

Brexit – Get ready

Technical Sessions

Day Two 6th October 2020

Session One

Theme: Inward and Outward Processing

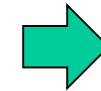
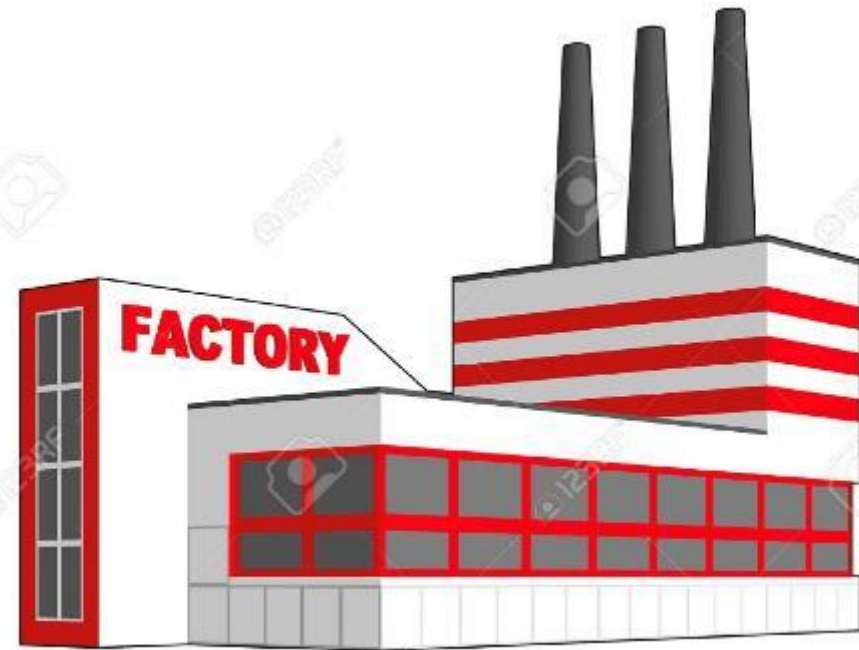
Email: brexitqueries@revenue.ie

Website: www.revenue.ie/brexit



Inward Processing

Raw
Material

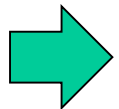


Processed
Product



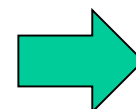
Submitting an application

Revenue.ie



How to apply for authorisation


You should make your application for inward processing electronically using the [Customs Decision System \(CDS\)](#).



How to access the CDS

Economic operators can access the system in the [European Union trader portal](#). To lodge an application, you must be authenticated in the trader portal. This is handled by the Uniform User Management and Digital Signature system (UUMDS) together with ROS.

Entry to Trader Portal

 **TAXUD AUTHENTICATION PORTAL**
UUM&DS

European Commission > TAXUD authentication portal

Where Are You From (wayf)

Select the domain of the application you request access to

Customs

Select the country where you want to be authenticated

Please select...

Select type of actor

Select a natural/legal type of actor

I give my consent to request my Identity Profile information and share it with UUM&DS and Customs EIS

Submit

Time frame to make decision

There are two time frames involved:

- 30 days to accept a fully completed application



- Can be extended to 60 days if needed



Control Officer Evaluation



Comprehensive Guarantee

Cash Deposit



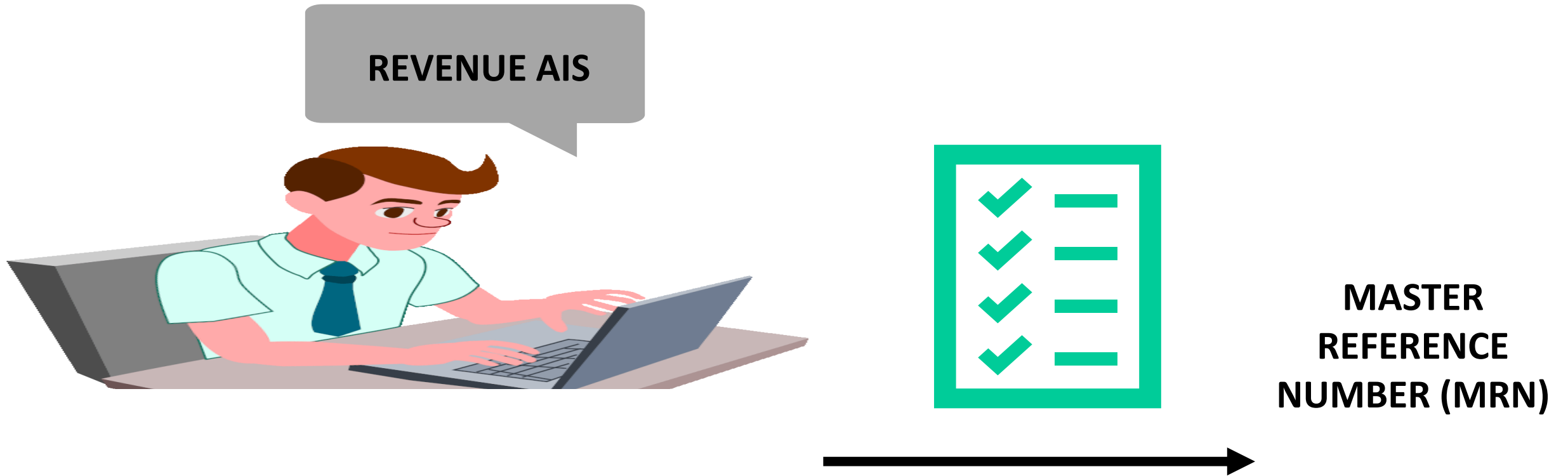
OR

Undertaking from
Financial Institution

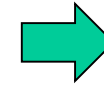
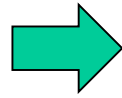


More information in Session 10 on Comprehensive Guarantee

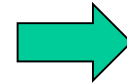
Lodging a Customs declaration



Outward Processing



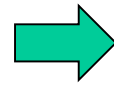
Only added-value assessed



Duty is based on the cost of the processing only and not on the suit as it is made from EU material

Submitting an application

Revenue.ie:

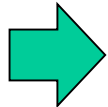


**Processing goods, end-use and
warehousing**



Outward processing

How to apply for authorisation




You should make your application for outward processing electronically using the [Customs Decision System \(CDS\)](#).

