

**19 May 2021**

# **The new EU-UK trading relationship**

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# New trading environment

- Transition period has ended.
- What does it mean?
  - the UK (excl. Northern Ireland) is a 3<sup>rd</sup> Country for customs purposes
- Customs formalities apply
  - Customs declarations
  - Possible interventions – fiscal and agency

# What customs formalities apply?

- Imports – bringing goods in from GB
  - Import declaration to AIS
  - Entry Summary Declaration (ENS) to Import Control System (ICS)
  - For RoRo all MRNs need to be added to the Pre-Boarding Notification (PBN)
  - May be subject to intervention and/or licence requirements
  - Considerations for payment of duties & VAT

# What customs formalities apply?

- Exports – sending goods to GB
  - Requires a customs declaration submitted to AEP
    - The S&S data is included in this declaration.
  - May be subject to intervention and/or licence requirements
  - All MRNs need to be added to the Pre-Boarding Notification (PBN)
  - May require you to complete import formalities in the 3<sup>rd</sup> country



# Moving goods through GB– Transit

Allows goods to move from one MS to another via a 3<sup>rd</sup> country while protecting the customs status of the goods

- Requires declaration submitted to NCTS
  - Requires access to a financial guarantee
  - May be subject to intervention
- This MRN will need to be added to the PBN.
  - For export the S&S may be included in the Transit, if not an EXS required
  - For import, an ENS is required.

# Learnings since 1 January 2021

- Incorrect data in import and ENS declarations leading to PBN id issues: eCustoms notification 06 of 2021
- Documentation not sent to relevant agencies in advance.
  - Out of hours requests for documents
- Insufficient funds
- Availing of Postponed accounting: eCustoms notification 032 of 2020
- Movement of equipment / tools.
- Quota – steel imports

# Origin and related issues

- The Trade and Cooperation Agreement between the EU and the UK allows businesses to avail of a preference for zero tariffs when importing goods of UK origin.
- Claiming Preferential Duty: eCustoms notification 36 of 2020.
- What if goods are not UK origin (i.e. EU or other 3<sup>rd</sup> country)?
  - Customs warehousing or Temporary Storage facility
  - Transit movement
  - Returned goods relief
- Guidance on goods from EU imported to UK prior to importing to Ireland eCustoms notification 14 of 2021.

- **Delivered duty paid:** It is the seller's obligation to import clear the goods in the buyer's country and pay any duties and VAT
  - Different applications of DDP
- **Delivered at place:** DAP means the seller is responsible for all charges and risks in transit until the goods reach their destination, at which point the risk transfers to buyer. The buyer is responsible for all costs and risks associated with unloading the goods and clearing customs to import the goods.
- **Ex Works:** EXW means the seller has fulfilled its obligation when the goods are made available to the buyer, usually at the seller's location. The buyer is responsible for both export and import formalities.



# Postponed Accounting

This scheme:

- provides for postponed accounting for VAT on imports from non-EU countries
- enables you to account for import VAT on your VAT return
- allows you to reclaim VAT at the same time as it is declared in a return. This is subject to normal rules on deductibility.

The PA1 field on the VAT3 Return should include the Customs value of goods imported under PA as per Customs Declarations plus Customs Duty. This figure should include all goods imported under PA to which all VAT rates apply. Imported goods that are classed as zero-rated goods should also be included in the PA1 field if Postponed Accounting was applied on the Customs Declaration for these particular goods.

- The T1 and T2 figure on the VAT3 Return should include the amount of VAT applicable to the entry at the PA1 field on the return. (subject to the usual rules of deductibility)

# VAT on Services

- If you supply services to **or** receive services from the UK (including Northern Ireland), different place of supply rules for Value-Added Tax (VAT) on services apply.
- The place of supply rule to be applied depends on whether the customer is a business or a consumer.

## **Business to business services (B2B)**

- For B2B, the place of supply is the place where the business receiving the services is established. If you receive services from a company based in the UK after the transition period, in general, Irish VAT will be due on the services.
- If you provide services to a company based in the UK, in general, UK VAT will be due on the services.

European Commission's Brexit Readiness Notice on VAT on Services at  
[https://ec.europa.eu/info/sites/info/files/brexit\\_files/info\\_site/vat-services\\_en.pdf](https://ec.europa.eu/info/sites/info/files/brexit_files/info_site/vat-services_en.pdf)



Please remember that the helpline channels are open for queries, these are

ENS related queries to: [ENSenquiry@revenue.ie](mailto:ENSenquiry@revenue.ie)

Systems queries to: [eCustoms@revenue.ie](mailto:eCustoms@revenue.ie) or 01-7383677

PBN queries to: [CustomsPBN@revenue.ie](mailto:CustomsPBN@revenue.ie)

General Brexit queries to: [brexitqueries@revenue.ie](mailto:brexitqueries@revenue.ie)

Customs National helpline: 01-7383685 (24/7)

## Q & A

**Email: [brexitqueries@revenue.ie](mailto:brexitqueries@revenue.ie)**

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