

Accountum™



BREXIT

A general guide

Our key recommended actions

On 1 January 2020, UK will leave the EU. The purpose of this document is to set out some of our key recommendations for you and your business to consider in advance of UK leaving the EU (without a deal).

We are offering a BREXIT readiness healthcheck.

We can assist with obtaining an EORI number.

If you have any questions or would like further information on our BREXIT healthcheck please contact us:

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Disclaimer

Please note that all information in this document is for guidance only and you MUST seek further advice before acting or implementing any matters set out in this document. Accountum accepts no responsibility for how you use this information

1. EORI number

HMRC has issued EORI numbers to all UK VAT registered businesses. If you don't have one, you can register at www.gov.uk/eori.

EORI number will be needed on all declarations for goods imported to the UK.

You may also need to apply for a separate EORI number in a EU country if you export goods to the EU

2. Simplified procedures

Importers to the UK may be able to use "transitional simplified procedures". Usually imported goods are not released until they have been declared and import duties and VAT has been paid. Using TSP will delay making a full declaration and paying import duties and VAT. Importers will need to register for TSP and they must have a deferment account and provide a financial guarantee from an approved financial institution.

3. VAT changes?

Consider how you will register for the MOSS scheme for online sales in the EU.

Claim refunds on sales into the EU before the Brexit date.

Anyone sending a parcel valued at £135 or less into the UK from abroad will need to register for HMRC's new digital service and account for the import VAT due.

Goods worth more than £135, duties and VAT should be paid by the buyer in the UK.

4. DUTY/TARIFFS

Understand the different commodity codes of your major imports and exports and the tariff rates that would apply if there is no deal.

Proposed UK tariffs are largely at 0% on a temporary basis.

5. DECLARATIONS

Decide if you want to hire an agent to make import and/or export declarations, or do this in-house with software that interacts with HMRC's systems. Contact the organisation that moves your goods to see if you will need to provide any additional information to them.

6. DATA PROTECTION

If the UK leaves the EU without a deal, it will become a third country. This means UK organisations and individuals that process or transfer the personal data of EU-27 citizens from the EU to the UK may need to take action to continue the free flow of data from the EU to the UK and guarantee the protection of EU data subjects.

7. CONTRACTS

Review your principal contracts to see how they would deal with uncertainty or different trading conditions.

It is particularly important that they adequately clarify the terms for trade across EU borders, including how VAT is dealt with. In the event of no deal, you will need to ensure that contracts and International Terms and Conditions of Service reflect that you are now an international exporter or importer.

8. PEOPLE/EMPLOYEES

Employees who are EU/EEA/Swiss nationals will need to register for the EU settlement scheme to continue living in the UK after 30 June 2021. They will need to be living in the UK before it leaves the EU to apply. If there is no deal, the deadline for applying will be 31 December 2020.

If you employ staff from an EU country post BREXIT you may need to register for a Sponsorship Licence.

9. REPORTING AND FINANCE

Assess how much working capital you need. Consider how you would access additional funds, if needed.

Consider how you would start activities in new markets, should opportunities arise.

Having evaluated Brexit related risks for your business, consider how they might impact on your reporting. You should consider how uncertainty affects judgements and estimates, going concern and, for businesses that prepare them, viability statements.