



Gerlach Customs Services

Brexit Checklist



7 things to do before the Brexit!

The United Kingdom withdrew from the EU at the end of January 2020. Since the beginning of February, there has been a transitional period until the end of 2020.

During this transitional period, the current rules will continue to apply in all political and economic areas as if the UK were still a member of the EU. The EU and the UK will negotiate their future relationship in a Free Trade Agreement (FTA) during 2020. However, this only concerns the underlying taxes and customs duties, not the fact that customs declarations must be made. Negotiations on the future relationship between the UK and the EU have not yet been concluded, but the outcome is uncertain.

Possible scenarios

From 1 January 2021, the terms of economic cooperation between the two entities will be dictated by a new Free Trade Agreement (FTA).

However, in the absence of a free trade agreement (“no-deal brexit”), economic relations between the EU and the UK will be governed by World Trade Organisation rules. Customs duties will be applied to third countries as at present, the rules for invoicing VAT will change, the rules for levying excise duty will change - these and many other barriers to trade would constitute new requirements for international trade.

Whatever type of agreement the EU and the UK will negotiate, all goods imported or exported between the parties after the transitional period will have to be cleared through customs. All goods must be cleared through customs, even if no duties are levied. This will create significant additional costs and red tape for companies trading with the UK.

To ensure that you are fully prepared, we have prepared a checklist for you. It lists the seven most important things you should do before the end of 2020. With the tips of the Gerlach customs experts you will master the uncertainties of the brexit for your business.





Apply for an EORI number

What is an EORI number?

The abbreviation EORI stands for “Economic Operators’ Registration and Identification number”. It is therefore a number for the tax registration and identification of economic operators.

Currently, you only need an EORI number in trade with countries outside the EU, as it is required for the release of goods from customs. Post-Brexit you will also need it for trade with the UK.

You can apply for this number via www.gov.uk/eori. You will receive your EORI number by e-mail, normally within 3 working days.

Furthermore, EORI numbers issued by the UK are not accepted by EU countries after Brexit. So register for an EU EORI number if you want to continue seamlessly with the import or export of goods to/from the EU. If you currently have an EORI number issued by an EU Member State other than the UK, you must obtain a UK EORI number for imports and exports from the UK to Brexit.

Find out the commodity codes of your products

Do you know the commodity code for your product?

The goods you are shipping should be identified using a precise, internationally recognised commodity code, as this ensures that customs apply the correct duties and taxes. This code is also known as the Harmonised System (HS) code.

The commodity code can be used to identify the duties and taxes applicable in each country to which you are sending goods. The rates that will apply in the EU for shipments to the UK (and vice versa) are yet to be agreed.

Use the links below to identify the commodity code for your product(s)

<https://www.gov.uk/guidance/ask-hmrc-for-advice-on-classifying-your-goods> or <https://trade.ec.europa.eu/tradehelp/eu-product-classification-system>



Take care of additional licenses or certifications for your products

Does your product require additional licenses or certifications?

In a number of cases licences are required:

- For goods that are considered military or potentially have a dual use.
- Goods that are controlled under trade agreements such as the Washington Agreement or the Kimberley Process. CITES documentation is required for each movement of endangered species.
- If goods are temporarily exported/imported, an ATA carnet is required to avoid customs duties.

Certificates of origin may be required in the country of destination. Further information can be found at www.gov.uk and <https://trade.ec.europa.eu/>



Observe export controls

Are your goods subject to export controls?

Export control means that the supply of certain goods (goods, technology or data processing programs) may not be carried out without authorisation. This is the case, for example, if the goods are war weapons or so-called dual-use goods, i.e. goods that can be used in the civilian sector but can also be used for military purposes. This also applies to antiques and some other goods.



Have your VAT number confirmed (for UK Importers)

Have you confirmed your VAT number?

The UK Government has announced that the deferred VAT accounting scheme will be applied to UK imports by traders registered for VAT. Further information can be found at www.gov.uk and <https://trade.ec.europa.eu/>.



Open a UK deferral account (for UK Importers)

Do you have a deferral account for import duties and sales tax?

Opening a deferral account in the UK allows you to defer payment of import duties and VAT on goods imported into the UK. Apply for the account at www.gov.uk.



Contact Gerlach Customs

Define already now whether in future you

- a) wish to lodge customs declarations yourself
- b) seek customs clearance of your goods by the transport company or
- c) wish to appoint an experienced customs agent to take over the work for you.

If you would like to have security for your company even after the Brexit, please choose answer c) and contact us: Gerlach is the leading neutral provider of customs services in Europe. With our network of 170 offices in 27 European countries and more than 750 customs experts, we cover the entire spectrum of customs services, from import, export and transit customs clearance to complex customs solutions, supply chain evaluation and customs consulting.



If you want to be well prepared for Brexit, contact us today. The Gerlach customs specialists will find the right solutions for you and your company.

Contact: sales.global@gerlach-customs.com

Further information can be found at
<https://gerlach-customs.com/customs-consultancy/brexit/>