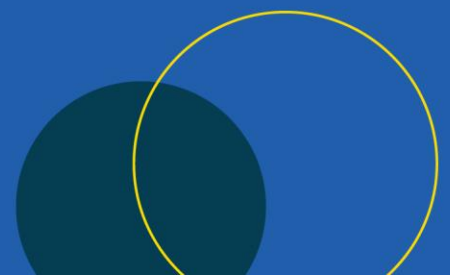
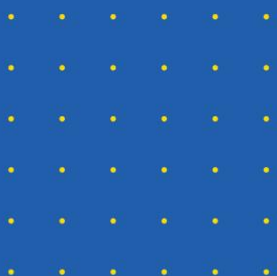




Brexit

20 Frequently Asked Questions



Top 20 Frequently Asked Brexit Questions

- This document contains a list of the frequently asked questions by companies relating to Brexit with **guidance** on responses and **signposting** to relevant information, articles, recorded webinars, external links to additional information.
- Note that this document should be considered a guide and not a legal interpretation.
- See index of topics at the end of the document.
- It should also be noted that companies should seek expert advice on an individual basis to discuss their specific circumstances. You can find more information on supports available on [Prepareforbrexit.com](https://www.prepareforbrexit.com).
- Enterprise Ireland is not responsible for the accuracy of external websites.

Getting Started:

1. *Question – I haven't started any Brexit preparations and I move goods to and from the UK. Where should I **start**?*
 - Enterprise Ireland has developed a '[Brexit Readiness Checker](#)' to help SMEs assess their level of Brexit preparedness across a range of critical areas and signpost key services and supports. It takes 10 – 15 minutes to complete. The Brexit Readiness Checker generates an individual report which provides advice and signposts supports and resources to the company.

Moving Goods To, From and Through Great Britain:

2. *Question – what do I need to do in order to move goods to, from and through UK (excluding Northern Ireland) following relevant customs procedures?*

The **key steps** that a company needs to take are -

- Register for an EORI number which is a requirement for all businesses which trade with GB
 - [What is an EORI Number used for?](#)
 - Register for your EORI through [Revenue Online Service](#)
- Find out the commodity codes (also known as TARIC codes) for your product(s)
 - [What is the commodity code for your products?](#)
 - Find out the commodity code for your product on the [Revenue website](#)
- Identify the Country of origin for your product(s)
 - For more information see [here](#) and on the Revenue website [here](#).
 - Find out more on Enterprise Ireland's free online [Customs Insights Course](#)
- You will also need to decide how you are going to fulfil the customs procedures and undertake the necessary paperwork (see Q3)
- You will also need to agree how customs charges/duties will be paid (see Q5)
- You will also need to clarify and confirm your contractual responsibilities when it comes to customs importing and exporting with each of your UK customers and suppliers. This is established through the selling / purchasing Incoterms specified in your contract (see Q7).

Managing Customs:

3. *Question – Do I have to do customs in-house in my business, or can I outsource this task?*
 - Companies can choose to undertake customs in-house or choose to appoint a Customs Broker as a direct representative. Find out more [here](#).

- *Question 3A - how do I find a customs agent?*
- Speak to your existing or local freight company/ haulier to understand if they are offering this service. You can find customs agents through online searches and through trade associations such as the Irish International Freight Association (IIFA). There is a list of IIFA members on the [IIFA's website](#).
- You can also find a list of UK [customs agents and fast parcel operators](#) on a UK Government website.