How to access the CDS



Economic operators can access the system in the [European Union trader portal](#)[↗]. To lodge an application, you must be authenticated in the trader portal. This is handled by the Uniform User Management and Digital Signature system (UUMDS) together with ROS.

Entry to Trader Portal

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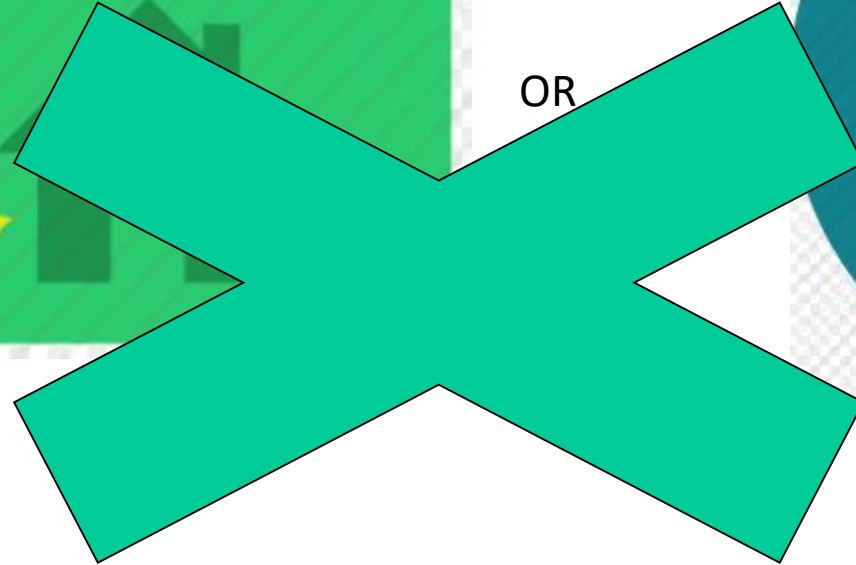
Control Officer Evaluation



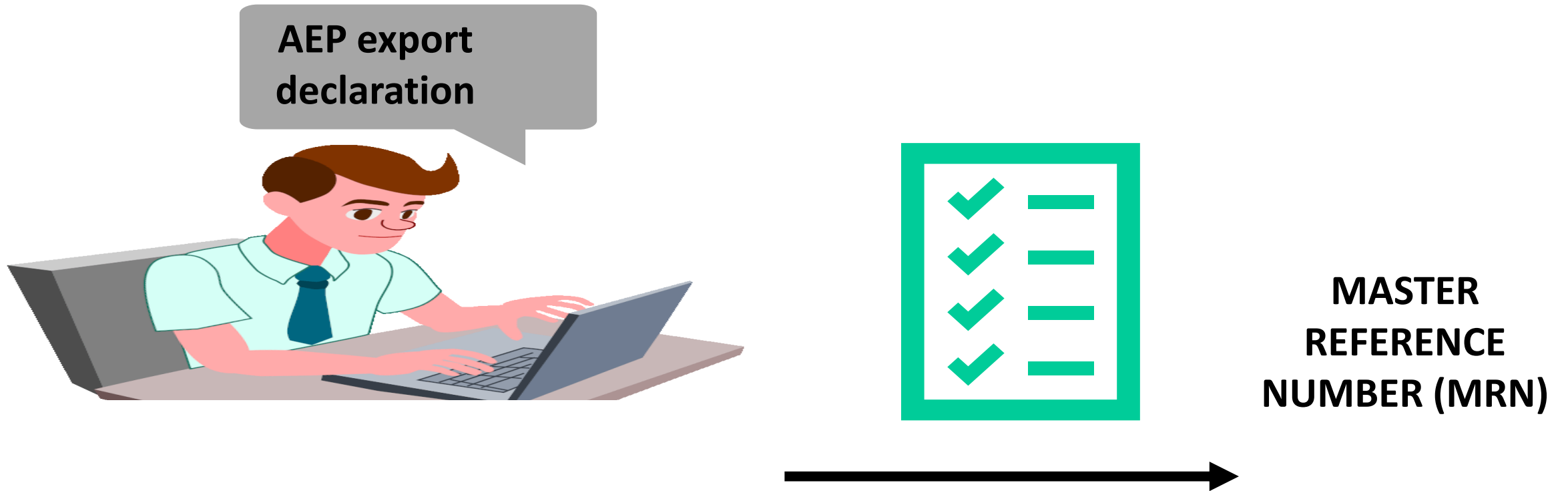
Comprehensive Guarantee



OR



Lodging an Export Customs Declaration



Lodging a Customs Declaration for the re-import of OP Goods

**AIS re-import
declaration**



**MASTER
REFERENCE
NUMBER (MRN)**



Key Actions Summary

- Identify the products that may fall under IP/OP
- Apply for the relevant authorisation
- Decide who will complete the customs declarations

- Need help? Please contact:

Authorisations & Reliefs Unit

revcep@revenue.ie



Email: revcep@revenue.ie

Website: www.revenue.ie/brexit

General Brexit Email: brexitqueries@revenue.ie

Session Two

Theme: Customs Warehousing and End Use





Customs Warehousing

Breda Kennedy

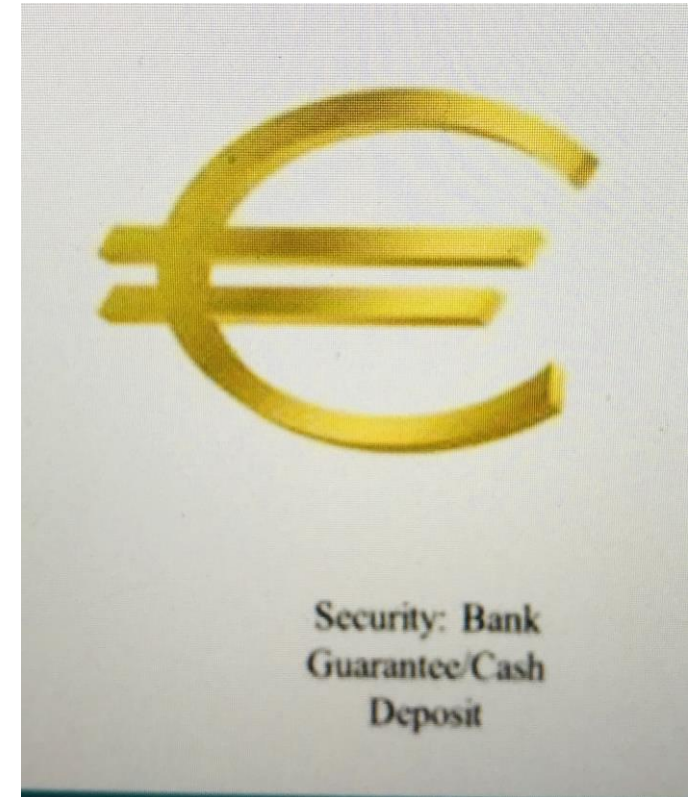
Authorisations & Reliefs Unit

Duty Suspended
until goods released
to Free Circulation



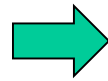
No time limit

Conditions to be fulfilled.

