whether or not the customer is registered for UK VAT (and is therefore a 'business' customer) and also whether the value of the imported goods is considered 'low value'. Where the customer is not registered for UK VAT, the seller is required to register for UK VAT and is responsible for the collection and payment of UK VAT to His Majesty's Revenue and Customs (**HMRC**).

Conversely, where the customer is a business (that is, they have a UK VAT registration number), it is generally the business customer who is responsible for paying the UK VAT directly to HMRC. There is no minimum value of UK sales that must be reached before a business selling to UK customers must register for UK VAT. However, businesses that are registered for UK VAT can generally claim back any UK VAT they pay as 'input tax'.

A supply to UK customers will be an 'import' if the goods are sold from a location outside the UK to customers in the UK and the goods are moved into the UK to fulfil the sale.

If the value of the goods imported in a single shipment is less than £135 and they are supplied through an online marketplace (e.g. Amazon), then the responsibility for charging UK VAT and paying this to HMRC falls on the online marketplace itself, not the seller. From the seller's perspective, these supplies are outside the scope of UK VAT. Where a seller solely makes supplies that are outside the scope of UK VAT because of the low-value exception, then the seller will not be required to register for UK VAT.

QUICK TIP: Online marketplace option

Where sales to UK customers are not expected to be significant (e.g. it is not expected that UK sales will exceed individual shipments of £135), then it may be preferable to operate through an online marketplace to avoid the need to register for UK VAT and the administrative cost and burden of complying with the ongoing reporting requirements.

Import VAT

Import VAT is separate from the general UK VAT charge discussed above. A person bringing goods into the UK will also be responsible for Import VAT, which is charged at the standard 20% rate and generally subject to the same exemptions as the general UK VAT charge. The person responsible for paying Import VAT is the person who is liable for any Customs duties (i.e. the person filling out the Customs declaration).

Where the seller of goods is the person filling out the Customs declaration and responsible for paying any Import VAT, this would also trigger a requirement for the seller to register for UK VAT (independently of any requirement in relation to the general UK VAT charge, discussed above). Where such a registration requirement arises, the cost of any Import VAT is generally recoverable against any VAT that is required to be charged on the sale of goods to the customer.

The default position is that any Import VAT payable must be paid before the goods will be released into the UK. However, importers can also elect to use postponed Import VAT accounting (including importers with duty deferment accounts), which allows sellers to account for Import VAT as part of a regular UK VAT return.

Please contact ITC if you are considering using the deferment scheme.

QUICK TIP: Check legal arrangements

Sellers should consider the legal arrangements put in place to facilitate the sale of goods to the UK, as this may have consequences for them in that they will be required to fill out Customs declarations.

QUICK TIP: Customers awerness

Sellers should also consider the experience of their customers where the legal arrangements require the buyer to complete any Customs declaration and pay any Customs duties (including Import VAT). Sellers should make sure customers are aware of the additional requirement to fill out the Customs and Import VAT paperwork as well as the additional cost of any Customs duties or Import VAT.

Use of agents

Sellers commonly use shipping, forwarding or similar agents to handle the importation and Customs clearance of goods (including compliance with any Import VAT requirements). There are two forms typically adopted for these agency relationships:

- **Direct representation**: The agent facilitates the completion of administrative requirements **in the name of** the person engaging the agent (so the name of the person engaging the agent appears on all Customs and importation documentation).
- **Indirect representation**: The agent acts in their own name on behalf of the principal.

It is important to note that, under **either** arrangement, either the seller or the buyer could be the person on whose behalf the agent acts. Crucially, under direct representation, the person engaging the agent remains the person liable for any Import VAT. Where the seller engages the agent, this means that the seller will be responsible for any Import VAT (and may be required to register for VAT where not otherwise required to do so).

Alternatively, where a seller is not otherwise required to register for VAT, they may wish to engage an agent to represent them indirectly. While under this arrangement, the person engaging the agent has the technical responsibility for payment of Import VAT, HMRC may seek to collect any unpaid Import VAT from the agent (as, under this model, the principal is not required to register for VAT if it is not otherwise required to do so). However, engaging an agent for indirect representation is likely to come at an additional cost because the agent will be liable for any unpaid Import VAT (and Customs duties).

Postal services

Specific rules apply for goods delivered by post, which generally facilitate the collection of any Import VAT through a postal form (for packages with a value of less than £900) or through a full Customs declaration (where the value of the package exceeds £900).

06 CUSTOMS AND RELATED PROCEDURES

An excellent product must still pass smoothly through the Customs authorities of both the export and import destinations. Many documents are required to do so, and each document is important. Refer to Appendix IV for more information on each document, its importance and tips to confirm that it is done properly.

An important part of shipping goods for export is to get through the maze of Customs regulations. The following chapter supplies an overview that helps small manufacturers export through aggregators to the UK. It is also useful for manufacturers who wish to export directly to the UK.

To be sure that your products will cross the Ghanaian and UK borders, make sure that the correct UK commodity code is identified, the correct tariff rate is considered, and the products are valued correctly. Refer to:

- Chapter 2 Part C, and Appendix I Part D for more information on finding the correct commodity code
- Chapter 2 Part D for details on the UK-Ghana TPA and relevant ROOs to access preferential tariffs.

