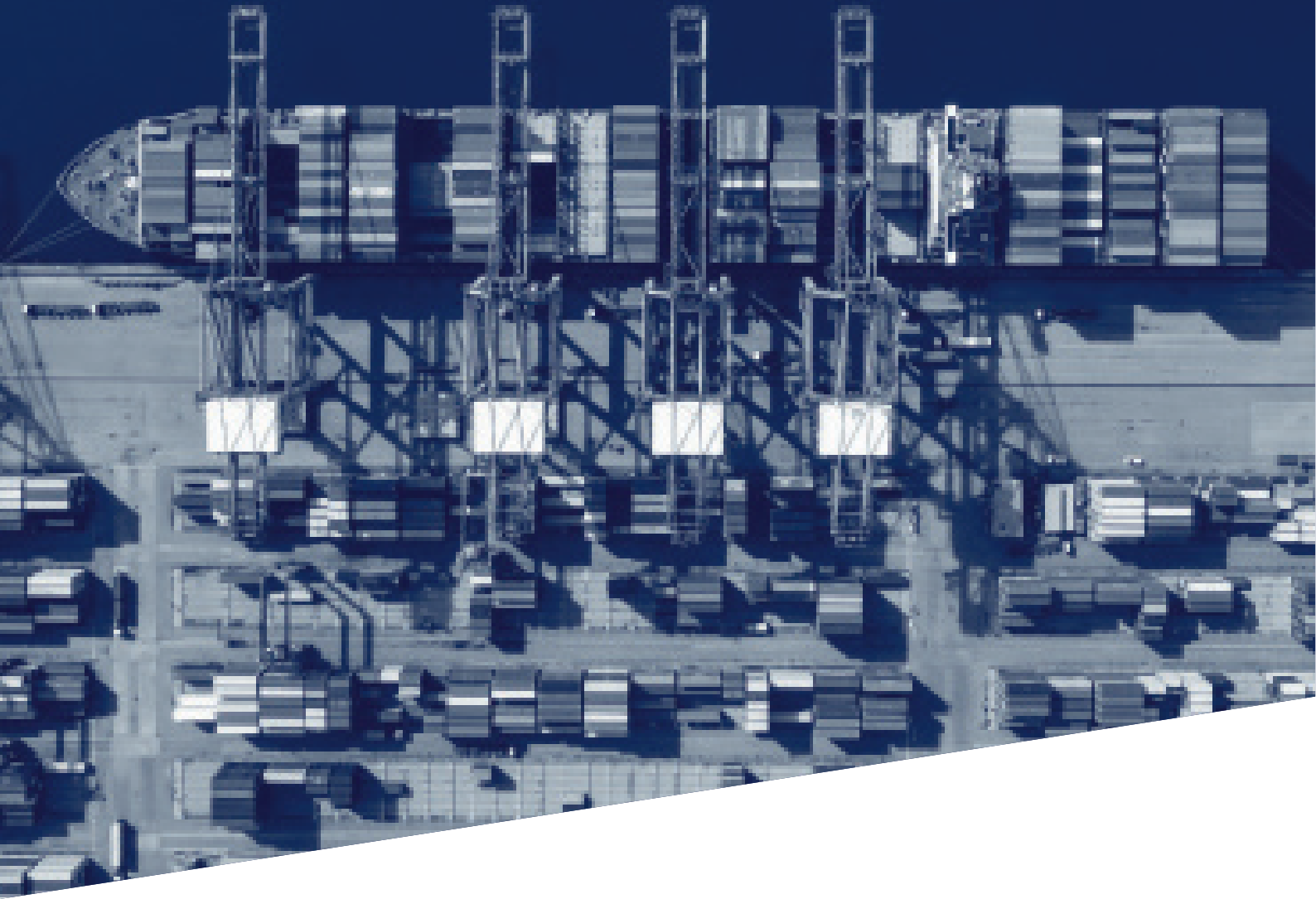


**Be More.  
Deliver More.  
Expect More.**



# **McCulla Ireland Brexit Customs Clearance Guide**



## The United Kingdom has left the EU and we are well into the transition period, this is set to end on 31st December 2020.