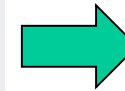


Submitting an application

Revenue.ie:



Processing goods, end-use and
warehousing



Warehousing

How to apply for an authorisation




You should make your application for warehousing electronically using the [Customs Decision System \(CDS\)](#).

How to access the CDS



Economic operators can access the system in the [European Union trader portal](#). To lodge an application, you must be authenticated in the trader portal. This is handled by the Uniform User Management and Digital Signature system (UUMDS) together with ROS.

Entry to Trader Portal

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UUM&DS

European Commission > TAXUD authentication portal

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Customs

Select the country where you want to be authenticated

Please select...

Select type of actor

Select a natural/legal type of actor

I give my consent to request my Identity Profile information and share it with UUM&DS and Customs EIS

Submit

Time frame to make decision

- There are two time frames involved:
- To accept a fully complete application
- To make a decision
this can be extended if needed
to 90 days.





Comprehensive Guarantee

Cash Deposit



OR

Undertaking from
Financial Institution



There is more information in Session 10 on the Comprehensive Guarantee process



LODGING A CUSTOMS DECLARATION



MASTER
REFERENCE
NUMBER (MRN)



Brexit – Get ready

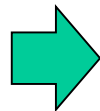
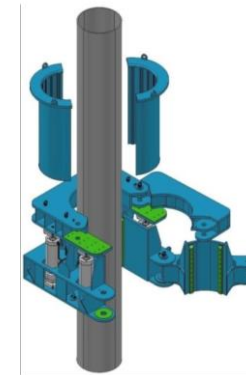
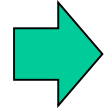
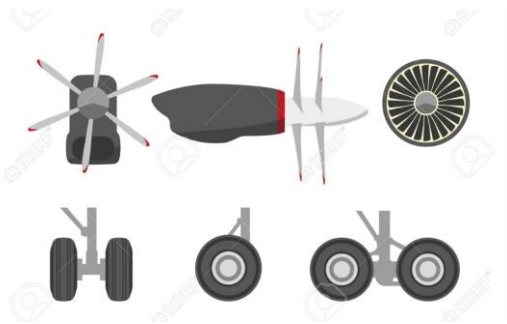


End use procedure

Breda Kennedy

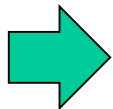
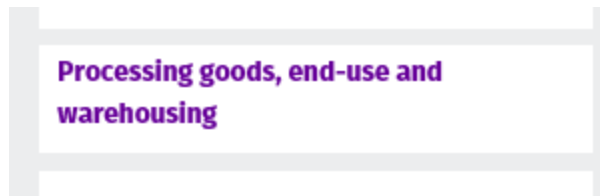
Authorisations & Reliefs Unit

Preferential duty rate once goods are put to proper end use



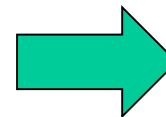
Submitting an application

Revenue.ie:



How to apply for an authorisation


You should make your application for end-use electronically using the [Customs Decision System \(CDS\)](#).



How to access the CDS

Economic operators can access the system in the [European Union trader portal](#)¹. To lodge an application, you must be authenticated in the trader portal. This is handled by the Uniform User Management and Digital Signature system (UUMDS) together with ROS.

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Submit

Time frame to make decision

- There are two time frames involved:
- To accept a fully complete application
- To make a decision
this can be extended if needed
to 60 days.





Comprehensive Guarantee

Cash Deposit



OR

Undertaking from
Financial Institution



There is more information in Session 10 on the Comprehensive Guarantee process



LODGING A CUSTOMS DECLARATION



MASTER
REFERENCE
NUMBER (MRN)



Key Actions Summary

- Assess the benefits of customs warehousing for your business
- Assess if the end use procedure can apply to your business
- Apply for the relevant authorisation
- Decide who is complete the customs declarations

- Contact details:

