



THE UK WITHDRAWAL FROM THE EU – IMPLICATIONS FOR UK TRADE

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What is Brexit?

- WITHDRAWAL OF THE UK FROM THE EUROPEAN UNION
- SEVERING OF ALL TIES WITH THE SINGLE MARKET
- INDEPENDENCE OF UK AS A SEPARATE SOVEREIGN NATION

The Single Market Concept

FREE MOVEMENT OF:

- GOODS
- SERVICES
- CAPITAL
- LABOUR

ACCEPTANCE OF FULL EU INTEGRATED STRUCTURE, INCLUDING FULL POLITICAL, SECURITY, FISCAL AND ECONOMIC/MONETARY UNION AS PER THE TREATY OF LISBON. COMPLETE LOSS OF NATIONAL SOVEREIGNTY.

The Free Trade Concept

FREE (CONDITIONAL) MOVEMENT OF:

- GOODS
- SERVICES
- CAPITAL

INDEPENDENT NATIONAL POLITICAL & ECONOMIC SOVEREIGNTY

ORIGIN STATUS OF GOODS PARAMOUNT

The Customs Union Concept

- FREE (CONDITIONAL) MOVEMENT OF GOODS
- INDEPENDENT NATIONAL POLITICAL & ECONOMIC SOVEREIGNTY
- COMMON CUSTOMS TARIFF
- GOODS MUST BE IN FREE CIRCULATION
- IMPORT & EXPORT CUSTOMS PROCEDURES REQUIRED

WTO Rules

- INDEPENDENT NATION STATE
- NATIONAL IMMIGRATION & CUSTOMS CONTROLS
- INDEPENDENT NATIONAL TARIFFS
- IMPORT & EXPORT CUSTOMS DECLARATIONS
- IMPORT DUTIES
- NATIONAL QUOTAS
- ORIGIN REQUIREMENTS

Tariffs

- ORGANISED BY WORLD TRADE ORGANISATION (WTO)
- FULL 8-DIGIT CODE – COUNTRY SPECIFIC
- HS CODE – HARMONISED SYSTEM CODE – GLOBALLY APPLICABLE – 1ST 6 DIGITS OF COMMODITY CODE
- AD VALOREM (BASED ON IMPORT VALUE) TARIFF IMPORT DUTY RATES, e.g. 2.5%
- PREFERENTIAL (i.e. DUTY-FREE)

Tariffs 2

- ZERO-RATED (e.g. COMPUTERS)
- GEN – FULL RATES OF DUTY, ESPECIALLY FOR SPECIFIC COUNTRIES
- MFN – MOST FAVOURED NATION – REDUCED DUTY RATES, ESP. GSP (GENERALISED SYSTEM OF PREFERENCES)
- ANTI-DUMPING DUTIES (ADD) & COUNTERVAILING DUTIES (CVD)

Economic Implications

- EXIT FROM THE SINGLE MARKET & CUSTOMS UNION
- INDEPENDENT NATIONAL ECONOMY
- INDEPENDENT TAXATION SYSTEM
- NATIONAL FRONTIERS
- INDEPENDENT FREE TRADE DEALS
- INDEPENDENT BANKING SYSTEM

Customs Implications

- FULL BORDER CONTROLS
- IMPORT & EXPORT DECLARATIONS
- EMPHASIS ON TRADER COMPLIANCE
- ELECTRONIC DECLARATIONS & RECORD-KEEPING
- RISK MANAGEMENT
- USE OF MSS SYSTEM
- TRADER COMPETENCE & SELF-AWARENESS INDEPENDENT NATION STATE

Customs Procedures - Export

- SIMPLIFIED CLEARANCE PROCEDURES
- ADVANCE CARGO PRE-CLEARANCE THROUGH BRUSSELS CUSTOMS COMPUTER IMPORT CONTROL SYSTEM (ENS/EXS), MINIMUM 2 HOURS BEFORE LOADING TRAILER
- SIMPLIFIED EXPORT ENTRIES SUBMITTED BY AEO-s FREIGHT AGENTS (SIMPLIFIED DECLARATION PROCEDURES)
- SIMPLIFIED TRANSITIONAL PROCEDURES (STP)
- EXPORT TRANSACTION SPREADSHEETS, INC. HMRC MSS SPREADSHEETS

Customs Procedures - Import

- SIMPLIFIED CLEARANCE PROCEDURES (TSP)
- SUMMARY IMPORT ENTRY TO CLEAR CONSIGNMENTS THROUGH (AIR)PORT
- CUSTOMS FREIGHT SIMPLIFIED PROCEDURES (CFSP)
- FULL IMPORT ENTRY AT TRADER'S PREMISES
- POSSIBLE CUSTOMS BANK GUARANTEE
- IMPORT TRANSACTION SPREADSHEETS

