

# 'NO DEAL' 2019 UPDATE

## HM Treasury Update for Businesses

### FOR IMPORTERS

No action required yet, but if no agreement is reached, you'll need an EORI number to import. You might also need to pay VAT or duty.

### FOR EXPORTERS

No action required yet, but if no agreement is reached, you'll need an EORI number to export, as well as potentially an export license. Check up on commodity codes for your goods to be able to fill out export declarations too. EU customers will need to register for an EU EORI number too.

### PASSPORT HOLDERS

#### For UK holders travelling to the EU

If travelling within the Schengen area, your passport will need to be valid for at least 6 months, so be sure there's enough time on your passport

### TRADERS IMPORTING

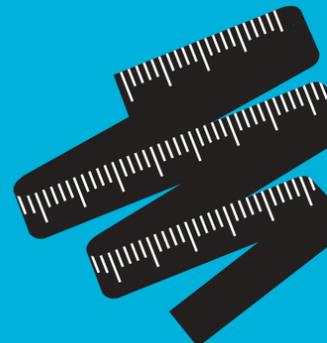
#### Traders importing from the EU to the UK

Traders would need to follow worldwide customs rules, which means, making import declarations, paying customs duties required under a new UK Trade Tariff (and this would replace the EU Common Customs Tariff). You'll also need to have a UK EORI number, and be sure that you abide by Incoterms conditions. It's advisable to consult a freight forwarder or customs agent in any case, to avoid complications.

### TRADERS EXPORTING

#### Shipping to the EU from the UK

Traders from the UK would be expected to follow rules as if they were exporting to the EU from any other country outside of the EU. It's important to ensure you're registered with an EORI number before the 29th March, be aware of export declarations and understand Incoterms to reflect that you're exporting to the EU.



## SHIPPING TO THE EU

Traders from the UK would be expected to follow rules as if they were exporting to the EU from any other country outside of the EU. It's important to ensure you're registered with an EORI number before the 29th March, be aware of export declarations and understand Incoterms to reflect that you're exporting to the EU.



## SHIPPING OUTSIDE EU

No changes in the case of a no deal Brexit

## SERVICES TO THE EU

VAT supply rules will remain the same from an accounting process. However, if the UK leaves the EU with no agreement, the UK won't be part of EU-wide VAT IT systems. This includes the following services:

- UK VAT Mini One Stop Shop (MOSS)
- EU VAT refund system
- EU VAT reg. number validation



## IP EXHAUSTION

### Intellectual Property

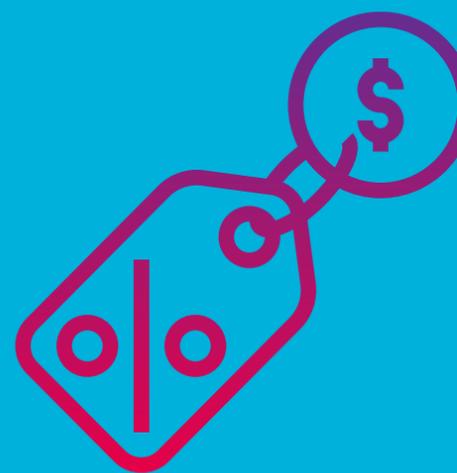
No change here – the UK will continue to recognise the EEA regional exhaustion regime to provide relief and continuity to any losses from businesses



## EXPRESS COURIERS

Customs processes and controls that currently apply to countries outside of the UK will apply to the EU, so any express courier services will not apply EU customs rules if there is a no deal Brexit.

VAT will be payable for all trade between the EU and UK – this means that Low Value Consignment Relief (LVCR) – for goods under £15 will no longer apply and be taxable



## HAULAGE COMPANIES

### Working between the UK and the EU

Haulage companies will need to file security and safety declarations and confirm all customs declarations are in place and up to date.



# FREIGHT FORWARDERS



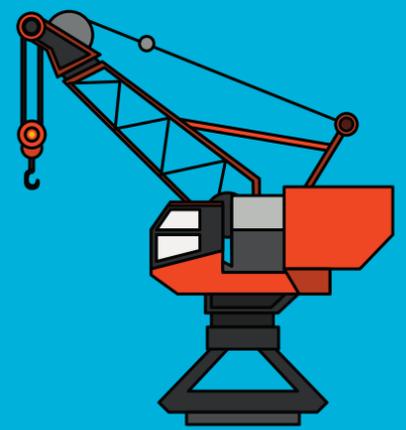
As with importers and exporters, freight forwarding companies will need to have a European Economic Operator Registration and Identification number (EU EORI) in addition to their existing UK EORI number.

For roll-on roll-off (Ro-Ro) transport, you'll need to collect information from the drivers and traders and notify HMRC of any necessary consignments ahead of them arriving.



# CUSTOMS AGENTS

In a no deal Brexit scenario, customs services for traders operating between the UK and just the EU is likely to increase. The key customs process that will change is the requirement to have an EU EORI number as well as a UK EORI number. Collecting consignee information for Ro-Ro transport for HMRC will also be required.



# PORTS AND AIRPORTS

Systems, processes and controls will need to change to adapt EU trade to that of other worldwide trade (also known as third country trade and procedures).

This might require a considerably manual process, particularly for ports and airports that mainly focus on EU trade. It's therefore important to understand the key processing requirements of third country trade and what this means for your port or airport. As mentioned earlier, passporting rules will also likely change.



# CUSTOMS WAREHOUSES

## Working between the UK and the EU

As the status of EU goods changes, so will customs controls. Customs warehouses should treat goods as though they are treated from the rest of the world.

This could require additional staff training, an analysis of warehouse space and awareness of customs warehousing procedures for the rest of the world.