Authorisations & Reliefs Unit

revcep@revenue.ie



Email: revcep@revenue.ie

Website: www.revenue.ie/brexit

General Brexit Email: brexitqueries@revenue.ie

Brexit – Get ready

Session Three

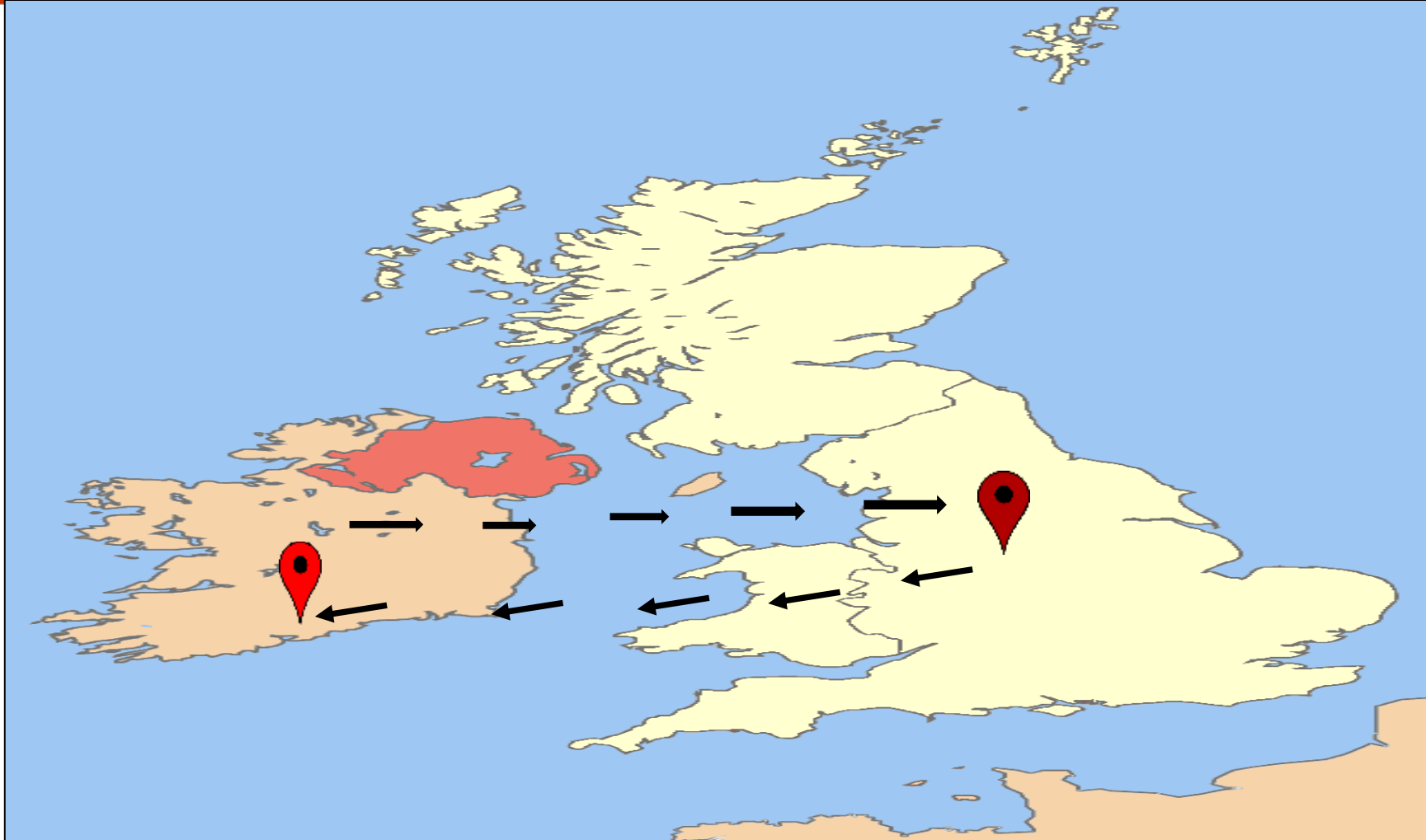
Theme: Temporary Admissions and Reliefs

Email: brexitqueries@revenue.ie

Website: www.revenue.ie/brexit



Temporary Admission



Trade
Show in
Cork



UK
Supplier



Types of Goods



Artwork



Replacement means
of production



Trade Show



Concert

Conditions to be fulfilled

2020

January							February							March							April						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	1	2	3	4	5	6	7				1	2	3	4	
5	6	7	8	9	10	11	2	3	4	5	6	7	8	8	9	10	11	12	13	14	5	6	7	8	9	10	11
12	13	14	15	16	17	18	9	10	11	12	13	14	15	15	16	17	18	19	20	21	12	13	14	15	16	17	18
19	20	21	22	23	24	25	16	17	18	19	20	21	22	22	23	24	25	26	27	28	19	20	21	22	23	24	25
26	27	28	29	30	31	23	24	25	26	27	28	29	29	30	31	26	27	28	29	30							

May							June							July							August						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	1	2	3	4	5	6				1	2	3	4							1	
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
24	25	26	27	28	29	30	28	29	30	26	27	28	29	30	31	23	24	25	26	27	28	29	30	31			

September							October							November							December								
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S		
			1	2	3	4	5					1	2	3	1	2	3	4	5	6	7				1	2	3	4	5
6	7	8	9	10	11	12	4	6	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12				
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19		
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26		
27	28	29	30	25	26	27	28	29	30	31	29	30	27	28	29	30	31												

Must be re-exported by
 05th October 2022

Conditions to be fulfilled



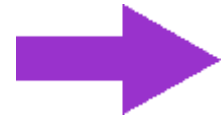
No processing



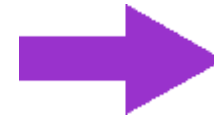
Security: Bank
Guarantee/Cash
Deposit

Customs Decision System

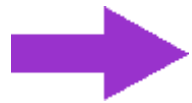
Revenue.ie



Temporary admission



Temporary admission rules and procedures



Application using the Customs Decision System



How to access the CDS

Economic operators can access the system in the [*European Union trader portal*](#). To lodge an application, you must be authenticated in the trader portal. This is handled by the Uniform User Management and Digital Signature system (UUMDS) together with ROS.

ATA Carnet

- Internationally recognised
- Valid 1 year



Commercial samples



Professional equipment



Goods for international fairs and exhibitions



Apply on www.e-Ata.ie

Application by Customs Declaration



Declaration
(H3)