As set out in Chapter 1 Requirement 3, the website of the Ghana Revenue Authority lists the Customs procedures and steps for exporting products from Ghana.

Once the physical checks of documents and the shipment are completed, the goods will be loaded for transportation by air or sea. Various documents will be needed at this point.

The **commercial invoice** is one of the most important documents for an exporter. It holds all details related to your consignment. The UK Government has specified the details required in a commercial invoice. These are set out for convenience in Appendix IV. As the exporter's master document, a well-drawn commercial invoice is an important record for all later documentation and any future disputes.

The **Customs declaration** will require the Customs classification (the HS or tariff code) as well as the value of the goods. This will be used to calculate the amount of tariff duty and/or VAT payable. Valuation of goods for Customs purposes is normally based on the price paid or payable by the buyer to the seller for the goods when they are sold for export to the UK. The value will therefore be based on the value of the goods as mentioned in the commercial invoice.

The importer based in the UK will typically file the Customs declaration. The UK's Customs Declaration Service supports making import and export declarations when moving goods into and out of the UK. From 30 March 2024, the Customs Declaration Service will be the UK's single Customs platform and all businesses will need to declare goods through it.

Importers will typically need an Economic Operators Registration and Identification number to file a Customs declaration – it may be helpful to ask for this number and include it on the commercial invoice.

The UK's Customs authority, HMRC, offers a variety of helplines for general Customs enquiries.

07 TRANSPORT AND LOGISTICS

Logistics and transportation are an integral part of the export process. However, the terms of the export contract will mention whether the exporter will need to plan transport of the shipment to the UK. Refer to Appendix V for details about transportation and organizational requirements.

Freight forwarder services can help small exporters who do not have large volumes of exports in a single consignment. If an exporter is using the services of an aggregator, the following chapter is not entirely relevant. However, it is useful to be aware of the requirements.

Air and ship transportation require different sets of documents to be filed. Efficiency in delivering the goods to the export destination can be achieved by proper and transparent transport documentation. It is also of use in case a dispute about the consignment arises in the future. Incoterms in the export documents will show which entity bears the responsibilities and risks of transportation.

Freight insurance

Consider the Incoterms carefully before signing the export contract. They will decide your transportation risk and freight insurance payment.

A key document is a **bill of lading** in the case of passage of goods by ship, or an airway bill if the goods are transported by air. A bill of lading is a legally binding document and will prove that the described goods have been shipped by the consignor to the consignee for transportation through the mode of transport, the shipping date and shipping terms.

Freight insurance is an important protection against risk when shipping goods for export. The details of the insurance should be included in the commercial invoice.

A **packing list** must be prepared by the exporter and is needed to clear Customs from the country of origin as well as to enter the export destination.

Refer to Appendix V for further details.

01 APPENDIX I: PREPARING TO BE A GHANAIAN EXPORTER

A. Products that cannot be exported out of Ghana

- Round log (12 species, including rosewood)
- Narcotics / psychotropic substances
- African grey parrots
- Endangered animal species
- Rattan canes and bamboo

B. Additional Certifications

Some additional certifications beyond those outlined in Chapter 1 are buyer-specific, and may also be required, including:

- Certificate of analysis
- Material Safety Data Sheet
- Traceability certificate
- Pharmaceutical certificate
- Genetically Modified Organism (GMO) certificate (optional)
- Cosmetic Product Information File (PIF)
- Technical data sheet
- ISO certification
- Chemical Abstracts Services (CAS) number.

C. Summary of Incoterms, the role of the buyer and the role of the exporter

INCOTERM	ROLE OF THE BUYER	ROLE OF THE SELLER
ExWorks (EXW)	Responsible for everything from the exporter's premises to the destination	They only need to make the goods available at their premises
Free Carrier (FCA)	Responsible for everything from the exporter's premises to the point of carriage	Needs to deliver the goods to the carrier nominated by the buyer
Free Alongside Ship	Responsible for everything from the port of loading to the destination	Needs to deliver the goods alongside the ship at the port of loading
Free On Board (FOB)	Responsible for everything from the port of loading to the destination	Needs to load the goods on board the ship at the port of loading
Cost and Freight (CFR)	Responsible for everything from the port of shipment to the destination	Needs to arrange for the carriage of the goods to the port of destination and pay the freight
Cost Insurance Freight (CIF)	Responsible for everything from the port of shipment to the destination	Needs to arrange for the carriage of the goods to the port of destination, pay the freight, and arrange for insurance
Cost Paid To (CPT)	Responsible for everything from the point of carriage to the destination	Needs to arrange for the carriage of the goods to the named destination and pay the freight
Carrier and Insurance Paid To (CIP)	Responsible for everything from the point of carriage to the destination	Needs to arrange for the carriage of the goods to the named destination, pay the freight, and arrange for insurance
Delivered at Place (DAP)	Responsible for everything from the exporter's premises to the destination, except for unloading	Needs to deliver the goods to the buyer's premises or another nominated place
Delivered at Place Unloaded (DPU)	Responsible for everything from the seller's premises to the destination, including unloading	Needs to deliver the goods to the buyer's premises or another nominated place and unload them
Delivered Duty Paid (DDP)	Only needs to accept the goods	Responsible for everything from the exporter's premises to the destination, including unloading and Customs clearance

D. Product classification: Commodity codes

The HS code is contained in the International Convention on the Harmonized Commodity Description and Coding System. Based on the product description laid down in the relevant chapter of the HS code, each product has a product code, which has six digits. Countries typically go beyond the HS code and introduce further product classification lines. In the UK, commodity codes classify products at the 10-digit level.

