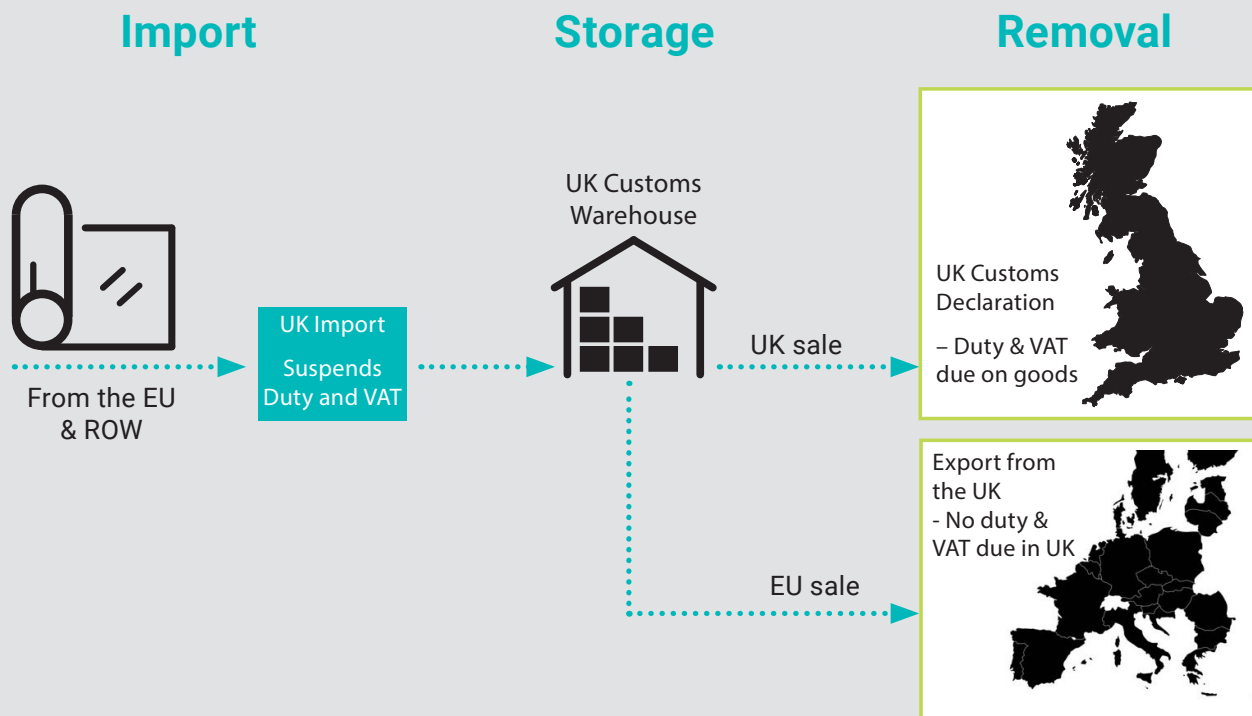


Impact of Brexit on Customs Warehousing and IPR

Customs warehousing and inward processing relief (IPR) allow your business to import goods into the UK, which are intended to be sold to UK, EU or non-EU customers without incurring import duties or import VAT when the goods arrive in the UK.

The EU-UK free trade deal (FTA) allows goods produced in either territory to be shipped to and from the EU without payment of import duty. If the goods do not satisfy the origin criteria in the FTA, a Customs warehouse, or the use of IPR can minimise the duty payable on goods shipped to and from the EU. This will include sales from Great Britain to the Republic of Ireland.



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Customs warehousing

Customs duties only become liable on removal from the warehouse for sale into the UK market.

The following example illustrates the benefit of Customs warehousing. As the goods are purchased from a Chinese supplier, they would not satisfy the rules of origin in the FTA and cannot move to and from the EU without the payment of import duty.

A UK company imports goods from China for onward sale to UK, EU, and non-EU customers. On arrival into the UK

the goods are liable to import duty and VAT. The import VAT can be postponed in most cases until the completion of the importer's next VAT return. With a Customs warehouse, import duties would only be liable on the goods sold to UK customers as the sales to EU and non-EU customers would be exports and therefore not liable to UK import duty. The use of Customs warehousing in this case would mean import duty is only payable once, rather than on both the import into the UK and later sale to EU and non-EU customers.



Inward Processing Relief (IPR)

IPR is a customs regime which allows companies to import goods from outside the UK for processing. The "finished" goods must be disposed of in an approved manner, such as re-export outside the UK, transfer to another IPR holder or sale into the UK.

Customs duties only become payable when the finished goods are sold to UK companies who do not have IPR authorisation. Import duty would be paid at the time of sale on the value of non-UK goods originally entered to IPR.

There are many scenarios where IPR would be beneficial, but they vary depending on your supply chain and customer base. We can review your international trade activities and identify how best your business could benefit from using IPR.



There are many options available for customs warehousing and the benefits vary depending on your supply chain and customer base. Our experienced Customs Auditors can conduct a review of your international trade activities and identify how best your business could benefit from using customs warehousing to minimise the impact of Brexit.

If you would like to discuss this further please get in touch:



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