Revenue
A.I.S



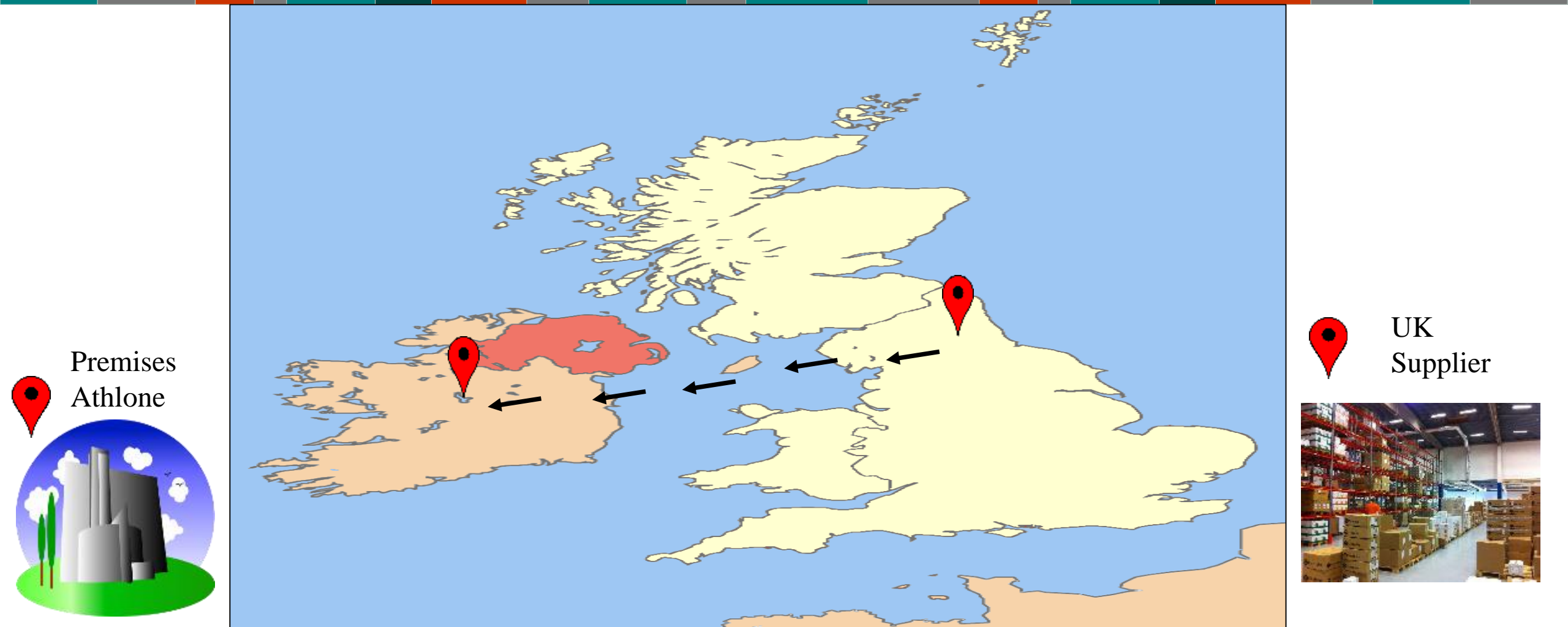
Guarantee as cash
deposit





RELIEFS

Goods Imported into Ireland



Relief granted to certain categories of goods



Transfer of
Residence

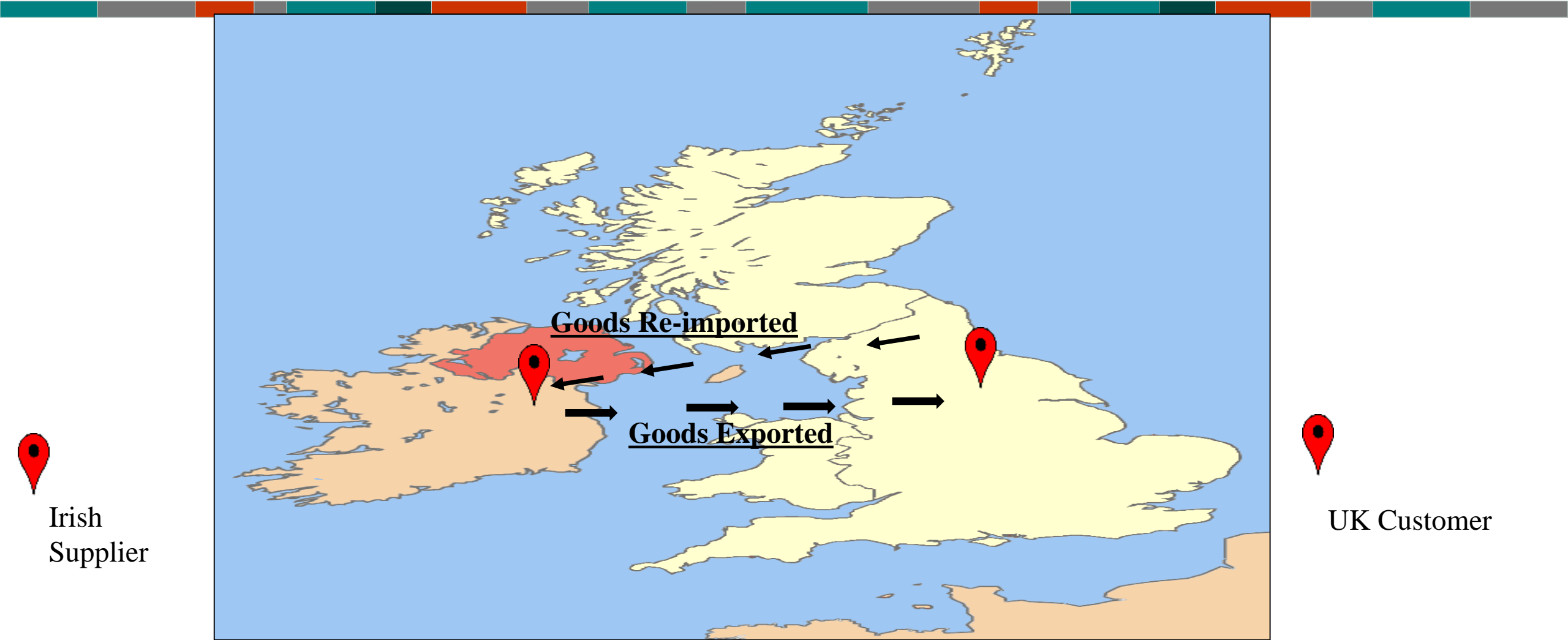


Disaster Relief



Examination,
Analysis &
Testing

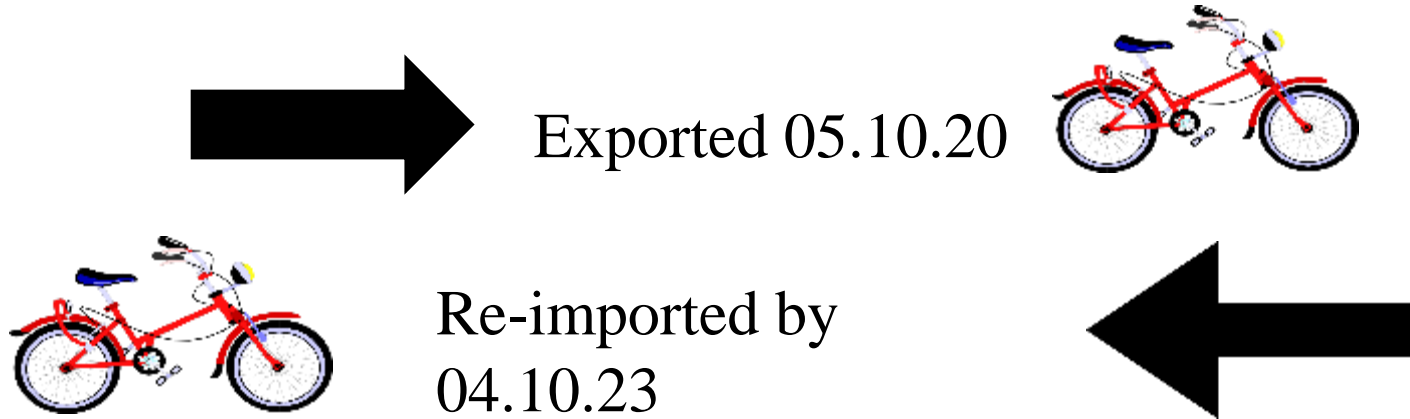
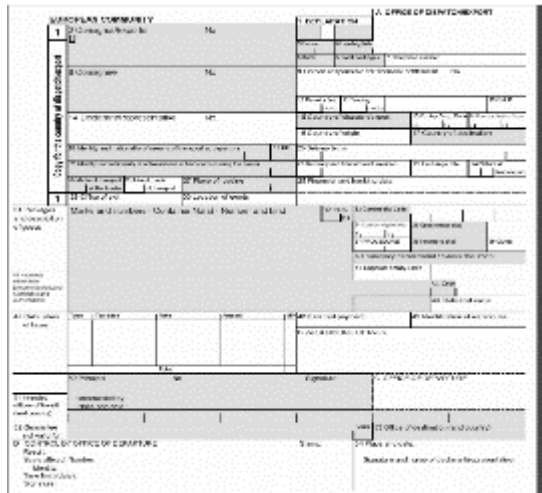
Returned Goods Relief



Irish Supplier

UK Customer

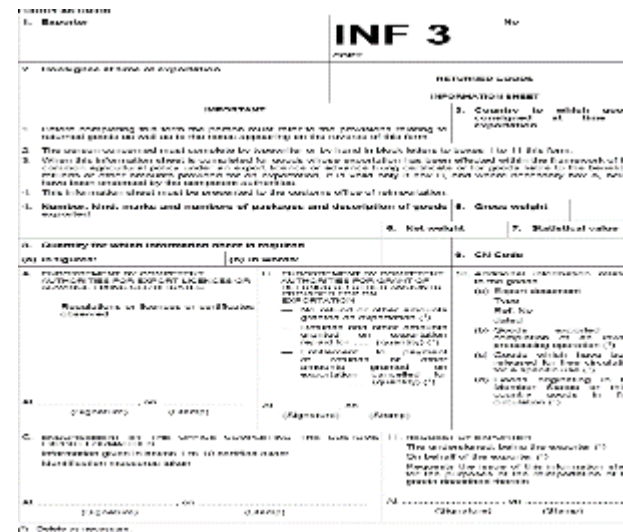
Returned Goods Relief Criteria

EXPORT DECLARATION

1. COMPANY DETAILS
 2. GOODS DESCRIPTION
 3. VALUE AND TAXES

Export Declaration



INF 3

1. Importer/Exporter
 2. Description of Goods
 3. Value and Taxes

INF3



Email: customsreliefs@revenue.ie

Website: www.revenue.ie/brexit

