



Global Trade Bureau – a guide to:
**Moving goods to, from and
through Northern Ireland**

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When you're running an international business, the smooth transition of your goods into the UK couldn't be more important. Your goods not only need to arrive, they must arrive without delay, with the right amount of duty paid and, with the correct completion and filing of a customs declaration. At the end of the transition period, we expect to see a significant increase in the volume of customs declarations being processed per year. And, with a spotlight on corporate governance, it's more important than ever that you know your process inside out.

The application of the Protocol on Ireland/Northern Ireland from 1 January 2021

The UK's departure from the EU will herald the biggest change to the UK's customs landscape in a generation. Many businesses that have previously not needed to know about importing, exporting and tariffs will need to become specialists. Furthermore, businesses will need to be aware of the unique trading arrangements in respect of goods moving to, from and through Northern Ireland.

The Basics

The Protocol on Ireland / Northern Ireland ("the Protocol") is part of the Withdrawal Agreement already agreed between the UK and the EU. The Protocol applies from 1 January 2021 irrespective of whether or not the UK and the EU agree a Free Trade Agreement.

The Protocol sets out the framework for the specific arrangements that will apply in respect of Northern Ireland to avoid imposing a border on the island of Ireland and to respect the Good Friday Agreement. The detailed operation is still being negotiated between the UK and the EU. So whilst there are some things we know, uncertainty remains in a number of areas.

This paper covers the key indirect tax considerations based on the Protocol itself and the approach to implementation set out by

the UK ([in its command paper](#) and further guidance on [moving goods](#)) and the EU so far. References to Great Britain (GB) mean the UK except Northern Ireland (NI).

- The customs, VAT (and regulatory) provisions set out in the Protocol apply to supplies of goods, but not to supplies of services;
- NI remains part of the customs and VAT territory of the UK, but certain EU rules apply in respect of Northern Ireland (although these are administered by the UK);
- There will be additional administrative requirements that apply in respect of goods moving between NI and GB, in particular for goods moving from GB to NI.

The Protocol: an overview

The table below summarises the customs and VAT treatment of flows of goods between NI and GB, the EU, and the rest of the world (RoW), based on the information published to date by the UK and the EU. In particular, the position on VAT is based on the detail set out by the European Commission in its [preparedness notice](#) on VAT for goods.

| Flow of goods | Customs | VAT |
|---------------|---|--|
| EU to NI | N/A | Dispatch from EU member state and acquisition in NI. |
| NI to EU | N/A | Dispatch from NI and acquisition in EU member state. |
| GB to NI | EU tariffs apply to goods 'at risk' of entering the Single Market. Customs compliance requirements apply, including electronic import declarations. | EU approach notes that goods will be exports and imports for VAT purposes. UK approach notes that NI's integral place in the UK's internal market will be respected and new costs and burdens on businesses will be minimised. |
| NI to GB | Customs compliance requirements apply in respect of goods leaving NI but the UK government is seeking 'unfettered access' for NI businesses so that trade continues as it does now. | EU approach notes that goods will be exports and imports for VAT purposes. UK approach notes that NI's integral place in the UK's internal market will be respected and new costs and burdens on businesses will be minimised. |
| RoW to NI | EU tariffs apply to goods 'at risk' of entering the Single Market, otherwise UK tariffs apply. Customs compliance requirements apply. NI benefits from UK FTAs. | Imports into NI, with VAT charged at the applicable rate. |
| NI to RoW | Customs compliance requirements apply. NI benefits from UK FTAs. | Exports from NI. |

Customs considerations for movements of goods from GB to NI

Businesses moving goods from GB to NI will face additional customs requirements.

Tariffs

EU customs duties apply to goods entering NI from GB that are 'at risk' of entering the Single Market. A key area for discussion between the UK and the EU at the Joint Committee is which goods are defined as 'at risk'. There are differences in interpretation between the two sides.

The EU's starting presumption is that EU duties apply, subject to exceptions. However, in its approach to implementation of the Protocol, the UK is seeking a narrower definition of goods 'at risk'. It considers that duties should only be charged 'if goods are destined for Ireland or the EU Single Market more broadly, or if there is a genuine and substantial risk of them ending up there'. Should EU duties arise on goods moving from GB to NI, the UK government will seek to waive or reimburse these where possible (subject to state aid rules).

Businesses will therefore need to know the ultimate destination of the goods in order to apply the relevant duty rate.

Customs compliance

The provisions of the Union Customs Code (UCC) are applicable to goods entering Northern Ireland. In its approach to implementation of the Protocol, the EU is clear that this means all EU customs compliance requirements apply, in the same way as they would to goods arriving from the rest of world.