As seen in Chapter 2 Part C, the product classification decides the tariff rates applicable at the time of import. Product classification at various levels can be visualized using the example of product classification for shampoos as per the HS code and UK commodity codes shown in Table A1.

Table A1: Example of how to read HS codes and UK commodity codes

HS Code			
HS chapter	2 digits	33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations
HS heading	4 digits	3305	Preparations for use on the hair
HS subheading	6 digits	3305 10	Shampoos
UK commodity code			
UK commodity code	10 digits	3305 1000 00	Shampoos

Examples of product-specific UK commodity codes for cosmetics

The codes below are given as examples only. Please check the UK's Online Tariff Tool for further details and for support in classifying products.

Table A2: UK commodity codes most likely to be used by Ghanaian cosmetics exporters

CODE	DESCRIPTION
3303 – Perfumes and toilet waters	
3303 0010 00	Perfumes
3303 0090 00	Toilet waters
3304 – Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or suntan preparations; manicure or pedicure preparations	
3304 1000 00	Lip make-up preparations
3304 2000 00	Eye make-up preparations
3304 3000 00	Manicure or pedicure preparations
3304 9100 00	Powders, whether or not compressed
3304 9900 00	Other
3305 – Preparations for use on the hair	
3305 1000 00	Shampoos
3305 2000 00	Preparations for permanent waving or straightening
3305 3000 00	Hair lacquers
3305 9000 00	Other
3307 – Pre-shave, shaving or aftershave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorizers, whether or not perfumed or having disinfectant properties	
3307 1000 00	Pre-shave, shaving or aftershave preparations
3307 2000 00	Personal deodorants and antiperspirants
3307 3000 00	Perfumed bath salts and other bath preparations
3307 9000 00	Other

E. Rules of Origin under the UK-Ghana TPA

As mentioned in Chapter 2 Part D of this Handbook, products 'wholly obtained' in Ghana can benefit from preferential tariff rates. The UK-Ghana TPA lists that shall be considered as 'wholly obtained' in Ghana.

Figure A1: UK rules for classifying products at wholly obtained in Ghana

Article 3

Wholly obtained products

1. The following shall be considered as wholly obtained in Ghana or the UK:

(a) live animals born and raised there;

(b) mineral products extracted from its soil or from its seabed or ocean floor;

(c) vegetable products harvested there;

(d) products from live animals raised there;

(e) (i) products obtained by hunting or fishing conducted there;

(ii) products of aquaculture, including mariculture, where the animals are raised there from eggs, spawning, larvae or fry;

(f) products of sea fishing and other products taken from the sea outside the territorial waters of the UK or of Ghana by their vessels;

(g) products made aboard their factory ships exclusively from products referred to in point (f);

(h) used articles fit only for the recovery of raw materials;

(i) waste and scrap resulting from manufacturing operations conducted there;

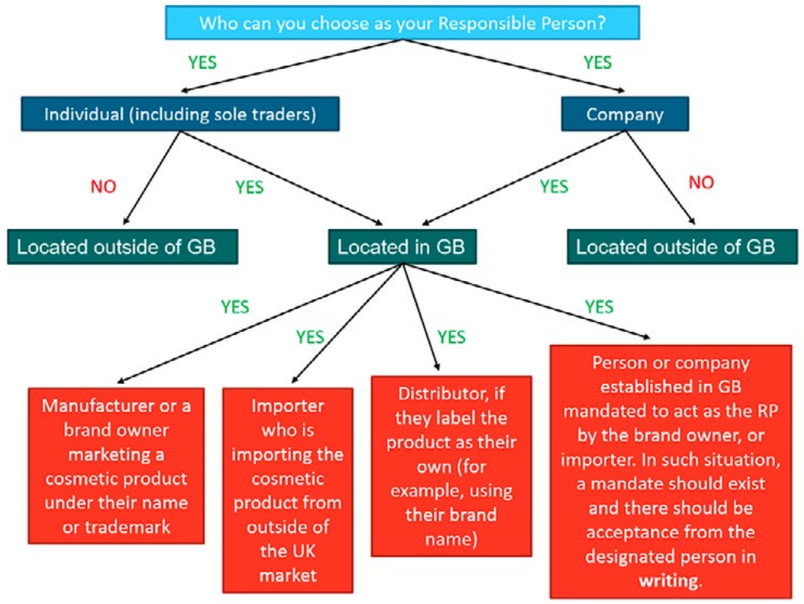
(j) products extracted from marine soil or subsoil outside their territorial waters provided that they have sole rights to work that soil or subsoil;

(k) goods produced exclusively from the products specified in points (a) to (j).

