

UK to scrap duty exemption for low-value import goods

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After the US, the UK plans to eliminate duty-free exemption for low-value import (LVI) goods (under £135) by March 2029. If implemented, sending small parcels, including food items and commercial samples to companies in the UK, will turn expensive.

At present, duty relief can be sought for LVI goods imported to the UK. However, following a significant increase in LVI volumes over the recent years, the government is reviewing existing customs arrangements for LVIs, and may arrive at the need for a reform.

The UK, on Wednesday, issued a public consultation, which covers the design of the new arrangements, including what data to collect,

how the tariff should be applied, whether or not to apply an additional fee on LVIs to fund administration, and potential changes to VAT collection to reflect the new arrangements.

The public consultation will close on March 6, 2026. This invites public input on upcoming procedures and changes, including tariff treatment for low-value parcels, data collection and compliance, potential administrative fees, and possible changes to VAT collection.

In August, the US scrapped the *de minimis* exemption. J Krishnan of S Natesa Iyer Logistics LLP, a Chennai-based freight forwarder, said the move by the UK would hurt those sending small gifts to friends and relatives, as well as those sending commercial free trade samples.