### So what's going on now?

The UK and EU negotiating teams are trying to find an agreement on what our future relationships will look like. There is a lot of talk about a Free Trade Agreement, but this is not guaranteed, there is also talk about GATT XXIV however this is not guaranteed either.

Unlike past Brexit dates there will not be an extension, so 1st Jan 2021 we will be out of the EU.

### So what does this mean?

At the very least we will need to do customs declarations, this is unavoidable if you want to trade across the EU/GB frontier (different rules for NI). You may also still need to do export health certificates for any qualifying products of animal origin or a phytosanitary cert for qualifying plant products.

These depend on the negotiations and if the UK and EU recognise each other's standards which again is not guaranteed! If you as an exporter need these certificates then your importing customer will need to declare these products on TRACES, IPAFFS etc.

### Phased Import requirements

Considering the stress businesses have already gone through on Covid 19, the UK Government has brought in measures similar to those introduced for the possible hard Brexits.

- From 1 January, there will be checks on controlled substances, such as alcohol and tobacco, while standard goods, such as clothes and electronics, will be subject to basic customs procedures. But firms will have up to six months to complete customs declarations and pay relevant tariffs
- From 1 April, those importing products of animal origin, including meat, milk or egg products, will have to pre-notify officials and provide the relevant health paperwork
- By 1 July, all goods will be liable for relevant tariffs and customs declarations as well as full "safety and security" declarations. From this moment, there will be an increase in physical checks on livestock, plants and other sanitary and phytosanitary products at ports and other entry points

### So what does this mean?

You will have longer to make the customs declarations – up to June 2021, but they will still need to be made and you will need to keep all records to be able to do them, if you are ready before this then do not wait to the last minute! However, any tariffs payable under the UK Global Tariff only become due when the customs declaration is done.

Three months more to prepare for import health checks and IPAFFS entry, and then checks to make sure its all done. This is a major benefit to the EU exporter and there is a limited number of vets in place to do these checks.

Safety & Security declarations – your haulier needs this to be able to ship your goods, this reduces their work load and the impact of checking these at ports.

Please note – these are all temporary and are only in place on the UK import side for EU-UK trade. The EU Supplier will still need to comply with EU law and have export declarations and exit summary declarations. It also will not apply to the flow of goods between NI & GB as these are partially controlled under EU law as well.

### So what do I need to do now?

The same as for the Hard Brexit the other times, prepare for the worst possible scenario and work from there. Below is a list of the basics which you should already have in place, review them now to ensure these are all up to date.

### EORI Numbers

This is essential if your business wants to trade across the EU & GB border after Britain leaves the EU. All UK business that have bought or sold goods international will have had their EORI sent out to them. Links below to both the UK and Irish sites to request one if required.

<https://www.gov.uk/eori>

<https://www.revenue.ie/en/online-services/services/common/register-for-an-eori-number.aspx>

Also make sure you have this information from all your suppliers and customers.

### Commodity Codes

All your products will have a commodity code, if you are struggling it is possible to ask HMRC & Irish Revenue for help – this is not a quick process. Without a commodity code you cannot ship over the EU frontier.

<https://www.trade-tariff.service.gov.uk/sections>

<https://www.gov.uk/guidance/apply-for-a-binding-tariff-information-decision-notice-600>

<https://www.revenue.ie/en/customs-traders-and-agents/importing-and-exporting/binding-tariff-information-bti/index.aspx>

### Inco Terms

These describe where the responsibility of the buyer and seller meet. These cover transport costs, insurance and customs. Check every contract for these as it is essential to know who organises the customs clearance. If there are no Inco terms, time to get talking.

If you are delivering Delivery Duty Paid (DPP) can you pay the customs in the other country? If you sell from Ireland into the UK using DDP for example, you are both the Irish Exporter and the UK Importer.

You will need to consider VAT registration requirements in the other country.