02 APPENDIX II: REGULATORY REQUIREMENTS TO ENTER THE UNITED KINGDOM MARKET

A. Responsible person and product safety requirements

Figure A2: Guide to choosing a Responsible Person



As a brand owner, you appoint the RP. Listed below are certain responsibilities of an RP, who should:

- Know which ingredients are used in the cosmetic product, including those that are harmful or nanomaterials.
- Know about restrictions on what can be put in cosmetic products.
- Keep an up-to-date document with information on the cosmetic product (the PIF, as discussed in Chapter 3 Part C)
- Make any information on the packaging, labelling and instructions for the cosmetic product clearly visible.
- Let the OPSS know about the cosmetic product (called notification) before it is made available to consumers.
- Tell OPSS about any SUEs that are reported about the cosmetic product.
- Be able to prove that any claims made when marketing the product are correct.

B. Cosmetic Product Safety Requirements and Report

In order to carry out a comprehensive safety assessment, the Safety Assessor should be asking for the following information from the RP:

- Product formulation (list of intentionally added ingredients and their concentrations, totalling 100%).
- Thorough supplier documentation: the compositional information of each ingredient should include the presence of impurities (if any) that are technically unavoidable, as they need to be assessed for safety.
- Safety data sheets, certificates of analysis and other relevant documentation related to each cosmetic ingredient in the finished product.
- For fragrance materials: the International Fragrance Association conformity certificate (if the fragrance supplier is a member of the Association), list of fragrance allergens with concentrations, and any preservatives or other stabilizers.
- Results from preservative challenge tests, stability / compatibility and microbiological test reports.
- Information about the GMP system that you use (GMP can be demonstrated through compliance with the ISO standard ISO 22716).
- Information about the packaging and its material composition, and any other relevant technical information available from the packaging supplier.
- How the product is used (for example, leave-on / rinse-off, site of application, amount of product per use, use frequency).
- Any clinical studies, if available.
- If the product has cosmetovigilance data (for example, a history of undesirable effects or SUEs): this may be asked by the Safety Assessor prior to, or after, the product is placed on the market. This can provide supporting evidence to the overall risk profile of the product.

C. Compliance with Good Manufacturing Practices

The UK Government website outlines that while ISO 22716 is commonly used, it is not the only way to demonstrate GMP. ISO 22716 says that the company producing cosmetic products must:

- Make sure all people employed know their roles and responsibilities for production, control, storage and shipment of cosmetic products.
- Make sure staff have appropriate training and skills for cosmetic product manufacture.
- Ensure the place where cosmetic products are manufactured is regularly maintained and cleaned.
- Make sure the place where cosmetic products are manufactured is set up to reduce the risk of products and raw materials mixing.
- Make sure equipment used for manufacturing is regularly maintained and avoids cosmetic product contamination.
- Know comprehensive information on supply chains for raw materials so any problems can be traced.
- Make sure any water used for cosmetic product manufacture is adequately treated and tested routinely for microbes and impurities.
- Have detailed information on how the cosmetic product has been produced.
- Know where in the manufacturing process to test cosmetic product quality.
- Give a cosmetic product a batch number and label.
- Check any equipment and the place the cosmetic product is being manufactured before manufacture, to minimize contamination.
- Make sure the quality of the product is maintained in storage, when being shipped and also when being returned.
- Record and justify changes to the manufacturing process.
- Use quality control as a way to find if a cosmetic product, raw materials or items used for packaging change unexpectedly.
- Know and define the different types of waste generated during manufacture.
- Identify and dispose of waste in a controlled and sanitary way.
- Investigate any complaints or problems with a cosmetic product. This includes looking at measures that need to be taken to prevent problems happening again. It also includes verifying batches that have been affected by problems.
- Perform internal audits to ensure these steps (defined in ISO 22716) are being correctly implemented.
- Ensure there is up-to-date documentation in place to show what happens during the manufacture, quality control, storage and shipment of cosmetic products. Examples would include protocols and methods.

D. Ingredients and REACH

Please note this is only relevant to you if you produce more than one ton per year of the ingredient / substance that is regulated by REACH.

REACH applies uniformly to all products within its scope and does not discriminate depending on the size or nature of the producer or manufacturer. No company is exempt from the requirements for chemical safety but you could have exemptions from REACH and the GB Classification, Labelling and Packaging Regulation when other legislation applies.

The only types of products that are entirely exempt from REACH requirements are:

- Radioactive substances.
- Substances in temporary storage under Customs supervision, provided they are not being transformed or processed in any way.
- Substances used in the interest of defence when (these are) covered by specific national exemptions.
- The transport of hazardous substances on their own or in mixtures.
- Non-isolated intermediates – these are substances that appear between two successive chemical reactions and that are not removed from the system, except for sampling.

Therefore none of the complete exemptions are likely to apply to cosmetic manufacturers.

Two exemptions may apply for cosmetic manufacturers, as registration is not required for:

- Products occurring in nature (e.g. minerals, ores and ore concentrates that are not chemically modified) where registration is deemed inappropriate or unnecessary. Please see analysis under Annex V of REACH further below.