General Brexit Email: brexitqueries@revenue.ie

Session Four

Theme: Tariff Classification and Customs Valuation

Email: brexitqueries@revenue.ie

Website: www.revenue.ie/brexit



Tariff Classification



Code Names

**HS Code
?**

**Taric
Code ?**

**CN Code
?**

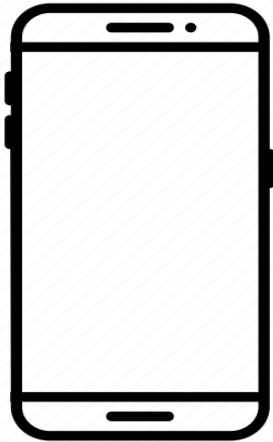
**Classification
Code?**



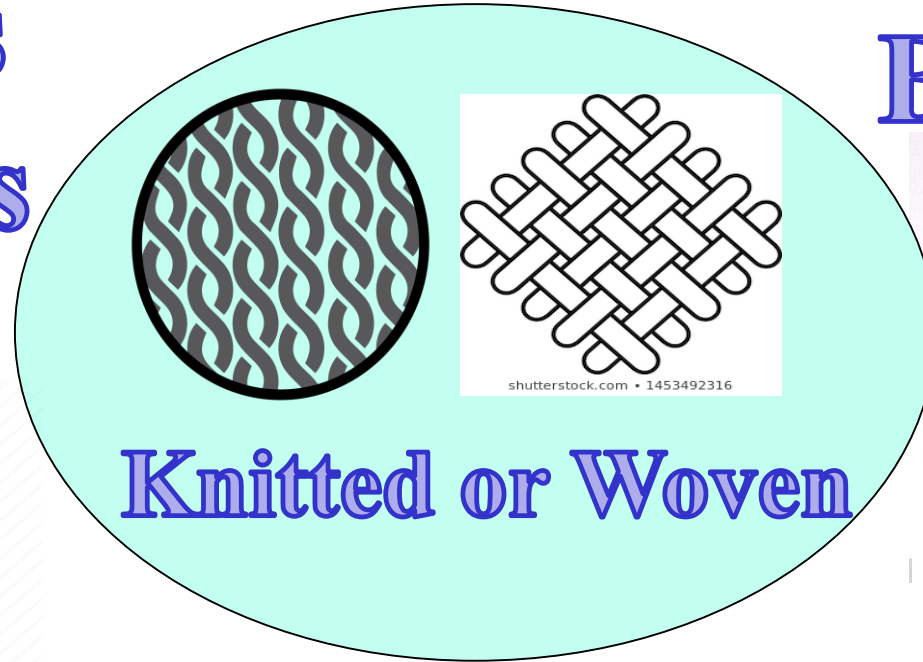
What is Tariff Classification?



Slippers
or Shoes



Phone or Camera or



Knitted or Woven

Biscuit or Cake



Printer or
Copier



Why do you need to classify your goods?

- The classification code dictates the % of duty applicable - determines the amount of duty payable on imported goods.
- Restrictions apply to certain codes - specific licence requirements attached



What's in a Code?

