

TAX GUIDANCE

UK "No Deal" BREXIT Planning Checklist



Introduction

There is still uncertainty around what Brexit will mean and planning for a "No Deal" scenario seems sensible right now.

The Government has published guidance: "UK government's preparations for a no deal scenario" and it continues to provide updates on how to prepare for the event. See: <https://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario>

Businesses that buy and sell from the EU should have contingency plans in place which will need to be flexible to cope with a variety of possible outcomes.

In the event that the UK exits the EU without a deal, from 11pm GMT on 29 March 2019, many UK businesses will need to apply the same processes to EU trade that apply when trading with the rest of the world.

Here are some of the areas you should consider, particularly if you import or export goods to the EU and haven't had the need to complete the various forms before. The checklist also considers general implications of a "no deal" Brexit.

If you would like any assistance or have any particular concerns that you would like to discuss, please do not hesitate to contact us at the earliest opportunity on 01590 688838 or by email on office@newforesttax.co.uk. We offer a free initial consultation.

Movement of Goods	Review
1. Register (unless you already have) for an Economic Operator Registration and Identification (EORI) number - https://www.gov.uk/eori	
2. Consider an agent to help with completing import/export forms - www.export.org.uk or DIY the forms (see below).	
3. Contact your haulage company to check whether additional information is needed so they can make safety and security declarations or whether you will DIY these - guidance can be found from HMRC: https://www.gov.uk/guidance/declaring-your-goods-at-customs-if-the-uk-leaves-the-eu-with-no-deal	
4. Export rules are specific by sector so review "Preparing your business for the UK leaving the EU" on the Gov.uk website: https://www.gov.uk/business-uk-leaving-eu	
5. If you import goods then consider registering for "Transitional Simplified Procedures" (TSP) which enables registered importers to defer making customs declarations and paying duty. See: https://www.gov.uk/guidance/register-for-simplified-import-procedures-if-the-uk-leaves-the-eu-without-a-deal	
6. Review guidance on how to prepare for the Customs Declaration service (CDS) which outlines what you need to do to get ready for the CDS. This depends on whether your business currently uses the "Customs Handling of Import and Export Freight" (CHIEF): https://www.gov.uk/guidance/how-hmrc-will-introduce-the-customs-declaration-service	
7. Review HMRC videos, webinars and consider registering for email alerts - Choose EU Exit: https://www.gov.uk/government/collections/hmrc-webinars-email-alerts-and-videos?utm_source=referrer&utm_campaign=card-transaction-programme&utm_medium=1-to-many-letter&utm_content=educational	
8. You may choose to register for "Authorised Economic Operator (AEO) status which enables "Trusted" businesses simplified customs procedures. Application does take time and is complex. See: https://www.gov.uk/guidance/authorised-economic-operator-certification	
9. HMRC have acknowledged that a "no deal" scenario may affect the working capital of many businesses and are reintroducing postponed accounting for duty and VAT which will be settled on VAT returns and not at the port. See: https://www.gov.uk/government/publications/vat-for-businesses-if-theres-no-brexiteal/vat-for-businesses-if-theres-no-brexiteal for further guidance.	

10. If you trade in goods with the EU and keep stock in the EU for supply to EU customers you will need local VAT registration. You could also be asked to appoint a fiscal representative (and should have bank guarantees as they will be jointly liable for VAT you owe). See: https://www.gov.uk/government/publications/partnership-pack-preparing-for-a-no-deal-eu-exit	
11. If your business currently uses the UK VAT Mini One Stop Shop (MOSS Union scheme) which allows you to account for VAT - normally due in multiple EU countries, you can continue to use the MOSS system after 29th March, but must register for the VAT MOSS non-Union scheme in an EU member state: https://www.gov.uk/guidance/vat-it-system-rules-and-processes-if-the-uk-leaves-the-eu-without-a-deal	
12. Consider forming a company in the EU. Talk to us about how we can help you with our colleagues in Ireland.	