More specifically, Entries 7 and 8 in Annex V cover naturally occurring substances, if they are not chemically modified. Therefore, the definitions 'substances which occur in nature' and 'not chemically modified substance' concern both of the exemptions.

This group of substances is characterized via the definitions given in Articles 3(39) and 3(40). According to Article 3(39), 'substances that occur in nature' means 'a naturally occurring substance as such, unprocessed or processed only by manual, mechanical or gravitational means, by dissolution in water, by flotation, by extraction with water, by steam distillation or by heating solely to remove water, or which is extracted from air by any means'.

The exemption under points 7 and 8 requires that the substances are substances that occur in nature, if they are not chemically modified. This requirement implies that in order to decide if the exemption applies to a particular substance, both the following criteria must be fulfilled:

- 'A substance that occurs in nature' according to the definition in Article 3(39).
- 'Not chemically modified' according to the definition in Article 3(40).

Therefore, in order to benefit from the exemptions under points 7 and 8, a substance must be naturally occurring, which means only processed in accordance with a process listed in Article 3(39). In addition, it must not have undergone a chemical modification as defined by Article 3(40). This means that, as a first step, it needs to be assessed whether the substance in question (e.g. menthol) has been extracted solely with a process listed in Article 3(39).

If this is the case, the second step needs to be taken, of assessing whether the substance has been chemically modified during or after extraction according to Article 3(40). It should be noted that processes intended solely to remove impurities are not considered to be a chemical modification, as long as the chemical structure of the molecule is not modified. However, where a substance undergoes a chemical modification of one or more of the constituents originally present in the naturally occurring substance, hence resulting in a change of chemical structure, a substance would no longer be covered by the exemption because it does not conform with the conditions in Article 3(40), even if it was extracted only by the means listed in Article 3(39).

E. Product packaging and labelling

Article 19 of the UK CPR requires all cosmetics products to have clearly and indelibly marked on their container and packaging the following information.

- **Name and address of the RP**: The RP must be based in the UK. Following Brexit, for a period of seven years until 31 December 2027, the name and address requirements are considered satisfied if there is compliance with the EU CPR (i.e. where the label has the name and address of an RP based in the EU / European Economic Area). In addition, when under NI law and the RP is based in the EU, an NI business does not need to change the contact details on the packaging to sell a qualifying NI good in GB – though the requirement to have an RP based in the UK still stands.
- **Country of origin**: The country of origin must be specified for imported cosmetic products, including products imported from the EU, being noted however that 'Made in the EU' is not accepted as the country of origin, as the EU is not a country. The same transitional provisions as mentioned above apply for the information related to the country of origin.
- **Statement of contents**: The UK CPR requires the labelling of the nominal content at the time of packaging given by weight or by volume and provides for certain exceptions (e.g. free samples, packaging contains less than 5 g or 5 ml, single application such as sachets, etc). In addition, compliance with the Weights and Measures (Packaged Goods) Regulations 2006, SI 2006/659 must be ensured, and notably the 'three packers' rules:
  - (i) The average contents for a batch of product must not be less than the declared nominal quantity.
  - (ii) The proportion of packs that are short of the stated quantity by a defined amount – the 'tolerable negative error' – must be sufficiently small to satisfy specified requirements.
  - (ii) No pack should be short by more than twice the tolerable negative error.
- **Minimum date of durability or 'period after opening'**: A product which is likely to deteriorate up to and including months from the date of manufacture must have a date of minimum durability marked on its container and packaging using either the words 'best used before the end of' or the 'hourglass' symbol given in Annex VII of the UK CPR (shown at right).

A date of minimum durability is not mandatory for products with a minimum durability of more than 30 months. Instead, for these products a 'period after opening' represented by an open cream jar symbol (shown at right) is required, together with the period of time in months or years shown in number.

- **Warning statements and precautionary information**: Conditions of use and warnings for a range of ingredients (chemical substances, colours, preservatives and UV filters) must be provided on the container and outer packaging in English.
- **Batch number**: A code that enables the manufacturer or supplier to identify the batch in which the product was manufactured must be marked on the primary container and outer packaging. **The batch number can appear on the packaging alone if it is impossible for the code to appear on the container for reasons of size**.
- **Product function**: The function of the product must be clearly stated on the primary container and outer packaging in English unless the function is clear from the presentation itself.
- **List of Ingredients**: A full list of ingredients preceded by the term 'ingredients' and using the common names published in Commission Decision (EU) 2019/701, which is an international nomenclature fully supported by the UK in the interests of consumer safety; and for colourants, using the colour index number.
  - (i) Perfume, aromatic compositions, and their raw materials shall be referred to

by the terms ‘parfum’ or ‘aroma’. The threshold levels for declaration for parfum or aroma are 0.001% for leave-on products and 0.01% for rinse-off products. Ingredients must appear in descending order but ingredients in concentration of less than 1% may be listed in any order after those in concentrations of 1% or more.

(ii) All nanomaterials present in the cosmetic product need to be clearly indicated and followed by the word ‘nano’.