<https://mcculla.co.uk/wp-content/uploads/2020/09/Incoterms-Explained.pdf>

### Health Certificates & Phytosanitary certs

If your product contains product of animal origin it may need a Health Certificate – these need to be requested from the relevant government body and a vet must then inspect the goods before they can be loaded for transport. This process can take three days and needs a physical certificate to travel with the goods.

This information also needs to go to your importer for them to complete a TRACES entry (EU) or IPAFFS entry (UK). This needs done 24 hours in advance of us arriving at the port with your goods.

With a shortage of vets to do this service it is bound to be a bottleneck. Your site needs to be registered with the Food Standards Agency or you will not appear in the Traces system.

For example, this is ours:

A	B	C	D	F	G	H	I
App No	Trading Name	Address1	Address2	Town	Postcode	Country	All Activities
9037	McCulla Ireland Ltd	Blaris Industrial Estate	Altona Road	USBURN	BT27 5QB	Northern Ireland	Cold Store Re-Wrapping and repackaging

<https://www.food.gov.uk/business-guidance/approved-food-establishments>

## IPAFFS

<https://www.gov.uk/guidance/import-of-products-animals-food-and-feed-system>

## Traces

<https://www.daera-ni.gov.uk/articles/information-traces>

Plants and plant products may need a phytosanitary cert, please check with your local government body on this and see some information below:

[https://www.gov.uk/guidance/importing-and-exporting-plants-and-plant-products-if-theres-no-withdrawal-deal?utm\\_source=d141c28a-2ee5-4dd5-867b-fb9ac7a8351a&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=daily](https://www.gov.uk/guidance/importing-and-exporting-plants-and-plant-products-if-theres-no-withdrawal-deal?utm_source=d141c28a-2ee5-4dd5-867b-fb9ac7a8351a&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily)

Without these certificates everything else can be done but your goods will not be allowed past the Border Inspection Post in the importing country and will need to be returned or possibly destroyed.

## Pallets

Pallets must be ISPM 15 standard and stamped as such or they can be rejected, along with your goods they are carrying. Again, they can be returned or destroyed – there are not enough ISPM 15 pallets currently in circulation, so this is another bottle neck.

## Customs Agent

You will need your goods declared as an export in your country and an import in your customers' country. You need a customs agent for this, not all of them can do both the UK & Ireland – please check if you and your customers have agents in places. If you don't please then please drop me an email on [customs@mcculla.eu](mailto:customs@mcculla.eu)

We can do both the UK and Irish customs declarations on your behalf, so talk to us now. There is set up work that needs done before we go live in January.

## Tariffs

Until a trade agreement is in place to reduce or cut tariffs between the UK and the EU we have to assume there will be tariffs. These tariffs can significantly increase the cost of products and are high on the agri-food products especially.

The import tariffs for UK goods (NI excluded) into the EU are subject to their "third country status" tariffs which can be found here for now:

<https://www.trade-tariff.service.gov.uk/sections>

Search for your commodity code and look for the "Third Country Duty", example below for Sausages, the tariff on these goods would be either €100.50/100kg or €149.00/100kg. This would be a significant increase in costs for anyone trading these from GB to ROI.

Level	Description	VAT	Third country duty	Supplementary unit	Commodity code
-	Of liver				16 01 00 10
-	Other				16 01 00 91
-	Sausages, dry or for spreading, uncooked				16 01 00 91 05
-	Waxed sausages of chicken, pork and fresh liver	0%	149.40 EUR / 100 kg		16 01 00 91 10
-	Other				16 01 00 91 10
-	Of animals of headings 0101 to 0104, excluding wild boars	0%	149.40 EUR / 100 kg		16 01 00 91 90
-	Other	0%	149.40 EUR / 100 kg		16 01 00 91 99
-	Other				16 01 00 99
-	Of animals of headings 0101 to 0104, excluding wild boars				16 01 00 99 11
-	Sausages	0%	100.50 EUR / 100 kg		16 01 00 99 11
-	Other	0%	100.50 EUR / 100 kg		16 01 00 99 19
-	Other				16 01 00 99 91
-	Sausages	0%	100.50 EUR / 100 kg		16 01 00 99 91
-	Other	0%	100.50 EUR / 100 kg		16 01 00 99 99

The new UK Global Tariff would apply for EU goods moving into GB, list can be found here:

<https://www.gov.uk/guidance/uk-tariffs-from-1-january-2021>

For EU goods moving into GB these tariffs would be:

16010091	Uncooked sausages, dry or for spreading, of meat, offal or blood	125.00 GBP/100kg
16010099	Sausages and similar products of meat, offal or blood and food prep	84.00 GBP/100kg

Essentially it is the same tariff but converted to GBP from EUR.

