



## **BREXIT INFORMATION NOTICE**

### **Technical Notices: Releases from HM Government pertaining to BREXIT**

HM Government have recently issued Technical Notices following the speech by Dominic Raab (Secretary of State for leaving the EU) last month.

Dominic Raab, sought to play down the risks of a no-deal noting that roughly 80% of the Withdrawal Agreement, including the terms of a transition period, had been agreed and that the Government was making further progress on the outstanding issues.

Stressing that securing a negotiated deal with the EU remained the Government's top priority and the most likely outcome, the Government was publishing the first tranche of 80 or so technical notices aimed to help businesses prepare should negotiations break down and the UK leave the EU without a deal.

However, repeating the mantra that nothing is agreed until everything is agreed, and even though UK and EU negotiators had moved to a period of 'continuous' negotiations, he noted that it was prudent to consider the alternative possibility that a negotiated deal would not be possible and to identify what a no deal situation means in practice.

The aim of the 80 or so notices are to facilitate the smooth, continued, functioning of business, transport, infrastructure, research, aid programmes and funding streams that have previously come from the EU. Raab noted that the notices set out clear steps that public institutions, companies and people should take or consider taking in order to avoid, mitigate or manage the risk of any potential short-term disruption. The below have been restricted to those Technical Notices that appear to be most relevant to our sector.

### **Approach**

The following note details HMG's preparations for a 'no deal' scenario and sets out information to allow businesses and citizens to understand the situation, thereby assisting them to make informed plans and preparations as they deem required.

<https://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario/uk-governments-preparations-for-a-no-deal-scenario>

### **Trade Remedies**

As an EU Member State, the UK currently relies on the European Commission to pursue complaints at the WTO of unfair trading practices or sudden increases in imports (dumping) and if appropriate

to respond by introducing protective measures such as the application of additional duties or restricting imports through the imposition of quotas. The following technical note explains how the UK will create a trade remedies system once outside the EU, in particular through the establishment of a Trade Remedies Authority.

<https://www.gov.uk/government/publications/trade-remedies-if-theres-no-brexit-deal>

## Trading with the EU

This technical note is designed to encourage businesses to understand customs and excise procedures, their volumes of EU trade and the practicalities of their supply chain. It notes that trade with third countries under a Free Trade agreement or quota might be adversely affected. It encourages business to ensure that their contractual terms are fit for purpose and to engage appropriate customs agents and brokers as required. It confirms that customs declarations would be needed for the import and export of goods and that EMCS will NO LONGER be available under a no deal scenario, except for intra-UK movements only. Business will need an Economic Operator Registration and Identification number (EORI) and VAT will be payable on imports, unless goods are entered into a duty suspension regime. The Notice also sets out the various mechanisms such as inward processing and temporary admission, which mitigate the impact of customs duty. No advice is offered about cross border trade on the island of Ireland, save that *“if you trade across the land border, you should consider whether you will need advice from the Irish government about preparations you need to make.”*

<https://www.gov.uk/government/publications/trading-with-the-eu-if-theres-no-brexit-deal/trading-with-the-eu-if-theres-no-brexit-deal>

## Classifying your goods in the UK Trade Tariff

The Note confirms that the UK would be able to set its own tariff and that goods going to the EU would be liable to CCT. The UK has no immediate intentions to change the tariff classification of any goods. It needs to be noted that there would be a dramatic increase in the number of consignments (import and export) that would require accurate commodity code classifications. For mixed consignments, this could be highly complex and highlights the need for effective consolidation and supply chain planning. <https://www.gov.uk/government/publications/classifying-your-goods-in-the-uk-trade-tariff-if-theres-no-brexit-deal/classifying-your-goods-in-the-uk-trade-tariff-if-theres-a-no-brexit-deal>

## VAT for businesses

The UK will continue to have a VAT system but will cease in being part of EU-Wide systems. For importers, HMG will introduce postponed accounting, so that VAT will be payable on imports on a periodic VAT return rather than at the moment of import. This will also apply to imports from non-EU countries. Customs duty will still be payable at the time of import, although for excise goods members will be able to import into a suspensive regime, provided that sufficient warehouse space is available. As now, UK businesses trading in their own goods stored in other EU member states will also need to register there in order to account for VAT on those sales. VAT refunds would need to

use the existing processes for non-EU businesses. VIES will still be available for verifying the VAT registration of EU business and the UK is developing its own system for UK businesses.

<https://www.gov.uk/government/publications/vat-for-businesses-if-theres-no-brexit-deal/vat-for-businesses-if-theres-no-brexit-deal>

## Other Notices

You may also wish to be aware of the Notices relating to organic food and workplace rights:

<https://www.gov.uk/government/publications/producing-and-processing-organic-food-if-theres-no-brexit-deal/producing-and-processing-organic-food-if-theres-no-brexit-deal>

<https://www.gov.uk/government/publications/workplace-rights-if-theres-no-brexit-deal/workplace-rights-if-theres-no-brexit-deal>

## Next Steps

The above are summaries of the notices issued and we would kindly request that each one is read carefully for full understanding. We will continue to keep these Notices under review and to inform you to the best of our ability as new ones are issued. We would strongly advise to monitor matters relating to Brexit within your own business via news feeds, trade associations and directly on GOV.UK

If you have any questions or queries please feel free to contact us and we will gladly assist where possible.



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