(iii) For the purpose of simplifying manufacture, the UK CPR allows all colourants used in a decorative range of cosmetics to be listed, although each product would only contain a selection of those colours. However, there is no specific provision made for other ingredients that are subject to change (e.g. minor formulation changes of non-colour ingredients such as those used to accommodate the different characteristics of colour pigments). A strict interpretation of the legal requirements would require separate labelling for each formulation but it is the accepted industry practice to list the items using the same rules as for colourants.

Warning statements and precautionary information as well as an ingredients listing that cannot all appear on both the container and packaging for practical reasons may be mentioned on a leaflet, label, tag, tape, or card enclosed with the cosmetic product or attached to it. In that case, the consumer must be referred to it, using abbreviated information or a special hand and book symbol, as shown at right (see Annex VII of the UK CPR), appearing on the container or the packaging.

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F. Claims

Cosmetic products claims must comply with the rules set out in:

- The Consumer Protection from Unfair Trading Regulations 2008, SI 2008/1277.
- The Business Protection from Misleading Marketing Regulations 2008, SI 2008/1276.
- Some rules that can be found in self-regulatory codes of practice:
  - (i) the CAP Code
  - (ii) the UK Code of Broadcast Advertising.

The RP must ensure that the wording of any claim in relation to a cosmetic product does not imply that the product has a characteristic or function that it does not have. The RP must also ensure that any claims related to a cosmetic product comply with the common criteria set out in the Annex to Retained Regulation (EU) 655/2013.

- **Legal compliance**: Claims must comply with all applicable legal and self-regulatory regimes. Claims of compliance with legal requirements or approval by a regulatory authority are not allowed, as well as claims that convey the idea that a product has a specific benefit when this benefit is mere compliance with the minimum legal requirements.
- **Truthfulness**: Claims should not be based on false or irrelevant information. Claims of presence of specific ingredient can only be made if the said ingredient is deliberately added to the cosmetic product. Claims relating to the properties of an ingredient must not imply the finished product has that benefit if it does not. Claims must not imply that opinions verify claims unless the opinion reflects verifiable evidence.
- **Evidence support**: Claims, whether implicit or explicit, must be supported by evidence that is adequate and verifiable. Studies must follow well-designed and well-conducted methodologies, must respect ethical considerations and should be relevant to both the product and the benefit claimed. The level of evidence must be consistent with the type of claim being made. For example, where a lack of efficacy may cause a safety problem (e.g. sun protection), more evidence may be required. Statements of hyperbole or exaggeration not taken literally or of an abstract nature will not usually require substantiation.
- **Honesty**: Claims must not go beyond supporting evidence, nor imply by action or omission that the product has characteristics or functions that it does not have. Claims for ‘new and improved’ must not be overstated. Claims shall not attribute to the product specific (i.e. unique) characteristics if similar products possess the same characteristics. Claims related to a benefit linked to specific conditions must clearly state these conditions.
- **Fairness**: Claims should be objective and not denigrate competitors nor denigrate ingredients that can be legally and safely used in cosmetic products. Claims must not create confusion with the products of a competitor.
- **Informed decision-making**: Claims should contribute to the ability of consumers and professionals to make informed decisions, by inclusion of the necessary information on function and characteristics of the cosmetic product. Claims should be clear, precise, relevant and understandable to the average end user in the target audience, taking into account the capacity of that end user to understand the information.

G. Notification of a cosmetic product before being placed on the GB market

Below is a list of the information that has to be submitted as part of the notification.

- The category of cosmetic product and its name or names, enabling its specific identification.
- The name and address of the UK RP.
- Details of the contact person in the case of an emergency.
- Where applicable, the following information: Presence of substances in the form of nanomaterials; the identification including the chemical name (International Union of Pure and Applied Chemistry) and other descriptors as specified in point 2 of the Preamble to Annexes 2 to 6 to this Regulation; and the reasonably foreseeable exposure conditions.
- he name and the CAS or European Community (EC) number of substances classified as carcinogenic, mutagenic or toxic for reproduction substances of category 1A or 1B under Regulation (EC) No 1272/2008.
- The frame formulation allowing for prompt and appropriate medical treatment in the event of difficulties.
- The original labelling and, where reasonably legible, a photograph of the corresponding packaging.

03 APPENDIX III: VOLUNTARY SUSTAINABILITY STANDARDS

UK consumers are typically environmentally conscious. This means that there are a lot of sustainability standards that can be applied to cosmetics. Some of the sustainability seals available are: (i) B Corporation, (ii) Natrue and (iii) Cosmos.