Customs Declaration Form:

4. *Question – how do I complete a Customs **declaration form**?*

- Find out more [here](#).
- Companies should avail of the **customs training**, which is provided free of charge through:
 - Enterprise Ireland's online [Customs Insights Course](#) (available on demand)
 - [LEO Customs training](#)
 - [SkillNet Ireland's customs capability training](#)

Paying Irish Custom's Charges and Duties:

5. *Question – how do I pay Irish customs **charges/duties**?*

- Companies have three choices on how to pay Irish customs charges/duties:
 - You can top up your Revenue account by credit card / debit card or single debit instruction
 - You can use a deferred payment account
 - Your agent pays on your behalf, and you make payment to them
- Find out more [here](#). Find out how to apply for a customs [deferred payment authorisation with the Irish Revenue](#)

Importing From UK:

6. *Question: I only **import goods** from the UK, and I don't sell anything there. What do I need to do to prepare for Brexit?*

- You will need to undertake certain steps in order to import goods into Ireland. Follow the steps outlined in Q2 such as getting your EORI number. Note Q7 regarding the roles and responsibilities for undertaking the necessary customs procedures. Clarify with your UK supplier if you will be responsible for carrying out the customs procedures to import the products in Ireland.
- You can find more information in the customs training supports highlighted in Q4.

Incoterms Explained:

7. *Question: What are **Incoterms** and why are they important when it comes to Brexit?*

- [Overview of Incoterms](#)
- *Question 7A: Why are Incoterms so important when it comes to Brexit?*
- In some cases, an Irish company's UK customers may have stipulated to their suppliers that they must continue to supply goods under DDP (delivery duty paid) terms post- Brexit. This term requires that the seller accepts all responsibility and costs for delivering the goods to the named place of destination. The seller must pay for both the export and import declarations along with taxes, duties, insurance and

transport costs. In this case the Irish company has responsibility to export the goods from Ireland and import the goods into GB.

- Similarly, Irish companies must find out the expectations that their UK suppliers have regarding the customs procedures and paperwork. For example:
- *Question 7B: My UK supplier delivers directly to my business, what Brexit preparation do I need to do?*
- This depends on the Incoterms which have been contractually agreed with your UK supplier.
- If your UK supplier has agreed to supply goods to you in Ireland under DDP terms post-Brexit, you will not be required to undertake the customs paperwork. Your supplier will require an EORI number from Ireland to clear goods as it will be acting as importer of record or consignee.
- However, if other Incoterms have been agreed, e.g. EX Works, the customs procedures and paperwork will likely need to be undertaken by the Irish company (see Q8).
- See also [Incoterms 2020. Chart of Responsibility & Transfer of Risk](#), developed by the IIFA, on pg. 12 of their Brexit 2.0 Toolkit.

Taking Responsibility For Importing Your Products Into the UK:

8. *Question: I have clarified with my UK customers that I will be required to take responsibility for the importing of my products into the UK. What do I need to do?*
- This is a highly complex area and may need specialist advice if the Irish company is responsible for carrying out the importing of their product in the UK. Some general guidelines are provided below.
 - Responsibility for meeting customs obligations at import falls on the Importer of Record. Incoterms establish the obligations of the seller and the buyer, including which party is responsible for import (see Q7). For example, under Ex Works (EXW), the buyer is responsible for everything from export clearance at the start of the journey to import clearance and payment of customs duties at the end of the journey.
 - In some cases, the UK buyer may request goods are delivered duty paid (DDP) thus the UK buyer will not have to undertake any importation responsibilities. In a DDP situation the seller (Irish company) is responsible for the import declaration, duty and Import VAT in the UK. Once all this is cleared the seller then sell the goods to their UK customer and invoice the customer with UK VAT.
 - When the goods arrive into GB, an import declaration is required to be made to HMRC on the Customs Handling of Import and Export Freight (CHIEF) system. There are over 50 fields of data that need to be completed on the declaration. Under DDP terms the seller is responsible for making this declaration. This can be undertaken in house or via a third party but in both cases the document will require details of the following two roles:
 - **The Consignee:** The Seller, the owner or person having an interest in the goods at the time of importation. The seller is entitled to recover importer VAT. This does not require a UK presence or establishment. The seller will need the following:
 - [UK EORI Number](#)
 - [UK VAT registration](#)
 - **The Declarant:** The person in whose name the customs declaration is filed and must have a permanent business establishment (“PBE”) or be ‘established’ in GB. A seller has a number of options in fulfilling the declarant role:
 1. Establish an entity in the UK to act as importer
 - Conditions for a viable presence will depend on the level of operations a company has in GB.
 2. Partner with a GB customs broker to act as the declarant. If a seller chooses to used external representation to handle the import declaration there are [two options](#):