## Rules of Origin

Where are your goods from and can you prove it? Whilst we traded within the EU this wasn't an issue for most business however it will be more important in 2021.

If a UK customer is buying their frozen chicken in from Europe, they will need their supplier to provide documented proof that its EU chicken. For example, this could be from America, frozen and shipped via Rotterdam but only sat in a customs warehouse for example – these would still be American goods, not EU.

This is critical if the UK had a Free Trade Agreement with the EU but not America for example, then EU chicken might be tariff free (and maybe export health certificate free as well), however the American import would be subject to tariffs. Get this wrong and HMRC can pursue the unpaid tariffs going back three years.

Rules of origin can also be used to prove your goods are not from a certain country. The EU has banned imports of honey from India before, so you will need proof the goods are not of Indian origin to get them over the border.

## Northern Ireland – Different rules

Under the Withdrawal Agreement currently reached with the EU:

- 1) Northern Ireland will remain within the UK's customs union, so if the UK has a new trade deal with New Zealand for example then NI will be included in this.
- 2) For trade between Northern Ireland and the Republic the EU's Union Customs Code will apply – so no restrictions, customs checks, tariffs or any requirement for export health certificates

## So what does this mean?

Northern Ireland will be in a dual tariff region with customs checks in place on the goods moving GB-NI but no tariffs unless those goods are deemed to be at risk of moving to the Republic of Ireland. The "at risk" term will be clarified later in talks between the UK & EU, however it means that GB goods into NI will might have a tariff applied that then may be paid back by HMRC once it is proven that the goods stayed in Northern Ireland.

Recent developments on the UK approach on the NI Protocol, see link below, has revealed that there will be some form of declarations on goods moving from GB to NI. These checks should be in place to stop NI traders having to pay tariffs on goods that are not bound for the EU.

As yet we do not know exactly what these checks will entail but the UK government wants them to be as simple as possible. However there will be a customs declaration and there will be checks for products of animal origin and phytosanitary checks at NI ports.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/887532/The\\_UK\\_s\\_Approach\\_to\\_NI\\_Protocol\\_Web\\_Accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/887532/The_UK_s_Approach_to_NI_Protocol_Web_Accessible.pdf)

NI will also be subject to EU rules on the single market such as technical & agricultural regulations and rules on state aid. This is potentially a problem if GB & Europe begin to split apart in food regulation for example, but this is not an issue on day 1.

### NB: Northern Ireland: Trader Support Service

The UK Government has announced a Trader Support Service to help trade between NI and GB. There is not a lot of detail on this so far but at least in theory it allows the import declaration for goods coming INTO Northern Ireland from GB or the rest of the world to be done for free.

The UK Government will essentially pay a customs company to do these declarations on your behalf! However it is not clear yet if this covers the Export Summary Declaration which the EU says is required for NI to GB trade.

You will still need to have all the information required to make a customs declaration but you will be sending it to someone to actually process for free.

We are still waiting to see if this scheme will help with the export health certificates or if the UK & EU governments can negotiate this one away.

More information here: <https://www.gov.uk/guidance/trader-support-service>

**GB – NI Trade** Customs declarations required, health checks at Port of Import into NI – goods must comply to EU regulations. Possible tariffs if goods are deemed at risk of export to ROI.