6406 10	HS Code Harmonised System	WCO World Customs Organisation
6406 10 10	CN Code Combined Nomenclature	EU European Union
6406 10 10 10	TARIC code	EU European Union



TARIC Code Structure

64	Footwear, gaiters and the like; parts of such articles	(HS Chapter)
6406	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable insoles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof	(HS Heading)
6406 10	Uppers and parts thereof, other than stiffeners	(HS Subheading)
6406 10 10	Of leather	(CN Code)
6406 10 10 10	Hand-made	(Taric code)
6406 10 10 90	Other	(Taric code)

When to Use a Classification Code


EU TARIC Code:

- Import Declaration for goods coming into Ireland

 **10 digits**

CN Code

- Export Declaration for goods moving out of Ireland

 **8 digits**

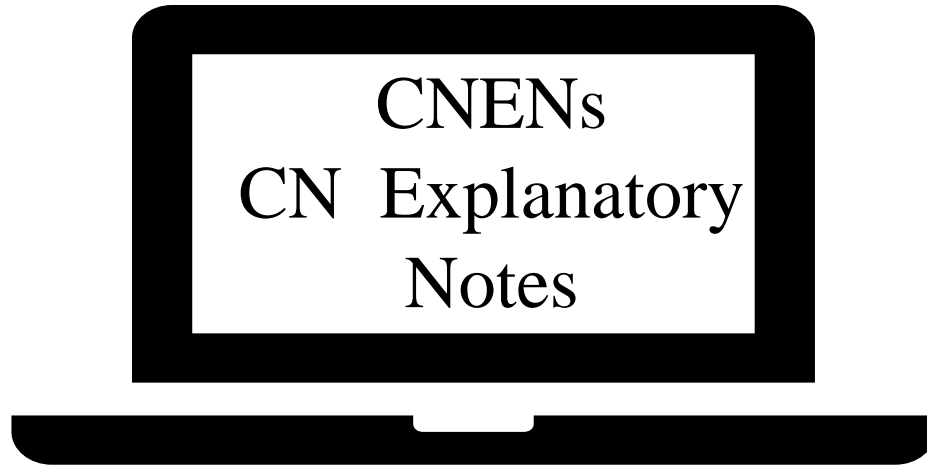
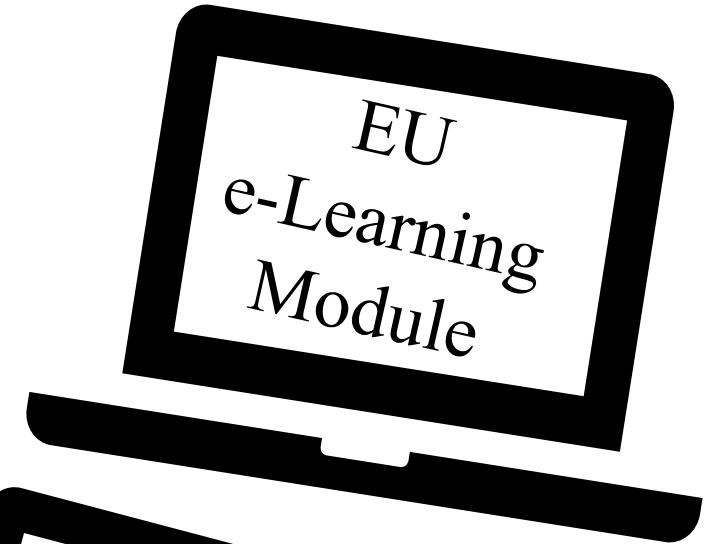
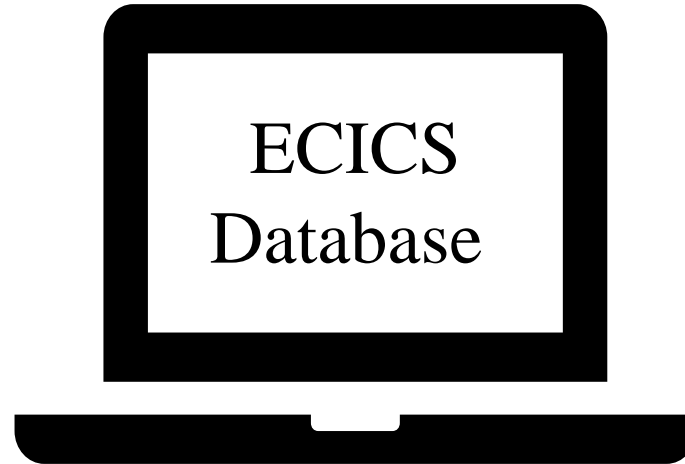
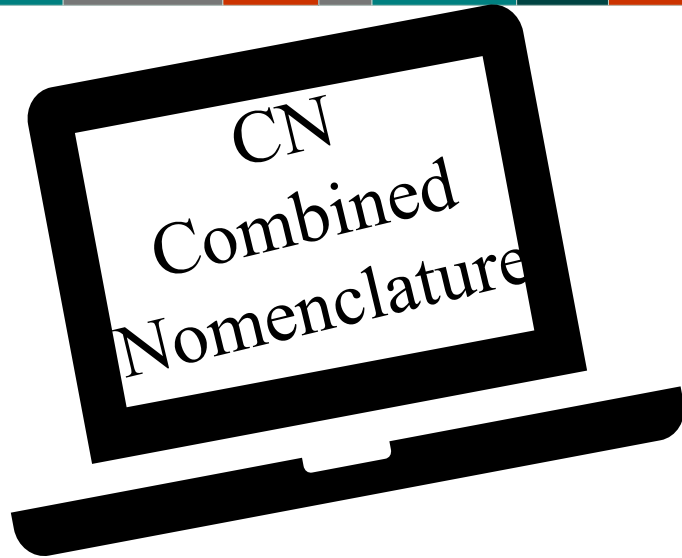
Classifying your Product

What the product is	A lady's dress
What does it look like – size, colour, packaging,	Mix of sizes and colours
What the product does or what it is used for	n/a
What it is made of	Cotton
How is it manufactured	Fabric is Woven
Does it have any other defining characteristic	n/a

Answer the questions



How do I classify?



