



Department for  
Digital, Culture,  
Media & Sport



Department for  
Business, Energy  
& Industrial Strategy

18 February 2021

Dear Ms. Cincik,

Thank you for your letters of 2 and 16 February on the potential impact of the UK-EU trade deal on the fashion and textiles industry and UK government policy.

The government recognises the significant contribution of the fashion and textiles sector to the UK economy. The design and designer fashion sector delivered £3.6bn in GVA, which refers to economic output and 171,000 jobs in 2019, and is an important contributor to the UK's soft power via world-leading events such as London Fashion Week.

We are working closely with businesses in the fashion industry to ensure they get the support they need to trade effectively with the EU, and seize new opportunities as we strike trade deals with the world's fastest growing markets.

As the Minister for Small Businesses, Consumers, and Labour Markets I regularly engage with fashion and textiles industry representatives and I recently met with Dr. Lisa Cameron MP, chair of the fashion and textiles All-Party Parliamentary Group. The Department for Digital, Culture, Media and Sport (DCMS) also recently organised a webinar with the fashion sector to provide clarity on the new rules. As Secretary of State for DCMS, I understand that DCMS officials have shared materials from the webinar with you, which I hope you will find useful.

We continue to work with the industry to ensure the movement of fashion professionals to work in the EU is as smooth as possible. To support businesses facing challenges with specific aspects of trading with the EU, we are operating export helplines, running webinars with policy experts and offering businesses support via our network of 300 international trade advisers. We have also invested millions to expand the customs intermediaries sector.

The UK's offer to fashion professionals is significantly more generous than many EU Member States. However, it is within the gift of those Member States and the Commission to improve their arrangements and match the UK's offer, and we will engage with our partners to encourage them to do so. I trust you will also lend your star power to these efforts and call on them to make life easier for fashion professionals working in countries across the EU.

The fashion sector is represented in the DCMS-led working group, composed of creative and cultural sector representatives and other government departments, to look at issues regarding movement in the EU. The sector was also represented at the Brexit Business Taskforce Meeting on 12th February, chaired by the Chancellor of the Duchy of Lancaster, which focused on the creative industries.

In your letter, you raised the issue of visas. Note that fashion artists and support staff travelling to the UK as visitors from non-visa national countries, including EU nationals, are able to carry out a number of activities without a visa. These include certain paid engagements for up to one month and unpaid activities for up to 6 months, as set out under the permitted activities list for visitors.. In addition, non-visa national creative workers entering the UK for work assignments under the Tier 5 Creative Worker category are not subject to visa requirements if coming for up to 3 months.

On your point regarding the Shortage Occupation list, we note that the independent Migration Advisory Committee (MAC) advises the Government on changes to the List. Future changes must be considered in the context of the long-term economic impacts of the pandemic, and the significant increase in resident workers looking for work.

Prior to 31 December 2020, VAT was due on goods sold to consumers from the UK to the EU through the VAT return system. VAT was either due in the EU Member States or in the UK, and was remitted to the relevant tax authority through a VAT return. From 1 January, the UK has left the Single Market and the EU Customs Union. Items moving between countries normally attract customs duty and import VAT (where applicable) in the country of importation. With the UK-EU Trade & Cooperation Agreement (TCA) now in place, there will be no customs duty on goods moving between the UK and EU if the goods meet rules of origin under the agreement. In broad terms this means that goods imported into the EU from the UK must have originated in the UK. Goods imported into the UK and EU that meet the rules of origin, and so claim zero duty payable under the TCA, will not require formal proof of origin if the consignment value does not exceed £1,000.

The TCA does not, however, change the import VAT rules and this will continue to be payable. Exports of goods from Great Britain to the EU are zero-rated for UK VAT, and the importer of goods into an EU Member State may incur a charge of VAT. The tax treatment of these goods upon importation into the EU is a matter for the EU. Note that the EU VAT Directive requires Member States to exempt imports of goods of negligible value from VAT. Further information can be found on the European Commission website under taxation and Customs Union.

Finally, we recognise the pandemic has impacted many parts of the economy and many businesses want to get back to work as soon as possible. However, we must reduce the risk of COVID-19 transmission and as a result my government took the decision to suspend travel corridors from 4am Monday 18 January and to revoke all sectoral exemptions. This includes the film industry, which is not included on the critical workers list.

Officials in BEIS and DCMS would welcome any evidence you can provide and are happy to answer further questions where they can. We would also encourage you to liaise with the British Fashion Council so that your views can be fed into the DCMS-led working group.

A handwritten signature in blue ink, appearing to read 'Oliver Dowden', followed by a long horizontal flourish.

Rt Hon Oliver Dowden MP  
Secretary of State for  
Digital, Culture, Media, and Sport

A handwritten signature in blue ink, appearing to read 'Paul Scully', with a stylized, looped design.

**Paul Scully MP**  
Minister for Small Business, Consumers & Labour Markets, and Minister for London  
Department for Business, Energy & Industrial Strategy