In its approach to implementation of the Protocol, the UK government confirmed that electronic import declarations, and safety and security information, will be required for goods entering NI from GB. The requirements will be 'streamlined and simplified to the maximum extent' (see details of the Trader Support Service below). The UK government also notes that there will be no export declaration, exit declaration or customs and regulatory clearance on goods as they leave GB for NI.

The final position will depend on the outcome of discussions between the UK and the EU on implementation of the Protocol.

Trader Support Service (TSS)

The TSS is an optional service that will deal with customs formalities for goods moving from GB to NI, including declarations and safety and security information, on behalf of businesses in NI (rather than using CHIEF/CDS). TSS will record information on these movements of goods so that businesses in NI do not have the additional obligations linked to engaging with any new customs systems.

Businesses who wish to use the TSS will need to [register](#). The portal will initially provide information on what the Protocol means for businesses and the key requirements that need to be met.

NI businesses will also be able to use TSS for imports from non-EU countries. This is not mandatory and businesses can continue to use CHIEF/CDS if they so wish. However, the use of TSS will enable businesses in Northern Ireland to make all of their declarations through a single system.

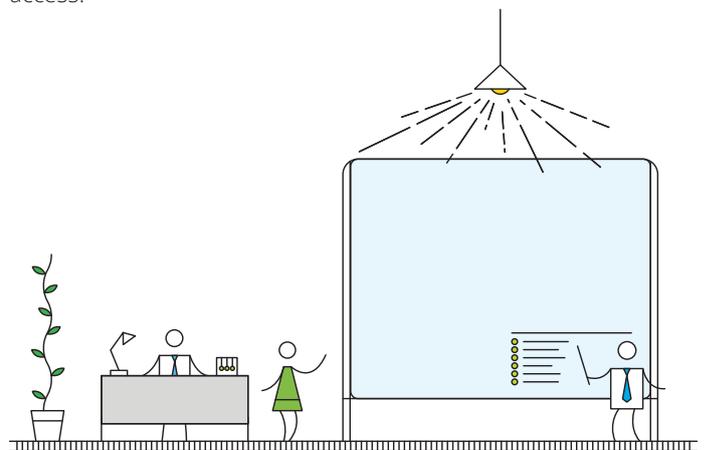
Customs considerations for movements of goods from NI to GB

The EU's approach notes that UCC rules will apply in respect of goods leaving NI for GB. However, the UK takes a more nuanced approach. There are a number of open points to be agreed at the Joint Committee.

The UK government's guidance is clear that trade from NI to GB should take place as it does now, with 'unfettered access' for NI businesses (including businesses headquartered in GB but with operations in NI) to the rest of the UK. This means, for example, no exit summary declarations (in NI), and no entry summary declarations or import declarations (in GB); no customs checks; and no tariffs.

There will be some limited exceptions e.g. where required to meet international obligations (e.g. trade in endangered species) and where businesses use customs special procedures such as duty suspension.

There will be a qualification system for goods and businesses in NI in order to benefit from the arrangements for unfettered access.



Related considerations

VAT

The European Commission's stakeholder [preparedness notice](#) on VAT for goods includes details of the EU's intended approach to the implementation of the Protocol for VAT purposes. In particular:



Movements of goods between NI and EU member states are dispatches and acquisitions for VAT purposes, and other rules relating to the intra-EU movement of goods apply in respect of NI e.g. new EU rules relating to e-commerce.



Movements of goods between NI and GB and between NI and non-EU countries are treated as imports and exports for VAT purposes.



A specific NI VAT identification number to support trade between NI and EU member states, including the exchange of information through VIES.

The approach set out by the UK so far is less detailed than that of the EU. It notes that NI remains part of the UK VAT system, with implementation taking into account NI's integral place in the UK's internal market. Implementation will rely on the flexibilities available within the Protocol so that costs and burdens to businesses are minimised.

The UK will administer VAT rules in NI. The UK has the option to align reduced rates and exemptions applicable to supplies of goods in NI to those applicable in the Republic of Ireland.

Agri-food (GB to NI)

Some existing entry points for agri-food products will be extended. There will be new documentary and physical checks on agri-food products at the points of entry into NI. The UK will seek to minimise the level of these checks through agreement in the Joint Committee with the EU. This means businesses moving animals, plants and their products may need to pre-notify the movement, obtain an export health certificate, and enter the goods through a designated entry point.

Product regulations

Goods placed on the NI market will be subject to risk-based checks and controls as prescribed by EU law. The UK government is seeking agreement with the EU that checks are done on the market, rather than at ports (an approach previously acknowledged by the EU), where possible based on an assessment of risk. The UK notes that where NI traders receive approval from EU authorities and bodies in relation to goods placed on the NI market, those approvals will be valid for the GB market too.

Excise

The EU notes that a specific excise number (SEED number) for the exchange of movement information through EMCS will be needed in respect of excise goods moving between NI and EU member states.

