

# Brexit: VAT and Customs

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# Lets discuss Brexit!

VAT and Customs

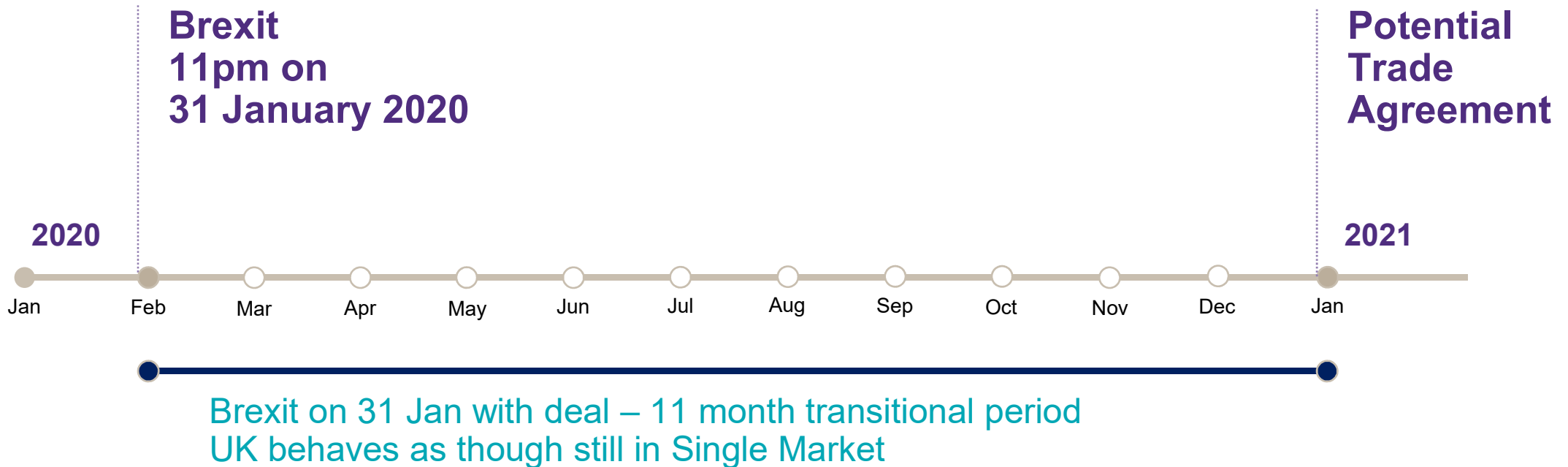
Now, during transition and from 1 January 2021

No regrets actions / Scenario planning

Road Maps

Northern Ireland VAT and Customs

# Brexit probable timeline



# VAT

- **Where are we now?**
- **Transitional period**
- **2021 and beyond**

# Where are we now?



SINGLE MARKET



PRINCIPAL VAT  
DIRECTIVE



VAT ACT 1994



SIMPLIFICATIONS

# Transitional Period

## 2020 EU VAT Reform: 4 Quick Fixes

- **Fix 1 – Call-off stock**
- **Fix 2 – Chain transactions**
- **Fix 3 – VAT identification numbers**
- **Fix 4 – Proof of transport**

# Transitional period



Mini One Stop Shop ("MOSS")



Import VAT



Distance Sales



Simplifications e.g. triangulation

# 2021 and beyond



EORI number needed for moving goods in/out of Europe



Deferred accounting for Import VAT



Insurance and Financial services to EU “Specified supplies”



EU VAT refunds



EC Sales lists & Intrastat reporting



# Customs

**What are customs duties? The position now.**

**Entering a transitional period...**

**What is next after the transitional period?**

**Practical help and considerations**

# What are customs duties and Why are they paid? The position now.

Tax on goods entering the EU from outside of the EU

Collected on behalf of the European Commission by the member state in which the goods arrive.

Customs duties need to be paid or secured before goods are released.

# Entering a transitional period...

It is likely that the United Kingdom will enter a transitional period from 1 February 2020 to 31 December 2020 (possibly longer). Broadly, the *status quo* will remain.

- The possibility of an extension?

There is still a possibility of leaving the European Union without a transition period on 31 January 2020.

The transitional period is the perfect time to get ‘your house in order’.

# What is next after the transitional period?

- We don't know for sure!
- We will have a changing border...
- Expecting the UK to be a 'third' country from 1 January 2021. Key considerations are;
  - Imports and exports – no longer dispatches and arrivals from the EU
  - Customs compliance
  - Tariff rates – a new temporary tariff?
  - Looking at customs procedures and how these may benefit
  - Transitional simplified procedures

# Practical help and considerations for now



Authorised Economic Operator (AEO)



Incoterms – increased focus



Housekeeping – keeping goods moving!

# Authorised Economic Operator (AEO)

Two types;

AEOC – Customs simplification

AEOS – Security and safety

Key benefits

- Customs simplifications
- International recognition
- Commercial benefits
- Secure supply chain
- Financial
- Business benefits

# Incoterms

- EXW – Ex Works
- FCA (a) / FCA (b) – Free Carrier
- FAS – Free alongside ship
- FOB – Free on board
- CFR – Cost and freight
- CIF – Cost, insurance and freight
- CPT – Carriage paid to
- CIP – Carriage and insurance paid to
- DAP – Delivered at place
- DPU – Delivered at place unloaded
- DDP – Delivered duty paid

# Housekeeping

Aim of keeping goods moving!

- Supply chain review
- Time to go back to basics
- Contracts and Incoterms
- Customs compliance training
- Customs procedures

Plan now for when the UK has left the European Union



# The road ahead

Short term stability to 31 December 2020, assuming a deal

Longer term upheaval

Possibility of no or skeletal trade agreements from 2021

Frontier processes

Government grants for gaining Customs expertise

# Beyond Brexit



~80 years VAT experience to solve your problems



VAT / Customs health checks



Remedying disputes with HMRC / Alternative Dispute Resolution (ADR)



Voluntary error corrections



VAT Compliance checks



Digital links for Making Tax Digital (MTD)

# Further Assistance

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