- **Direct representation:** Representative acts in the name and on behalf of the seller. In this case the seller is solely liable for the accuracy of the customs declaration and the customs debt.
 - **Indirect representation:** Representative acts in their own name but on behalf of the seller; they will be jointly liable for the accuracy of the customs declaration and the customs debt.
3. Work an Irish based logistics partner who has a UK entity and capacity to undertake the declaration.
- For further information, see the following [UK government site](#).

UK EORI Number:

9. *Question: When do I need a **UK EORI** number and how do I get one?*

- A UK EORI number starts with GB. Companies will need a UK EORI number in order to access some of the UK customs systems. See [Get an EORI number UK](#).

Commencement of UK Customs Procedures:

10. *Question: I have heard that UK customs procedures will not come into effect from January 1st 2021. What does that mean for products that I will import into the UK from January 1st 2021?*

- There are some exceptions, but if you import goods into GB between 1 January and 30 June 2021 and the goods are not controlled, you can:
 - declare these goods by [entering them in your own records](#) without getting authorisation in advance
 - delay sending HMRC the full information about your goods by up to 175 days on a [supplementary declaration](#).
- Find out more [here](#). Note that Irish customs procedures come into effect from the 1st January 2021 for both exporting goods to the UK and importing goods from the UK.

UK Landbridge:

11. *Question: We move goods through the UK to get to the EU. What customs procedures must be followed for the '**UK landbridge**'?*

- Your goods can move from/to another European Union (EU) Member State (MS) through Great Britain (GB) to Ireland on a transit declaration. Companies are advised to consult with their haulier / logistics partner on their requirements to complete a transit declaration.
- **Pre-Boarding Notification (PBN)** - if you bring goods from another EU Member State through GB to Ireland using a RoRo ferry service (accompanied or unaccompanied), a PBN must be submitted to Irish Customs. This notification must be submitted in advance of the goods leaving GB. Find out more [here](#).
- Companies may also consider ferry options which operate directly from Ireland to the EU through discussions with their haulier / logistics partner, if their products are suitable. This removes the requirement of customs formalities.

Trade With Northern Ireland:

12. *Question: Much of my business trade is with **Northern Ireland**. How will this be impacted by Brexit?*

- Under the Revised Protocol on Ireland and Northern Ireland, Northern Ireland will:

- legally remain part of the customs territory of the UK
- effectively remain within the EU Single Market for the movement of goods.
- This has practical implications for rules for trade in goods between Ireland, Northern Ireland and the EU and will result in:
 - No customs declarations, tariffs or quantitative restrictions.
 - No customs checks or controls on the island of Ireland.
 - No safety and security requirements.
- Find out more details the Revenue website [here](#).

Volume Of Customs Declarations:

13. *Question: It is hard to estimate the additional workload that will be involved in customs clearance. Is a customs clearance declaration required per order or per invoice?*

- A customs clearance declaration is required for each consignment whether this is a single box, a pallet, a full truck-load, a shipping container, etc. So, this might relate to one order or to multiple orders shipped as a bulk consignment to the same customer.

Importing From A Third Company Through The UK:

14. *Question: We import goods from China through a UK distributor. We pay import duties in the UK. What should we be aware when importing those goods into Ireland?*

- Import Duty is based on the Origin of the goods; where they were manufactured, not where they were purchased. Goods purchased wholesale from China and resold from a separate entity in another country would still be classified by Customs as Chinese goods. In the case that the product is shipping physically from China to the UK and then onto Ireland, you may be liable to pay customs duties twice.
- In order to avoid this, it may be worth looking into, for example, customs warehousing in the UK and at other options to source this product through a European supplier/distributor or directly from the Chinese supplier.
- Further information is available on the recorded webinar - [Customs Trading with a Third Country](#) and in one of the customs training programmes listed in Q4.

