



# PREPARING YOUR BUSINESS FOR BREXIT

**The UK left the EU on 31 January 2020.** They are currently in a Transition Phase, due to end on 31 December of this year. As a result, there have been no changes for Imports and Exports, however, this will all change on 01 January 2021.

## TRANSITION

- > EU and UK companies will continue to trade as normal until 01 January 2021
- > There will be no Sanitary/Phytosanitary checks between the EU and the UK during this time
- > EU & UK citizens will still be able to travel freely between both jurisdictions respectively
- > The UK will still implement EU legislation.

This transition phase will end on 1 January 2021. From that point on, the UK will no longer apply the rules of the European Union, the Single Market or the Customs Union.

This means that Irish traders will be required to lodge Import and Export Declarations with effect from 1 January.

## PUTTING TOGETHER A CUSTOMS PROCEDURE GOING FORWARD

As you may now be importing/exporting for the first time, it is essential to draft a Customs Procedure to ensure the correct processes are put in place for Importing and Exporting your goods.

### Importing into the UK/ROI

Duty Impact

Border Controls

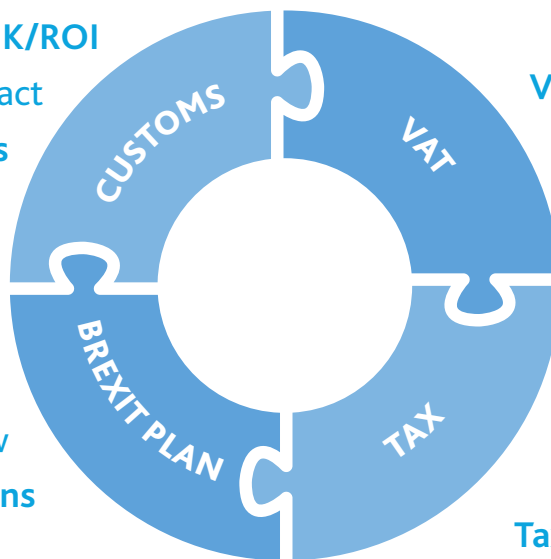
Terms of Trade

Trusted Trader

Brexit Strategy

Supply Chain Review

Grants and Loans



### VAT on Entry

VAT registration for new company

VAT planning

New Company or Branch set up

Tax Registration

Transfer pricing

People Planning

Tax Planning

## WHAT CAN I DO?

BDO strongly advises traders to prioritise Brexit preparations now to ensure you are able to complete customs declarations with effect from 1 January 2021. Separately, we would also look at planning ahead for duty mitigation measures in the event a Free Trade Agreement is not in place.

We recommend following the **15 point** action list below:

### Step 1

Ensure you have a **Customs Registration Number – EORI**

If you intend to act as an Importer from the UK into Ireland or Exporter to the UK from Ireland you cannot do so unless you are registered with Customs and obtain an EORI number. You may also require a UK EORI if you are responsible for UK Import/Export Declarations.

### Step 2

How do you intend to pay customs duties on arrival?

Decide whether you will pay on early arrival or establish whether you need to obtain a **Deferred Payment Account**. If the latter, put in place a guarantee with your bank to cover the duties that are going to be suspended.

A *Deferred Payment Authorisation* will allow you to import goods into Ireland from the UK and defer the payment of *Customs Duties* and *Import VAT* to the month following import. If you export to the UK you may also need a *Deferred Payment Authorisation* from HMRC.

### Step 3

Ensure your **tariff classifications** are 100% correct and, from this, confirm the duty rates that may be payable. This will also be essential in order to determine the origin rule applicable to your product in the event of a Free Trade Agreement

### Step 4

How are you lodging declarations with Revenue and HMRC? Do you need in-house training and software?

**Will you outsource this to a clearance agent to lodge Customs Declarations on your behalf?**

A clearance agent will act on your behalf to enter your *Import and Export Documents* into the Customs System (*AEP, Ireland* and *CHIEF, UK*); however, the capacity on the market is limited.

### Step 5

Talk to your suppliers and customers to confirm who is acting as **Importer and/or Exporter of Record for your purchases and sale** and check your terms of trade (*incoTerms*)

### Step 6

If you trade in **Agricultural goods and Plant based products**, then additional **Vetinary checks, licenses and certs will be required along with additional time frames for notifying Customs of imports**. Ensure you are registered the Department of Agriculture, understand *Traces*, and also are aware of new UK import requirements as applicable.

### Step 7

Review your **VAT position in Ireland and the UK**. As a VAT registered entity, you can avail of simplifications with regard to accounting for VAT on import. This will **significantly benefit cash flow**.

### Step 8

Seek advice if you **import from or export to Northern Ireland** as special rules will apply.

Steps 9–15

**Step 9**

Confirm if you qualify for the **simplifications applicable to UK imports available up to 30th June 2021**.

**Step 10**

**Hauliers and Freight Forwarders** – ensure you have talked with your Hauliers and Freight Forwarders and have an agreed procedure in place with them for **moving goods through the Ports**.

**Step 11**

**Excise** – if you move goods subject to excise duties, **the EU EMCS will no longer apply in the UK**. In addition, **UK imports to ROI will not move through EMCS from the UK to ROI**. You should change your Import/Export procedure to account for this.

**Step 12**

**Import/Export Reliefs** – if you import goods for storage/manufacture and re-export, or to make a 0% duty rate product, **you may qualify for duty reliefs**. We recommend reviewing your supply chain to ensure you minimise your duty exposure (if applicable).

**Step 13**

**AEO** – you may wish to look at applying for **Authorised Economic Operator** status to simplify your Import/Export procedures, provide easier access to customs simplifications and reduce your guarantee requirements.

**Step 14**

**Single Market Regulations** – there are a number of other Single Market regulations, in particular, around areas like REACH, ISPM 15, CE marking, Labelling etc. You should **ensure you are familiar with these changes also**.

**Step 15**

**Grants and Supports** – finally, in order to enable you to work through the points above **there are a number of supports and grants available as well as training and mentoring programmes**. Please contact us for a list suitable to your industry and area.

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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BDO are currently running in-house training so that businesses can familiarise themselves with the basics of Customs and what you need to do to be ready.

For more information contact the **BDO Customs and International Trade Team**, [brexit@bdo.ie](mailto:brexit@bdo.ie).

[www.bdo.ie](http://www.bdo.ie)