**NI – ROI** No checks or restrictions

**ROI – NI** No checks or restrictions

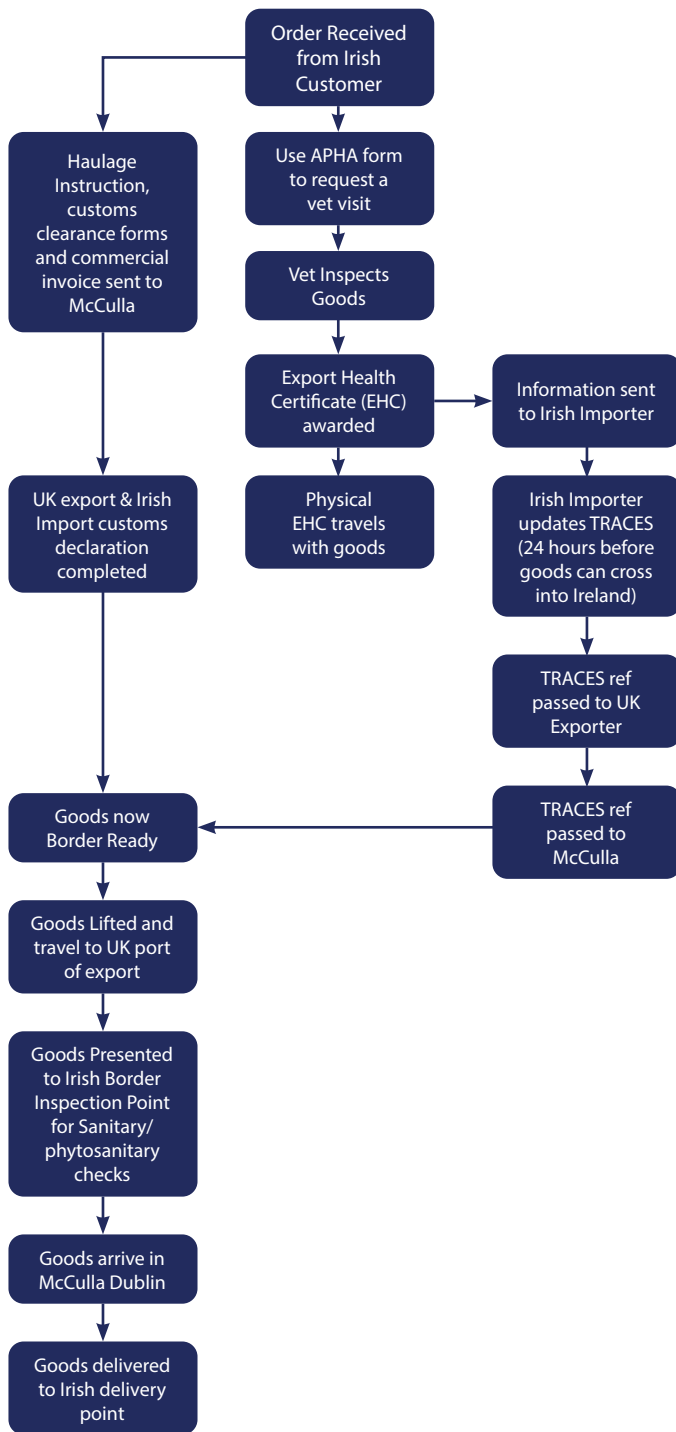
**GB – ROI** Checks and customs on port of entry into Ireland, tariffs apply

