**BPIF Summary of Technical Notice published by the Department for Exiting the European Union**

**Trading with the EU if there's no Brexit deal**

The Government states it is committed to prioritising stability for citizens, consumers and business in the event of a no deal – including in trade. To businesses who trade with the EU, Government suggests they should consider how a 'no deal' scenario may affect them, and begin taking steps to mitigate against such a risk (however unlikely).

**Current situation**

Businesses can currently move goods freely between EU member states. For customs, this means that businesses trading with the rest of EU do not have to make any customs import or export declarations, and their trade with the EU is not subject to import duty.

**After March 2019 if there's 'no deal'**

There would be immediate changes to the procedures that apply to businesses trading with the EU. It would mean that the free circulation of goods between the UK and EU would cease.

**Impacts would include:**

* Businesses would have to apply the same customs and excise rules to goods moving between the UK and the EU as currently apply where goods move between the UK and a country outside of the EU (customs duty may also become due on imports from the EU).
  + this means customs declarations would be needed when goods enter the UK (an import declaration), or when they leave the UK (an export declaration). Separate safety and security declarations would also need to be made by the carrier of the goods (this is usually the haulier, airline or shipping line, depending on the mode of transport used to import or export goods).
* The EU would have to apply customs and excise rules to goods it receives from the UK, in the same way it does for goods it receives from outside of the EU. This means that the EU would require customs declarations on goods coming from, or going to, the UK, as well as requiring safety and security declarations.

**Businesses importing from the EU in a ‘no deal’ scenario**

When importing goods from the EU, a business will need to:

* Have a valid EORI number
* Make sure that their carrier has submitted an Entry Summary Declaration at the appropriate time
* Sumbmit an import declaration to HMRC using their software, or get their customs broker, freight forwarder or logistics provider to do this for them
* Pay VAT and import duties including excise duty on excise goods unless the goods are entered into duty suspension (for example a customs or excise warehouse – a financial security will be required to cover the duty liability of the goods whilst they are being moved to the warehouse). Import VAT may also be due.

**Businesses exporting to the EU in a ‘no deal’ scenario**

Businesses exporting goods to the EU will be required to follow customs procedures in the same way that they currently do when exporting goods to a non-EU country.

When exporting goods to the EU, a business will need to:

* Have a valid EORI number
* Submit an export declaration to HMRC using their software or online, or get their customs broker, freight forwarder, or logistics provider to do this for them. The export declaration may need to be lodged in advance so that permission to export is granted before the goods leave the UK (the export declaration also counts as an Exit Summary Declaration).
* Businesses may also need to apply for an export licence or provide supporting documentation to export specific types of goods from the UK, or to meet the conditions of the relevant customs export procedure.

**Actions businesses can take now to prepare include the following:**

* Understand what the likely changes to customs and excise procedures will be to their businesses.
* Take account of the volume of their trade with the EU and any potential supply chain impacts such as engaging with the other businesses in the supply chain to ensure that the necessary planning is taking place at all levels.
* Consider the impact on their role in supply chains with EU partners. In the event that the UK and the EU does not have a Free Trade Agreement (FTA) in place in a ‘no deal’ scenario, trade with the EU will be on non-preferential, World Trade Organisation terms. This means that Most Favoured Nation (MFN) tariffs and non-preferential rules of origin would apply to consignments between the UK and EU.
* If necessary, put steps in place to renegotiate commercial terms to reflect any changes in customs and excise procedures, and any new tariffs that may apply to UK-EU trade, and familiarise themselves with the key processes of [importing](https://www.gov.uk/starting-to-import/importing-from-noneu-countries) and [exporting](https://www.gov.uk/guidance/exporting-goods-from-the-eu-to-a-third-country-outside-the-eu) outside of the EU.
* Consider how they will submit customs declarations for EU trade in a ‘no deal’ scenario, including whether they should engage the services of a customs broker, freight forwarder or logistics provider to help, or alternatively secure the appropriate software and authorisations
* [Register to get EU Exit Updates](https://public.govdelivery.com/accounts/UKHMRCED/subscriber/new?preferences=true#tab1) from HMRC

**More information**

The steps and obligations businesses will need to take to continue to trade with the EU if the UK leaves without a deal are broadly the same as those that apply to businesses that trade with countries outside of the EU. Get more information on customs procedures, excise rules and VAT for:

* [importing from non-EU countries](https://www.gov.uk/starting-to-import/importing-from-noneu-countries)
* [exporting goods outside the EU](https://www.gov.uk/guidance/exporting-goods-from-the-eu-to-a-third-country-outside-the-eu)

Further information and instructions specifically tailored to cover the actions that businesses would need to take in a ‘no deal’ scenario will be published in the coming months.