Are you prepared?

1. **Understand the potential impact on your supply chain**
   Ensure you have reviewed your supply chain to understand the potential impact of a customs and VAT frontier on the movement of your goods. Ensure hauliers and freight forwarders are prepared with the relevant permits and registrations.

2. **Have you tried our Customs impact assessment tool?**
   KPMG has developed a tool which can assess your customs exposures. Using our tool, our team can produce a bespoke report setting out the key Customs Duty and VAT impacts from Brexit based on your actual data from the last 12 months. We can then meet with you to talk through the analysis and identify the key priority areas for your business.

3. **Contracts**
   Assess whether the terms of your contracts (especially incoterms) with your suppliers and customers meet your needs post Brexit, in particular who is responsible for import clearance and any duties arising. Incoterms are internationally recognised trade terms that define each party’s obligations, costs and risks associated with the delivery of goods from seller to buyer.

4. **Obtain an EORI number**
   To operate within a customs regime, importers and exporters of goods need to be customs registered. If not already registered, an application should be filed with HMRC via the online service (https://www.gov.uk/eori) for a UK EORI (customs) number.
   If you are responsible for importing goods into the EU, or exporting goods from an EU country, you will require a separate EORI number.

5. **Customs Classification**
   The rate of Duty arising on goods depends on their Customs classification.
   Ensure you have confirmed the commodity codes for all goods moving into and out of the UK and vice versa and you understand the potential tariff implications associated with the movement of your goods.
Filing Customs declarations
Consider how you will file Customs declarations for your export or import of goods. Most declarations are filed by Customs agents/freight companies on behalf of traders. Depending on your profile, you may prefer to bring the declaration process “in-house”. Make sure you understand the information needed to file Customs declarations and where you will get it.

Export/import controls
Understand whether any additional controls will apply to your goods such as licencing requirements, Sanitary and Phytosanitary (SPS) controls or advance notification requirement (e.g. for agri products).

Deferment account/Customs guarantee
Ensure you have access to a Customs deferment account if you want to defer the payment of Customs duty and VAT to the 15th day of the month following the month of import of the goods. The lead in time to obtain such approval can be at least two months and a guarantee is needed.

Use of Customs reliefs/simplifications
Make sure you are aware of the reliefs and simplifications available such as customs warehousing, inward processing relief, transit which could mitigate the impact of Brexit on your business in the UK or Ireland. A guarantee is often required to avail of some reliefs so apply early.

UK and NI temporary measures
Consider if any of the temporary Customs relieving measures the UK Government have announced in respect of imports into the UK could assist your business. These measures are designed to reduce the potential for Customs duty and delays at import to arise. Note the special rules the UK government have announced for movements of goods from Ireland to Northern Ireland.

VAT
Determine if any additional VAT considerations will arise from your movement of goods post Brexit, e.g. additional VAT registration requirements, implications relating to simplification measures such as triangulation and call off stock relief.

New VAT measures to be introduced in the event of a hard Brexit should relieve the VAT funding cost of imports for VAT registered businesses in the UK and Ireland. Familiarise yourself with how these rules will operate.

Impact on ERP/finance system
Assess what changes may be required to you ERP (Enterprise Resource Planning) or finance systems in anticipation of a changed VAT and Customs Duty accounting regime post Brexit.

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Produced by: KPMG’s Creative Services. Publication Date: September 2019. (5432)