

FOCUS ON

Brexit Checklist

Trading with the EU

The way you trade goods or services with the EU will change. Be prepared with our **Brexit checklist**.



UK BUSINESSES TRADING IN THE EU

What about EORI numbers?

EORI (Economic operators Registration & Identification)

You must have an EORI number to move goods into or out of the EU (and UK).

Currently a business should only have 1 EORI number which it uses throughout the EU. No-deal Brexit means that UK businesses trading in the EU will need to get an EU EORI. Countries like the Netherlands are allowing applications which will become live post Brexit. However, an EORI number is only part of the answer, VAT registration and import requirements must also be considered.

Do I need to set up a subsidiary in the EU to trade?

Not necessarily. If you are not required to have a presence in the EU due to commercial licenses or regulatory matters then you can sell goods as normal to your EU customers. The big question and issue is “who will be the importer of record?”

My EU customer won't act as importer of record, what do I do?

You will be the importer of record into that country of destination. You will need to register for VAT in that country and make an onward supply of goods to your customer. You will need to be able to raise invoices which are compliant in that country and submit local VAT returns. Sounds tough but is achievable and we help many businesses to trade in this way.

What do I do about incoterms?

You may need to renegotiate these or make it clear in your contracts how you are trading. Incoterms are undergoing a huge change in 2020.

How do I find out which rate of Customs Duty will apply when I import into the EU?

You can use this [link](#) and enter your commodity code. Use a third country as the origin to get an idea of what third country duty may be.

I heard that the Netherlands is a good place to have an EU hub?

The Netherlands is exceptionally geared up for Brexit and operates simplified import VAT procedures. You can apply for an EORI number now to use post Brexit. An EORI number is required to be able to import goods and trade in the EU. The big question is around VAT registration. Effectively if you are importing goods into the EU and you are the importer of record you will be obliged to register for VAT in the country of import.

If you do move your goods via one country and consolidate your logistics there, then you can trade using your local EU VAT number to your other EU customers using the normal intra-EU trade rules.

I have a UK and Ireland market. How do I get registered for VAT in Ireland?

As you would expect there has been a huge demand for VAT registrations in Ireland and it takes at least 8 weeks to secure a VAT registration number. The authorities will require information about your supply chain and the goods being delivered.



IMPORTING GOODS INTO THE UK FROM THE EU

How is this different from the Intra-EU trade I do at the moment?

The movement of goods will become an import and depending on your incoterms you will be the importer of record or your supplier will be.

How do I find out which customs duty tariff codes will apply?

The UK Government has introduced emergency tariffs. This means that 87% of all products entering the UK will have a 0% customs duty rate for up to 12 months. The products that do have a positive tariff rate can be found [here](#).

I heard that Transitional Simplified Procedures (TSP) for Import is a good thing to do?

TSP is an emergency measure introduced by the Government. It will allow the import entry to be delayed for a transitional period. However, the reality is that businesses will need to consider using a customs agent to deal with these entries at some point, so getting ready quickly is recommended.

What is happening to import VAT?

This is also being changed for a transitional period and will mean that import VAT is not charged at import entry. Instead it will be dealt with via postponed import VAT accounting. This will be a similar accounting mechanism to acquisition VAT currently used for intra-EU trade.



I AM AN EU BUSINESS, WHAT DO I NEED TO DO TO TRADE IN UK AFTER BREXIT?

How do I get an EORI number?

You can apply [here](#).

How do I get registered for VAT?

Any overseas trader who imports goods into the UK and sells them, will be liable to register for UK VAT. There is a nil turnover threshold. You can apply online or ask a firm like ours to help you get set up. You can apply for an EORI as part of the VAT registration application.

Do I need to set up a new company?

Unless you have regulatory or license reasons - no. If you have title to the goods you will be liable for VAT registration.

Contact us

For further information please contact your local office

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