YOUR BUSINESS

SME BREXIT SPECIAL — YOUR CUSTOMS CHECKLIST

While there is no “one-size-fits-all” answer to the challenges that SMEs will face following Brexit, this guide is designed to provide an overview of the customs arrangements that may be in place for each of the EU-UK options. It is also important to note that this information is subject to change as policies are finalized.

1. **ECONOMIC OPERATOR REGISTRATION AND IDENTIFICATION (EORED)**

In order to be able to import and/or export goods, a trader needs to be registered with HMRC for customs purposes. This registration is called an Economic Operator Registration and Identification (EORED). It is important to note that if you have not registered for customs duties and VAT, you will be subject to additional compliance costs.

2. **MAXIMUM CHANGE — WTO TARIFFS, CLASSIFICATION AND RULES OF ORIGIN**

A tariff is a tax on imported goods. It is applied to the value of a consignment of goods at the point of importation. The WTO imposes tariffs on goods imported into the EU. This can be subject to change as policies are finalized.

3. **REDEFINITION OF DUTY AND VAT**

Under the WTO’s definition of duty, the Union (EU) is defined as the customs area comprised of all the EEA countries. This definition is subject to change as policies are finalized.

4. **AUTHORISED ECONOMIC OPERATOR (AEO)**

An AEO is an economic operator who has been granted a licence by HMRC to operate under the regime for the purpose of reducing the administrative burden of customs procedures.

5. **METATRANSIT**

Metatransit is the process of transferring goods from one country to another without the need for customs clearance. This can be subject to change as policies are finalized.

6. **COMMON TRANSIT CONVENTION (CUSTOMS TRANSIT)**

The Common Transit Convention (CTC) is a treaty that allows for the transit of goods between member states of the EU and the EEA. This can be subject to change as policies are finalized.

7. **COMPREHENSIVE GUARANTEES**

Unlikely to be in place after Brexit, these guarantees allow for a simplified customs procedure for goods imported from third countries.

8. **CONCLUSION**

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**Q & A**

Q: What is the transition period and what implications could it have for businesses?

A: The transition period is expected to last from March 30, 2019, until December 31, 2020. During this time, businesses will need to make the necessary preparations to adapt to the new customs arrangements. This can include updating existing systems, processes, and procedures to ensure compliance with EU regulations.

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**INTERESTING FACT**

For more information on customs arrangements, please visit the HMRC website.