



BREXIT AND GOVERNMENT SUPPORTS FOR SMEs – READY FOR CUSTOMS GRANT

WHAT IS HAPPENING WITH BREXIT NOW ?

From the **1st January 2021** our trading relationship with the UK will change fundamentally.

Issues relating to COVID-19 may have reduced any sense of urgency around BREXIT planning efforts, however if you consider that

1. Irish suppliers are **NOT** going to be able to do business with many customers in the same way
2. it's going to be more difficult to deliver to them
3. it's going to be more costly
4. it's not going to be as easy as it used to be, **AND**

it is going to happen in less than 90 days' time, then 'urgency' is now the key !

To put the trading relationship into context, nearly 100,000 Irish businesses trade with the UK at present, currently generating around 1.7 million customs declarations annually. **However that is now expected to rise to 20 million customs declarations annually from 2021 following BREXIT !**

BREXIT will generate additional compliance and administrative issues in a number of ways for Irish businesses, some of which may not be immediately clear e.g.

- the volume of data required in customs declarations (up to 60 fields)
- the potential import VAT due (and payable) at the border
- the existence of separate regimes for goods to Northern Ireland/mainland UK, as well as for services (yet to be clarified)
- the potential need to register for VAT in the UK etc

So putting BREXIT planning and preparation in place **NOW** is critical given the very short timeframe available.

In light of the additional costs involved for Irish businesses completing these preparations, and the potential ongoing administrative costs, this is where the '**Ready for Customs' grant**, another key part of the July Stimulus package, has been made available.

KEY INFORMATION

The grant is a new €20m fund, administered by Enterprise Ireland, which is focused on assisting Irish businesses to meet the challenge(s) of preparing for managing the customs process after BREXIT.

It provides eligible businesses with financial assistance to cover the costs of taking on additional customs clearance staff following from 1st January 2021.

The key aspects of the '**Ready for Customs' grant** include:

- up to €9,000 available for each new **full-time employee** engaged in customs work
- up to €4,500 available for each new **part time employee** engaged in customs work
- the grant can be used towards recruitment costs, employee costs and provision of IT infrastructure, where necessary



Additionally, where an existing employee has been redeployed within the business to manage the customs work, then '**back filling**' the position vacated, is to be expected and can be claimed under the terms of the grant.

The **Ready for Customs**' grant scheme opened on 9th Sept. 2020 and will remain open to applications until such time as the fund is exhausted, or the **15th December 2020** - to allow for the processing and payment of grants.

ELIGIBILITY

1. Business

The '**Ready for Customs**' grant is open to businesses that are directly engaged in business activities to, from, or through the UK, **AND which will require new or increased customs clearance capacity.**

This generally will apply to businesses that:

- Are providing **freight, haulage, logistics services** to, from or through the UK **OR**
- Are providing **customs intermediary services OR**
- Are **directly engaged in business activities** with or through the UK

These businesses must also:

- have a CRO number (and **NOT** just a business name)
- be incorporated in the Republic of Ireland
- have an EORI number which has been issued from the Revenue Commissioners
- have a supporting business plan, where they are providing **customs intermediary services** for a period of less than 12 months since establishment

There are a number of businesses that are specifically **NOT ELIGIBLE** for the grant which include:

- those that are not financially viable at the date of application
- where the employee is contracted to work for the enterprise for less than **14 hours/week (on average)**
- those operating in sectors such as coal, steel or tobacco, financial institutions as well as gambling, adult entertainment etc
- those already approved for any other State or EU funding for the same activity/subject to a recovery order for illegal aid/reached their DeMinimis aid limit etc

2. Employee

An eligible employee within the business applying for the '**Ready for Customs**' grant, is one that is:

- based in Ireland
- is or will be engaged primarily in customs clearance activities e.g. a role such as **Customs Clearance Clerk/Administrator, Customs Clearance Operator, Customs Supervisor, Import/Export Freight Operator/Administrator** etc.
- a new hire to the organisation, or has been re-deployed within the business to a dedicated customs role - from date of application.



OTHER ISSUES

All applications by Irish businesses for the '**Ready for Customs**' grant, **MUST** be submitted to Enterprise Ireland through the EI on-line portal.

Enterprise Ireland will assess each application under specific eligibility criteria, namely :

1. Company eligibility
2. Financial viability
3. Current and future customs capacity requirements.

In addition to meeting the Business **AND** Employee eligibility criteria, the business will also be required to provide additional information including the following:

- an outline of any existing and projected business activities to, from, or through the UK
- an outline of proposed (new/additional) customs clearance activities that will be undertaken e.g. expected volume of UK customs declarations, number of eligible employees/employment status (full-time/part-time)/additional IT infrastructural costs (hardware/software) etc.
- **new hire** - copy of an Employment contract of eligible employee for a new hire
- **redeployment** – copy of an Employment contract and/or job description
- confirmation that employee(s) has undertaken or will be undertaking the Skillnet customs clearance training programme (or similar)
- a valid tax clearance certificate/tax clearance access number (TCAN).
- a Directors statement, including confirmation that the employee(s) is/are engaged in dedicated customs clearance activity
- a copy of most recent signed unabridged Audited Accounts for 2019 year-end

The claim will be assessed by way of desk inspection by **Enterprise Ireland** with successful applications receiving payment of the grant in **one instalment**.

The **Ready for Customs**' grant scheme will remain open to applications until such time as the fund is exhausted, or the **15th December 2020**, however the **final claim date will be February 28th 2021**.