



## **BREXIT – ISSUES FOR SME's AHEAD OF 1 JANUARY 2021 !**

### **BACKGROUND**

As we are within 21 Days of the end of the UK's '**Transition**' period with the European Union, we are heading into a period of change for **ALL** businesses in 2021 !

Even if your business is not affected by BREXIT directly i.e. your trade is with Irish businesses only, there may still be an impact on your business counterpart(s) - **in obtaining YOUR goods without delay, being able to provide YOUR service, keep prices unchanged etc.**

As the BREXIT trade deal discussions between the UK and EU continue with a '**NO Deal**' more and more likely (affecting tariffs and mutual recognition (for services) in particular), it should be borne in mind that whether a final deal is reached (or not) - **the UK has already left the EU !**

Although the UK Government have announced a number of simplifications and deferments of detailed declarations, tariffs and VAT post January 2021 (until end of July 2021), many of these will not necessarily be applicable for Irish businesses as they remain under the EU regulations.

***So as an Irish business how far have you progressed with your plans for managing any of the impacts that the changed relationship with the UK may have on your business ?***

**OR**

***If you haven't really done much planning so far – what can you start working on NOW ?***

### **BREXIT IMPACTS**

The impacts resulting from the UK's departure are very wide, covering issues such as

1. Physical import/export of goods
2. Provision of services
3. Charging and reclaiming VAT
4. Tariffs and duties
5. Cashflow and additional business costs
6. Pricing issues
7. Legal/contractual and regulatory issues
8. Other practical issues e.g. recognition of qualifications, trademarks, licences etc

Once you have carried out your **BREXIT Impact review** for your business, you will have a clearer view of the issues facing your business from 1<sup>st</sup> January 2021 i.e. for some it may be significant change across a variety of areas, whereas for others it may be simpler.

The reality is that as the UK has been a part of the EU arrangement for decades, the end of the '**Transition**' means that things that we have all become very used to, will be changing in one way or another (for both sides) !

## WHAT DOES IT MEAN FOR MY BUSINESS ?

There will be a number of challenges and risks facing businesses of all types, not only in the few first months following the end of the transition period, but also as we go towards July 2021 (when a number of EU wide VAT changes will take effect), and therefore actions most business will need to take include -

- ensuring a valid EORI number has been obtained – **required to trade goods**
- appointing a Customs agent/representative – **required to clear Customs**
- establishing if a UK Customs agent or indeed a UK presence is required
- identifying your exposure to Northern Ireland – **origin issues (for Suppliers), transport and Customs (for Customers)**
- amending UK Customer invoices with additional information
- ensuring information and documentation is accurate and completed – **to avoid delays with goods**
- charging and recording the correct rate/amount of VAT to UK Customers
- reviewing cashflow requirements given timing of any additional taxes, tariffs, costs and fees
- considering contractual/non contractual relationship with UK customer/suppliers - **non payment due to delays, disputes, insurance claims etc**
- reviewing pricing given Customs check/examination fees, storage fees, IP/licence re registration fees etc. – **goods and services**

## KEY ACTIONS – LESS THAN 21 DAYS AND COUNTING !

1. **Carry out a BREXIT Impact assessment NOW on your own business !**
2. **Create a BREXIT Actions Checklist**
3. **Identify the key priorities and deadlines for completion pre 31<sup>st</sup> December 2020**
4. **Review whether there are grants or other financial supports available i.e. Ready for Customs grant etc**
5. **FINALLY – Are there potential opportunities for your business post BREXIT ?**

## CAN WE HELP ?

We can provide assistance to you with the following:

- **BREXIT Impact Assessment review meeting:** along with the creation of a BREXIT Actions Checklist
- **EORI number :** applying for the number with the Revenue Commissioners
- **Custom Declaration Templates :** preparing internal templates with accurate data on various goods being exported e.g. classification/commodity codes, country, currency, custom values, weights etc
- **VAT Support -** updating Xero/Quickbooks with new VAT codes, amended Customer invoice information, identifying changes on VAT codes on sales via Amazon/Shopify etc post 1<sup>st</sup> January 2021
- **Grants :** identification of potential grant supports and/or application support