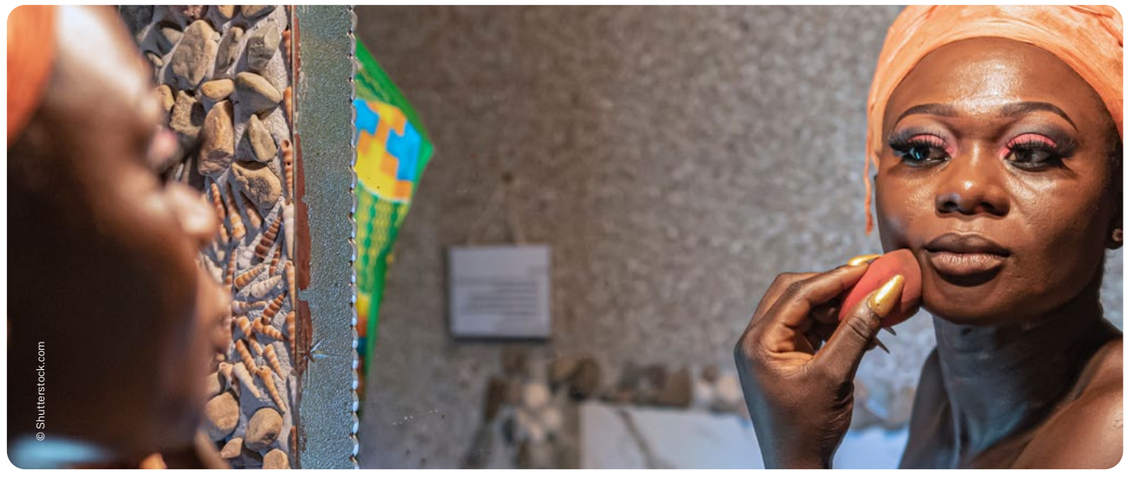
Currently, the UK has not taken any steps to create its own ecolabel or negotiate for continued use of the EU Ecolabel.

B Corporations

This certification applies to companies meeting a high ethical standard across employment, environment, production and beyond.

B Corporation status certifications are administered by B-Lab and there are many branches throughout the world, including B-Lab Africa.

The B Impact Assessment is available for free, enabling companies to discover more about their impact and take the first step to certification.



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Natrue

This certification applies to raw materials and finished products intended for cosmetic use.

It applies to cosmetic products using only natural ingredients (including ingredients derived from nature and those that are nature-identical). Natrue certification applies to various cosmetic products, evaluating them against specified criteria: origin of ingredients, manufacturing processes, product formulation, packaging, environmentalism, ethical nature and the source of ingredients. Natrue is also able to certify products as organic.

Since the beginning of 2023, Natrue is partnered with the United Kingdom Organic Trade Board, a trade association of members promoting the organic beauty sector with a consumer-friendly approach.

Cosmos Organic or Cosmos Natural

The Cosmos Natural certification applies to natural cosmetics products. The Cosmos Organic certification applies to the same products qualifying as Cosmos Natural which, in addition, meet a specified proportion of organic ingredients.

The Cosmos certifications cover every stage of the supply chain, from mindful ingredient sourcing to recyclable packaging.

These certifications are administered in the UK by the Soil Association.

04 APPENDIX IV: CUSTOMS PROCEDURES

An important part of shipping goods for export is navigating the maze of Customs regulations. Finding the correct HS code for your product and making the correct valuation of the exported goods are key steps to efficient passage through domestic and export destination Customs procedures. Refer to Chapter 2 Part C and Appendix I Part D on finding the correct HS code and ROO.

A. Commercial invoice

A commercial invoice is the primary and most important document for an exporter. It has all the details related to your consignment. The UK Government has specified the details required in a commercial invoice. It is a comprehensive list and will be useful to include in your invoice. The commercial invoice can be the exporter's 'master document' and can also be an important record for future transactions. Apart from the name, address, sales contract / proforma invoice, HS code of the goods and currency of the transaction, a commercial invoice also includes details of the transport route and the valuation of the goods. Many templates of commercial invoices are available. You can check with your chamber of commerce to find out the most proper commercial invoice format.

Information required in a commercial invoice

- Full name, address and contact details of the seller and buyer
- Details of the recipient of the goods (**consignee**), if different from the buyer
- Number and date of issue of the commercial invoice
- Number and date of issue of the proforma invoice, purchase order or sales contract
- Price, method of payment, currency and any discounts or added charges
- Quantity, and gross and net weight of goods; and number, weight and type of packages
- HS code and a plain English description of the products
- Incoterms including delivery and payment
- Country of origin of the goods
- Means of transport and route
- Actual value of the goods

B. Exchange rate

When the price is fixed for export of goods, the exchange rate plays a key role. It can appreciate or depreciate for your currency, and you may receive less or more for your products as per exchange rate fluctuations. The UK Government gives helpful tips to protect yourself from exchange rate fluctuations, which are:

- Use the exchange rate of the day you are paid
- Cover potential losses by including an added charge
- Get paid in foreign currency in a forex account
- Account for the fluctuation in your pricing
- Take advice from a professional or your bank

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05 APPENDIX V: TRANSPORT AND LOGISTICS

Each means of transportation requires a different set of documents to be filed. In the case of exports from Ghana, the means of transport at the UK entry point would be either by air or by ship. Proper and transparent transport documentation is the mainstay of an efficient export process. It is also crucial in case a dispute about the consignment arises at any time in the future. Please refer to the Incoterms provided in Chapter 2 Part B and Appendix I Part C when preparing the transport documentation. This will help you understand the exact meaning of the terms and their implications for your exported goods to reach their destination.

A. Bill of lading

The Customs authorities will need either a bill of lading in case of carriage of goods by ship or an air waybill if the goods reach the UK by air transport. These documents are issued by the carrier (transportation company) to the shipper as proof of shipment.