Transitional Simplified Procedures (TSP)

- ELECTRONIC SIMPLIFIED FRONTIER DECLARATION (SFD) BEFORE TRAILER LEAVES EU
- ARRIVAL IN UK
- IMMEDIATE CLEARANCE THROUGH UK PORT
- ARRIVAL AT TRADER'S PREMISES
- SUPPLEMENTARY DECLARATION – IMPORT (SDI) AT TRADER'S PREMISES VERIFYING ARRIVAL OF CONSIGNMENT
- FULL IMPORT ENTRY AT TRADER'S PREMISES WITHIN 1 MONTH

TSP Additional Requirements

- EORI (ECONOMIC OPERATOR REGISTERED IDENTIFICATION)
- COMPREHENSIVE CUSTOMS GUARANTEE (CCG)
- DEFERMENT ACCOUNT
- SIMPLIFIED IMPORT VAT ACCOUNTING (SIVA) FACILITY – REMOVES GURARANTEE FROM IMPORT VAT
- MSS EXCEL SPREADSHEETS

Import VAT Postponement

- IMPORT VAT SIMPLIFICATION
- IMPORT VAT SHOWN ON IMPORT ENTRY
- IMPORT VAT NOT PAID OUTRIGHT
- ACCOUNTED FOR ON VAT RETURN
- SIMILAR TO REVERSE CHARGE MECHANISM

Origin & Preferences

- SEPARATE FREE TRADE DEALS – SOME ALREADY CONCLUDED, e.g. SWITZERLAND, ISRAEL, SOUTH KOREA, CHILE
- SEPARATE ORIGIN & PREFERENCE RULES & DOCUMENTATION FOR THE UK
- TIGHTER ORIGIN REQUIREMENTS
- INCREASED HMRC CONTROLS AND APPROVALS (APPROVED EXPORTER/REGISTERED EXPORTER - REX)
- TRADER SELF-ASSESSMENT REQUIREMENTS

VAT & Excise

- SEPARATED FROM EU
- SEPARATED FROM INTRASTAT
- EMCS CONTINUES TO APPLY FOR MOVEMENT OF EXCISE DUTY-SUSPENDED CONSIGNMENTS
- FREEDOM TO REGULATE UK NATIONAL RATES
- EXPORT DECLARATION REQUIRED TO VERIFY VAT ZERO-RATING
- IMPORT VAT POSTPONEMENT

EU VAT

- POSSIBLE NEED TO OBTAIN VAT NUMBER IN IRELAND AND EU
- USE OF EU VAT NUMBER TO CLEAR GOODS INTO EU AND SELL/SHIP TO EU CUSTOMER ON INTRA-EU BASIS, ESP. FOR INCOTERMS DAP/DAT/DDP
- USED FOR EU IMPORT VAT RECLAIM

Other Requirements

- EORI NUMBER
- IMPORT/EXPORT TRANSACTION SPREADSHEETS
- HMRC MSS TRANSACTION SYSTEM
- DOCUMENTED IMPORT/EXPORT PROCEDURES (SOPs), INCLUDING CUSTOMS PROCEDURES
- REGULAR IMPORT/EXPORT MANAGEMENT CHECKS

Even without Brexit

- EXPORTS TO EU – ENDORSED COPIES OF RECEIPTS OF SHIPMENTS BY EU CUSTOMERS (CMRs/PoDs)
- EVIDENCE OF SHIPMENT TO EU
- DOCUMENTED IMPORT/EXPORT PROCEDURES, INCLUDING CUSTOMS PROCEDURES
- IMPORT/EXPORT MANAGEMENT CHECKS AND AUDITS
- HMRC APPROVALS
- TRADER AWARENESS AND COMPETENCE

Union Customs Code

- REMAIN LARGELY INTACT
- HMRC MAY BE MORE FLEXIBLE WITH SOME ARRANGEMENTS
- AEO STATUS WILL INCREASE, AS IT IS A GLOBAL INITIATIVE
- FINANCIAL GUARANTEES
- TRADER SELF-ASSESSMENT
- TRADER COMPLIANCE

Purely European Issue?

- WTO TRADE FACILITATION AGREEMENT (TFA)
- WORLD CUSTOMS ORGANISATION (WCO) REVISED KYOTO CONVENTION
- SAFE (SAFETY AND ACCOUNTABILITY IN FREIGHT) FRAMEWORK OF STANDARDS
- AUTHORISED ECONOMIC OPERATOR (AEO) STATUS
- ELECTRONIC DECLARATIONS
- TRADER SELF-ASSESSMENT
- RISK MANAGEMENT
- COMPLIANCE




Thank you

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