

BREXIT

Following the triggering of **Article 50**, the UK was due formally leave the EU on **29 March 2019**. This date was subsequently postponed, and negotiations have since been on-going between the UK and EU to formulate a withdrawal agreement. At present no agreement is in place and therefore on **10 April 2019** the UK and the EU agreed a second delay to Brexit until **31 October** this year.

Context

For those involved in the movement of goods between Ireland and the UK, there are currently two potential Brexit dates to be aware of;

- » **31st October 2019** - where if no deal is reached (no transition period and WTO rules will apply).
- » **31st December 2020** - where if a deal is reached (transition period during which current rules will continue to apply).

Both dates are subject to change depending on any political agreements reached.

The effects of Brexit on Irish imports from the UK will depend on the terms of any potential Brexit deal itself. If the UK were to remain within the customs union, so avoiding tariff barriers and many non-tariff barriers, the effects would be much more limited than if the UK leaves the customs union.

The retail and distribution sector is a key part of the domestic economy. It is the channel through which consumer goods are imported and provided to Irish households. This has been facilitated by the absence of borders.

However, this model is incompatible with a world where customs clearance is necessary. Where there is some form of customs checks, every different item in a lorry will have to be separately identified for customs, to ensure that the correct tariff (or none) is applied. The appropriate treatment will depend, not just on the nature of the product, but also where it was produced.

What does it mean?

- » U.K. will then be defined as a 3rd country for customs purposes.
- » Customs formalities will apply resulting in a requirement for customs declarations.
- » Customs declarations will have to be completed either in advance of departure of goods from the U.K., at a bonded warehouse or at a secure facility such as the main Fastway sortation Hub.
- » All packages received from outside of the EU would require a customs declaration.

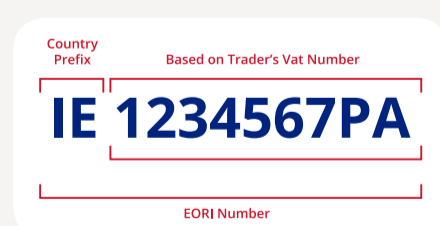


What will be needed?

- » Both Fastway and our Client must have an EORI (Economic Operators Registration & Identification) number. The good news is that Fastway currently have a registered EORI number. Special procedures will also have to be put in place for inward & outbound processing of customs paperwork.
- » Achievement of AEO Status to become a trusted trader with customs. AEO Status;
 - » certifies that businesses will have priority status with customs in relation to;
 - » security arrangements,
 - » management systems,
 - » compliance with customs rules and procedures
 - » on-going solvency.
 - » Irish companies will be given very attractive benefits such as;
 - » low security risk,
 - » customs simplifications,
 - » very low examination rates and
 - » priority clearance of our goods.

Making a Customs Declaration

- » Goods imported into the EU must be declared to Revenue electronically. Then Fastway or our agents will clear your consignments at import by lodging an electronic customs declaration to Revenue.
- » Once the electronic customs declaration has been lodged and accepted by Revenue, payment must be secured before goods are released.
- » A similar process will be required for any returns sent back by you to our clients. In all transactions where a customs declaration is needed there will be no requirement for Fastway to contact you directly, we will complete all of the necessary paperwork.



What's needed for a Customs Declaration

- » Shipper's EORI number
- » Fastway EORI number
- » Commodity Code of the product you are ordering from U.K.
- » Valuation of the product you are ordering.
- » Country of Origin of where your goods are manufactured.
- » Identification documents for the truck carrying the parcels.

Collection of Import Charges – Custom Duty & VAT

- » In the event of a **No Deal Brexit**, Fastway will not collect any import charges such as Custom Duty and VAT directly from you the customer.
 - » All such charges will be collected at Checkout when you make your on-line purchase.
- » Current charges; please note these may not be the applicable rates in a post Brexit Deal.
 - » Value of **€22 or less** (incl. additional costs) = **No duty or VAT**
 - » Value of **greater than €22** = **Vat payment only (23%)**
 - » Value of **greater than €150** = **Customs Duty & VAT payment**. *VAT applicable on Customs Duty also.*
 - » Customs Duty on **items such clothing and footwear** = **12%**