Moving Goods Of Animal Origin:

15. *Question – What do I need to be aware of when moving goods of animal origin?*

- From 1 January 2021, new regulatory and customs requirements are going to be part of trading with or through Great Britain. If you want to continue trading in animals, plants and products of animal (including fish) and plant origin, the operator responsible for the consignment must register with the Department of Agriculture, Food and the Marine in order to access their online import platform and submit the documentation required by EU legislation for import consignments from a non-EU country. See <https://www.gov.ie/en/publication/6d8a1-registration/>
- For more information, see [Department of Agriculture, Food and the Marine](#) and [UK Department for Environment Food & Rural Affairs](#).

Establishing A UK Presence:

16. Question: what do I need to do to **establish a UK presence**?

- Overview article: [New UK importing rules: Establishing a UK Presence](#) including information on staged introduction of customs procedures, General requirements and preparation, VAT and Excise and Setting up a UK entity. See also recorded webinar: [Evolve UK: Establishing a UK presence](#)

VAT:

17. Question: How will **VAT** be impacted post-Brexit?

- The current VAT system is considered reasonably straightforward. When a company registered for VAT in Ireland purchases a product from the UK, no UK VAT is charged. The Irish company self-accounts for VAT using what is known as a reverse charge mechanism. The Irish VAT charge is applied in their next VAT return and a simultaneous credit is taken for it as if a reclaim had been made.
- That will change following Brexit, however. Imports from the UK will attract an Irish VAT charge at the time of import and this VAT will have to be paid immediately rather than accounted for at the time of the next VAT return.
- Once the goods from the UK arrive in Ireland, the Irish VAT rate, usually 23%, is applied and must be paid immediately by the importer along with any customs duties. The Irish importing firm can deduct this from their VAT payable on their next VAT return, but that presents cash flow issues.
- Find out more [here](#). Additional information on the payment of customs duties, excise duties and VAT can be found on the Revenue's website [here](#). It is recommended that companies **seek professional advice**, and, assess the impact of VAT changes on their cashflow. See webinar [Managing Currency Risk](#) for more information.

Issues For Services Companies:

18. Question: I am a **services-based** company, what do I need to be aware of post Brexit? Most of the focus seems to be on companies who move physical goods to and from GB?

- There are certain implications resulting from Brexit for services companies such as Intellectual property, contracts/legal, the treatment of data, the movement of people and regulations. Find out more [here](#).
- There may also be VAT implications. Find out more on the Revenue website: [VAT on services](#)
- See also recorded webinar – [Movement of People post Brexit](#) and on the implications of [Brexit on Intellectual property](#).

Standards And Regulations:

19. Question: The sector we operate in is highly regulated. How do we ensure that we remain fully compliant in the UK market?

- The future trading relationship will determine the degree to which the EU and UK regulations and standards remain aligned. You will need to keep abreast of how your product/service conforms to the necessary standards, if they diverge. This also means, ensuring that the components or elements used in the creation of your product/service are compliant. Consider compliance for both the UK and the EU, if you sell in each of these markets.
- Refer to the most appropriate standards or regulatory body/agency in the EU and UK for more information.
- See also the National Standards Authority of Ireland - [NSAI's Brexit Factsheets](#).

GDPR And Data Protection:

20. Question: Our business currently processes UK customer/staff personal data. How do we ensure we remain compliant with both the EU GDPR and the UK's new data protection regulation?

- From January 1st, 2021, the UK will become a third country subject to the GDPR rules governing the transfer of data outside the EU and EEA.
- For Irish companies transferring data to the UK, it will be the same as if they were transferring it to India or Brazil. This will require them to put in place additional safeguards in accordance with GDPR requirements.
- For more information, see article [Getting your data ready for Brexit](#) and recorded [webinar](#).

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