Small exporters who do not have large volumes of exports in a single consignment can make use of the services of freight forwarders as shippers.

The services of local transportation companies can also be utilized to ship smaller volumes of cargo.

A bill of lading is a legally binding document and will prove that the described goods have been shipped by the consignor to the consignee for transportation through a specified mode of transport, shipping date and shipping terms.

B. Freight insurance

The contract with the exporter will clearly show who handles risks related to the consignment of goods once it gets loaded as cargo on a vessel, be it an air carrier or a ship. The Incoterms that are used and detailed in Chapter 2 Part B and Appendix I Part C will be critical in determining who has the responsibility for and pays charges incurred on post-shipment risk from theft, damage or weather. If it is an FOB contract, for example, then the exporter is responsible for the risks in delivering the goods to the Customs entry point of the export destination.

Freight insurance is an important protection against risk when shipping goods for export. The details of the insurance should be included in the commercial invoice.

Please look carefully at the table provided in Appendix I Part C to understand the Incoterms before negotiating your contract. It will decide your responsibility and risk in transportation and the charges borne for freight insurance.

C. Packing list

A **packing list** must be prepared by the exporter. It is needed to clear Customs from the country of origin as well as to enter the export destination. It provides Customs authorities with information about the contents of the consignment as it crosses through the export destination border.

Although no format is prescribed, it should contain details about the consignment, especially the type of packaging used (wooden crates, gunny sacks, drums, etc.), the number of packages, and the weight and measurement of the packages. It should, like all other documentation, have the names of the exporting and importing parties and the transporter. The packing list should accompany the commercial invoice with the shipment.

There is no specific format for packing lists required for the UK. Several examples of packing lists are available online. The UK's Chartered Institute of Export and International Trade provides further guidance and a template packing list.

06 APPENDIX VI: VAT PROCEDURES

UK VAT registration: Generally speaking, where companies without a UK presence (called, a 'UK establishment') only make supplies through an online marketplace (e.g. Amazon) of goods that are located outside the UK at the point of sale, and the value of each single shipment is less than £135, then the online marketplace (and not the seller) is responsible for charging and paying UK VAT, and the company should be considered 'outside the scope' of UK VAT.

However, where companies without a UK establishment make supplies direct to UK customers otherwise than through an online marketplace (or make online marketplace shipments of a value greater than £135) then the seller must register for UK VAT. Further, where goods sold via an online marketplace are located in the UK at the point of sale, the seller may be required to register for UK VAT regardless of the value of the goods sold (and even if ultimately the marketplace is responsible for collecting and accounting for the VAT).

If the seller does have a UK establishment (being, broadly, a UK entity (company) or an office established in the UK) then this establishment may also be required to register for UK VAT. Where a seller makes sales via an online marketplace, the marketplace itself may also be liable for UK VAT where the non-UK seller fails to register or make payments when required to do so.

DID YOU KNOW?

Please note that electronic marketplaces may have reporting obligations related to the collection and remittance of UK VAT on supplies facilitated through the online marketplace. For this purpose, the marketplace may need to collect certain information about the supplier and the products that are to be supplied. If you need assistance, please contact ITC.

Where sellers register for UK VAT, they should be able to claim the UK VAT they pay in the course of their business as 'input VAT' and receive this amount back from HMRC.

Registration for UK VAT is generally done online via HMRC's online VAT registration service on the HMRC website (except for certain overseas partnerships and where the overseas seller is applying for an exception from registration, in which case a paper application should be requested from the VAT helpline).

Use of agents: Sellers looking to use shipping, forwarding or similar agents to handle the importation and Customs clearance of goods (including compliance with any Import VAT requirements) typically adopt one of two forms of arrangement:

- **Direct representation**, where the agent acts **in the name of** their principal
- **Indirect representation**, where the representative acts as agent **in its own name**.

Where a seller opts to engage an agent to represent it directly, the person engaging the agent remains the liable for any Import VAT (and may be required to register for VAT where not otherwise required to do so).

Alternatively, where a seller opts to engage an agent to represent them indirectly, the agent has the technical responsibility for payment for Import VAT and HMRC will generally seek to collect such VAT from the indirect agent in the first instance. However, under this arrangement, HMRC may still seek to collect any unpaid Import VAT from the seller.

Engaging an agent (under either model) is likely to incur fees to cover the costs of the agent. In the case of indirect representation, it is likely to come at an additional cost because the agent will be liable for any unpaid Import VAT (and Customs duties).

Please contact ITC if you are considering registering for one of the above-mentioned schemes.

Postal services: Specific rules apply for goods delivered by post, which generally facilitate the collection of any Import VAT through a postal form (for packages with a value of less than £900) or through a full Customs declaration (where the value of the package exceeds £900). This operates independently of any VAT registration requirements for sellers.

#SheTrades

Her success. Our future.

The International Trade Centre's SheTrades Initiative is a global movement to unlock women's full economic potential through trade.

By working with governments, business support organizations, the private sector, and women producers and entrepreneurs, we create the right capacities and conditions for sustainable impact at scale.