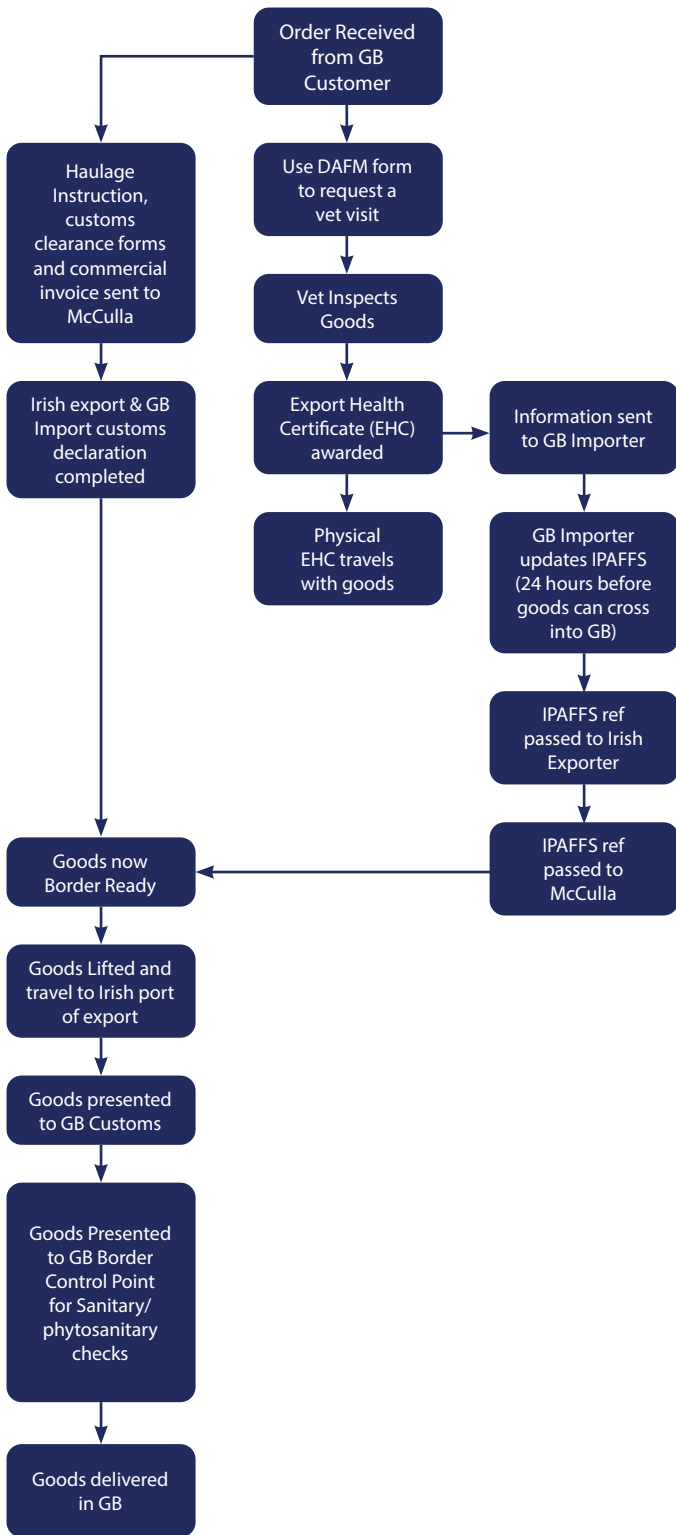
**NI – GB** No checks or restrictions but some sort of declaration required, maybe an export summary declaration.

**ROI – GB** Checks and customs on port of entry into GB, tariffs apply

NB: These are still subject to ongoing negotiations between the UK and EU and can change!

Following are two basic process flows showing in general principles how the process will work for GB & ROI trade over the frontier.





### Customs Clearance Across the Irish Sea

Using McCulla Ireland to help clear your delivery through UK and Irish customs can make life much easier.

McCulla Ireland has been the trusted partner for moving goods between and within UK and Ireland for 50 years.

### Peace of Mind

Handing over your customs requirements to us means you don't need to invest time and energy in navigating the complexities of changing customs regulations, leaving you free to focus on your core business operations.

- Avoid potentially significant costs associated with getting new procedures wrong!
- Avoid inconvenience of delays at borders
- Avoid dealing with several government agencies with one point of contact at McCulla Ireland



**TRANSPORT**



**WAREHOUSING**



**CUSTOMS**

Any importer/exporter or haulage company that chooses McCulla Ireland as its outsourced customs service provider will receive advice and support, preparation of customs clearance documents to comply with both Irish Revenue and HMRC, and even payment of tariffs on its behalf via our duty deferment accounts.

To get started, contact us today to receive our customs starter pack:

**Niall McCallen** Customs & Transport Admin Manager

**Tel:** +44 (0) 28 9244 8680 **Email:** customs@mcculla.eu or customs@mcculla.co.uk

[www.mcculla.co.uk](http://www.mcculla.co.uk)

