

# PREPARING YOUR BUSINESS FOR BREXIT

As agreed at the EU Council Meeting the UK departure from the EU has now been extended to 31st October, with a review scheduled in June.

While this has allowed Businesses avoid a cliff edge scenario, it will not be long before October 31st presents the same challenges. Now that there is a little more time to prepare we are urging companies to use that time wisely.

We recommend adopting the following action plan at a minimum:

Along with our step-by-step guide outlined below, we are advising businesses to:

- Use the next few months wisely.
- Apply in time for Customs Authorisations.
- Do not leave planning and preparation to the last minute.

## Step 1

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

If you intend to act as an importer from/exporter to the UK and the EU, you cannot do so unless you are registered with Customs. Similarly you will be required to have a UK Customs registration to export from/import to the UK.

## Step 2

Establish whether you need to obtain a **Deferred Payment Account** and, if so, put in place a guarantee provision 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 should also now request 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.

## Step 4

Ensure you have 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)*.

Alternatively review the option of bringing this in-house.

## Step 5

Talk to your suppliers and customers to confirm who is acting as **Importer and/or Exporter of Record** for your purchases and sales.

They are responsible for the payment of the *Import Duties* along with customs compliance.

**Step 6**

If you trade in **Agricultural goods**, and particularly if those goods are of animal origin, then additional **Veterinary checks and certs** will be required along with **additional time frames** for notifying Customs of imports. Ensure you are registered with DAFM and comply with new UK import requirements

**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. Check if you qualify for UK Simplified Import procedures

**ONCE THESE STEPS ARE IN PLACE WE RECOMMEND:****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.

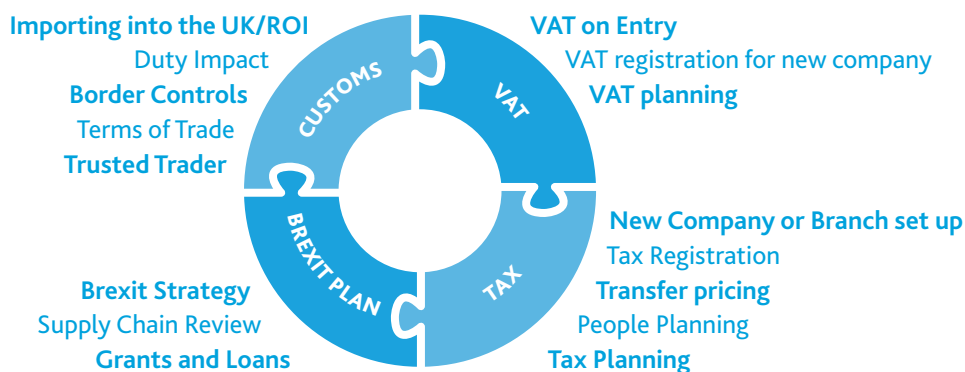
**REVIEWING THE AUTHORISED ECONOMIC OPERATOR STATUS**

After completing steps 1–8 you can look to apply for the Authorised Economic Operator (Trusted Trader Customs Authorisation).

This is a complicated process and requires a considerable number of procedures to be in place from both a Customs, IT, Accounting, Logistics and Supply Chain Security perspective.

The average time frame to securing AEO status is 4-6 months in Ireland and 9-12 months in the UK.

**In summary we strongly recommend that businesses prepare a plan to include:**

**FOR FURTHER INFORMATION PLEASE CONTACT:**

**CAROL LYNCH**  
Partner, Customs & International Trade  
at clynch@bdo.ie



**KEVIN DOYLE**  
Partner, International  
Tax Co-ordinator  
at kdoyle@bdo.ie



**DEIRDRE PADIAN**  
Senior Manager, VAT  
at dpadian@bdo.ie



**ANGELA KEERY**  
Tax Director,  
at angela.keery@bdo.co.uk

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).**

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO to discuss these matters in the context of your particular circumstances. BDO, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it. BDO is authorised by the Institute of Chartered Accountants in Ireland to carry on investment business. BDO, a partnership established under Irish Law, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent members firms. BDO is the brand name for the BDO International network and for each of the BDO Member Firms. © BDO IRELAND 2019

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