Business readiness and government approach

HMRC is encouraging businesses moving goods between GB and NI to complete its short questionnaire, to help HMRC identify businesses that will be impacted by the Protocol. The TSS will provide support to businesses in NI in respect of movements of goods from GB to NI (and this can also be used for imports from the rest of world). This will handle digital import declarations and safety and security declarations on behalf of business at no additional cost.

Invest NI has developed an 'EU Exit resilience tool' to allow businesses to identify readiness against the areas most likely to be impacted at the end of the transition period. Businesses that complete the questionnaire will receive a personalised report that will help to assess the current business position, evaluate performance in each area and identify key actions to be taken.

The Revenue Commissioners in Ireland ('Revenue') developed a comprehensive trader engagement programme to raise businesses' awareness of their customs obligations of trading with the UK post-Brexit. Revenue is advising traders to prepare for a full range of customs formalities (declarations and risk analysis) to come into force at the end of the transition period, and advises businesses if they trade with the UK after the transition period, the rules of trade with a non-EU country will apply.

Key Actions

Key actions for business moving goods to, from or through Northern Ireland are summarised below. The general considerations relating to importing and exporting still apply, but there are some specific considerations that should also be considered in respect of NI flows of goods. These are summarised in the table below, with much of the additional compliance burden likely to fall on movements of goods from GB to NI.

The detailed arrangements around implementation of the Protocol are still to be agreed between the UK and the EU – and further guidance for business will be required. However, there are actions that businesses should take now to prepare.

Key actions for businesses moving goods to, from or through Northern Ireland:

Crucial customs set up

- Map flows of goods to, from and through NI, identifying in particular movements of goods between NI and GB
- Consider the impact the additional customs compliance requirements will have on just in time supply chains
- Review contract terms and Incoterms to be clear on where risk and obligations lie
- Identify which goods entering NI from GB or the Rest of World undergo processing in NI
- Consider completing HMRC's questionnaire for businesses moving goods between NI and GB
- Obtain an Economic Operator Registration and Identification (EORI) number
- Establish capability to complete customs declarations, including data on product classification, value and origin
- Appoint a customs compliance provider to deal with border formalities on your behalf
- Register for the Trader Support Service where relevant

Customs duties and customs regimes

- Monitor the ongoing discussions between the UK and the EU on the rules defining whether EU duties are payable on goods entering NI, along with associated waiver and refund rules
- Consider whether any customs regimes and simplifications are relevant e.g. transit – particularly where GB is used as a 'land bridge' for movements of goods between the Republic of Ireland and other EU member states

Related requirements

- Review excise compliance requirements if the business moves excise goods to / from NI
- Ensure compliance with SPS regulations where relevant, including advanced notification, health certificates and veterinary checks, and import via a border control post – including in respect of goods entering NI from GB
- Check compliance requirements for product standards where the business acts as importer for regulatory purposes
- Check the VAT rules that apply to cross-border flows of goods to and from NI – in particular when intra-EU rules apply and when import and export rules apply

Customs governance

Set-up customs compliance provider governance, operating procedures and instructions.

Review, enhance and create an internal infrastructure:

- a. Customs skills
- b. In-house or out-source customs compliance
- c. System capabilities and changes
- d. Internal processes and controls

How Deloitte can help

Our **market-leading Global Trade Advisory team** – drawn from both ex-HMRC officers and industry experts – works with businesses to provide a suite of advisory services. Our team works with your business to identify opportunities to simplify supply chains, introduce simplifications and identify cash-saving opportunities for the business.

Deloitte's **Global Trade Bureau** is a tech-enabled customs compliance solution that takes care of your customs calculations and declarations, filing and end-to-end process optimisation. And, with a dashboard delivering analytics and reporting, not only can you keep your business moving, you can stay one step ahead.

Our **Global Brexit Insights** team provides up to date insights, benchmarking and guidance on best practice to prepare businesses for the post-Brexit trading environment. We combine Brexit insights, industry knowledge and technical expertise from across our network of member firms to support our clients with their Brexit readiness.

Services

We provide a range of trade and indirect tax advisory services to help businesses prepare for the changes that will arise at the end of the transition period, including:

- **Manage customs compliance.** Our [Global Trade Bureau](#) combines deep global trade expertise with technology to offer a differentiated solution for managing customs compliance.
- **Identify the indirect tax impacts.** Prioritize focus based on business structure, supply chains, operating model, location.
- **Map existing and proposed supply chains** and analyze the resulting customs and tax obligations and mitigations, including potential systems updates.
- **Identify the customs** and related registrations and authorisations necessary for the business' post-Brexit operations.
- **Consider available duty reliefs** and how these may assist the business in not only reducing its customs duty bill, but also whether these can add efficiency within the supply chain.
- **Engage with tax authorities** on post-Brexit customs and tax policy.

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