Supply Chain Analysis	Review
1. In the event of "no deal" all exports and imports to the EU will be subject to tariffs under the rules of the World Trade Organisation (WTO). You will need to identify where "inputs" come from and which categories of product they fall into so you can work out the tariffs that will apply.	
<ul style="list-style-type: none"> Identify the countries you will trade with (EU and non-EU) and the value they represent. 	
<ul style="list-style-type: none"> Identify EU and International standards your business is currently required to comply with. 	
<ul style="list-style-type: none"> Identify cross border services provided. 	
<ul style="list-style-type: none"> For further guidance see: https://www.brexittoolkit.co.uk/tools/our-blog/post/13635/brexit-preparation-guide-supply-chain-mapping 	
2. Review WTO and EU rates online and check the tariff data for your business. See: https://www.wto.org/english/tratop_e/tariffs_e/tariff_data_e.htm and http://madb.europa.eu/madb/euTariffs.htm	

Product Standards and Compliance	Review
1. UK product standards and regulations will be aligned to the EU at the point of exit, however in the event of "No Deal" then UK assessment and certification arrangements could cease (but see below) to be recognised by the EU. You should ensure your documentation on standards for all product lines is up to date and readily available in case this needs to be reviewed post Brexit.	
2. The European committee for standardization (CEN) and the European committee for electrotechnical standardization (CENLEC) are the leading providers of voluntary European Standards and related products and services for the benefit of businesses, consumers and other standard users in Europe. They are independent of the EU. They provide a single model, whereby each European standard is adopted identically as a national norm. The British Standards Institute (BSI) is a member and will remain so after Brexit (this was agreed 23 November 2018). You should regularly review the BSI website for updates with reference to your industry sector: https://www.bsigroup.com/en-GB/	

EU Employees in the UK and Post Brexit Planning	Review
1. Review all EU employees currently working in your business and ascertain whether they are applying for "Settled status" by 31 December 2020. See: https://www.gov.uk/government/publications/eu-settlement-scheme-employer-toolkit	
2. EU citizens who wish to stay for longer than 36 months will need to apply and qualify under the terms of the UK's new skills-based immigration system, which will begin from 1 January 2021.	
3. Your UK employees working in the EU may need to apply for similar status.	
4. Do a plan of your aims hopes and ambitions (strategy) for your business and examine the need for further employees from the EU and whether you should talk to a lawyer regarding immigration compliance post Brexit. See: https://www.employment-studies.co.uk/ for guidance.	

Other Matters	Review
1. If your business has a ".EU" domain name you should check the eligibility to hold such a domain here: https://www.gov.uk/government/publications/guidance-on-eu-top-level-domain-name-registrations-in-the-event-of-a-no-deal-eu-exit/guidance-on-eu-top-level-domain-name-registrations-in-the-event-of-a-no-deal-eu-exit	
2. If you are involved in eCommerce then read the Governments EU exit guidance: https://www.gov.uk/government/publications/ecommerce-eu-exit-guidance	

3. Data Protection – you may need to comply with new license requirements and changes in regulation. The Information Commissioner’s Office (ICO) has published a six step checklist to prepare for data compliance: https://ico.org.uk/media/for-organisations/documents/2614365/leaving-the-eu-6-steps-to-take-final.pdf	
4. Copyrights, Intellectual Property (IP) and trademarks – at this point in time it is not clear if EU trademarks would be applicable in the UK post Brexit. If you own intellectual property rights contact your lawyer on protecting your IP post Brexit. For Copyrights see: https://www.gov.uk/government/publications/copyright-if-theres-no-brexiteal and for IP see: https://www.gov.uk/government/publications/exhaustion-of-intellectual-property-rights-if-theres-no-brexiteal and for trade marks see: https://www.gov.uk/government/publications/trade-marks-and-designs-if-theres-no-brexiteal	
5. Management of currency risk. There has been a downward trend in the pound to Euro rate post the vote in 2016. Volatility may occur post Brexit and you should talk to us about managing your currency risk leading up to the 29 th March and beyond.	

References and Further Resources

1. Prepare for EU exit: <https://euexit.campaign.gov.uk/>
2. British Chamber of Commerce: <https://www.britishchambers.org.uk/page/brexit/business-brexit-checklist>
3. ICAEW: <https://www.icaew.com/technical/economy/brexit>
4. EEF (The Manufacturers’ Organisation): <https://www.brexittoolkit.co.uk/tools/our-blog/post/13635/brexit-preparation-guide-supply-chain-mapping>
5. European Union: <https://europa.eu/youreurope/index.htm#en>

Disclaimer and copyright

This checklist should not be relied upon as comprehensive guidance but as a reminder of some of the key planning questions and resources for businesses in the event of a “no deal” Brexit. This communication is intended to provide general guidance and you should not act or refrain from acting upon any information contained in it without seeking appropriate professional advice.

No responsibility for loss occasioned to any person acting or refraining from action as a result of the material in this document can be accepted by the authors, 2020 Innovation Training Limited or New Forest Tax Accountants.

New Forest Tax Accountants
Coronation House
2 Queen Street
Lymington
SO41 9NH



New Forest
Tax Accountants