Classifying Your Product

Measures

Geographical areas

Regulations

Search by goods code and geographical area

Goods code [\[Browse\]](#)

Origin/destination

62

[\[Advanced search\]](#)

[Retrieve Measures](#)

The current reference date for the query is 02-10-2020 [\[Change the reference date\]](#)

SECTION XI **TEXTILES AND TEXTILE ARTICLES**

CHAPTER 62 **ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED**

(-)

6201

Men's or boys' overcoats, car coats, capes, cloaks, anoraks (including ski jackets), windcheaters, wind-jackets and similar articles, other than those of heading 6203 : [\(TN701\)](#)

6202

Women's or girls' overcoats, car coats, capes, cloaks, anoraks (including ski jackets), windcheaters, wind-jackets and similar articles, other than those of heading 6204 : [\(TN701\)](#)

Classifying Your Product

6204

Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (other than swimwear) : [\(TN701\)](#)

- Suits :
- Ensembles :
- Jackets and blazers :
- Dresses :
- Skirts and divided skirts :
- Trousers, bib and brace overalls, breeches and shorts :



Classifying Your Product

- **Dresses :**

6204 41

- - **Of wool or fine animal hair**

6204 42

- - **Of cotton :**

6204 43

- - **Of synthetic fibres**

6204 44

- - **Of artificial fibres :**

6204 49

- - **Of other textile materials :**

- **Skirts and divided skirts :**



Classifying Your Product

6204 42

- - Of cotton :

6204 42 00 10

- - - Hand-printed by the "batik" method

6204 42 00 90

- - - Other

6204 43

- - Of synthetic fibres

6204 44

- - Of artificial fibres :

6204 49

- - Of other textile materials :

6204

Women's or girls' suits, ensembles, jackets, blazers, dr



Check the Duty Rate

6204 42 - - Of cotton :
6204 42 00 10 - - - Hand-printed by the "batik" method
6204 42 00 90 ▼ - - - Other

ERGA OMNES (ERGA OMNES 1011)

- Import control on cat and dog fur (15-08-2009 -) (CD568)
[Show conditions]
- Import control on seal products (18-10-2015 -) (CD603)
[Show conditions]
- Third country duty (01-01-2005 -) : **12.00 %**

Difficulty Classifying Your Products?

Revenue can give you a
Classification Opinion



You will need to email us the
following

1. What the product is
2. What the product looks like – size, colour, packaging, etc
3. What the product does or what it is used for
4. What the product is made of
5. How the product is manufactured
6. Any other defining characteristics

A Classification Opinion is not Legally Binding

What is Binding Tariff Information - BTI

- classification decision issued by customs administrations in all Member States; and
- is legally binding in all Member States and on the holder
- applies to one specific product
- valid for 3 years but may be invalidated earlier in certain circumstances



When Applying for a BTI you must:

- Have an active ROS digital certificate
- Be registered for Customs & Excise on ROS
- Have an EORI number
- Intend to import or export the specific product
- Submit an Application Request
- Include detailed information on the product in the application



What you Need to Do Now

IMPORTER

Establish the correct 10 digit classification code for all of your goods

Share this information with the entity completing your customs declarations

EXPORTER

Establish the correct 8 digit classification code for all of your goods

Share this information with the entity completing your customs declarations

AGENT/LOGISTICS

Contact your customers – raise awareness of need for classification code

Ensure customers provide you with a classification code for all of their goods



Further information



<https://revenue.ie/en/customs-traders-and-agents/importing-and-exporting/classification/index.aspx>

https://ec.europa.eu/taxation_customs/eu-training/general-overview/ucc-elearning-programme_en

Contact Revenue at:
tarclass@revenue.ie



Customs Valuation

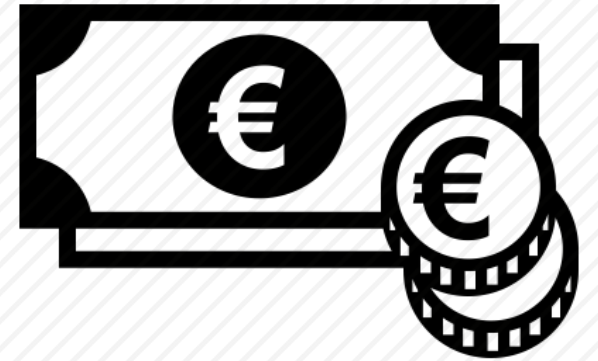


Why do I need a Customs Valuation

When importing goods into Ireland you need to know the Customs Value of the product

This will determine:

- **the amount of Customs Duty payable**
- **the amount of VAT payable**



And some other reasons?

- **Statistical Purposes**
- **Collection of the correct amount of import duties**
- **Application of commercial policy measures**



The Six Valuation Methods

- 1. Transaction Value**
- 2. Valuation of Identical Goods**
- 3. Valuation of Similar Goods**
- 4. Deductive Value Method**
- 5. Computed Value Method**
- 6. Residual Valuation Provisions**



Possible Additions

- + Transport, insurance, loading, (non-EU)
- + Selling Commissions, brokerage
- + Containers
- + Packaging
- + Any goods/services provided free by buyer
- + Royalties and license fees
- + Proceeds of any resale that accrue to seller
- + Buyer and Seller are related, affecting price



Possible Deductions

- Transport after introduction into the EU
- Construction, assembly in the EU
- Interest under a financing arrangement
- Charges for right to reproduce goods
- Buying commissions
- Import duties
- Discounts
- Adjustment for defective goods



Transaction Value

The primary basis for customs value

It is the price actually paid or payable for the goods when sold for export to the EU adjusted where necessary



Determining the Customs Value of Your Product

***We Supply Clothes
Your Invoice***



Main Street, Hamps, UK
HH1 %GG: VAT Reg.

Buyer: Post Frocks,
Main Street, Ireland

Shipper: We Fly Cargo

Product Description

***Floral Dress No.20
Size 6-16
Various Colours***

@ €45 =

Total €900

Determining the Customs Value of Your Product

Invoice Value	€900
+ Transport/Insurance	€100
- EU Transport Costs	(€ 10)



TOTAL VALUE FOR CUSTOMS = €990

What Customs Duty do You Pay

6204 42 - - - Of cotton :
 6204 42 00 10 - - - - Hand-printed by the "batik" method
 6204 42 00 90 ▼ - - - - Other
 ERGA OMNES (ERGA OMNES 1011)
 → Import control on cat and dog fur (15-08-2009 -) (CD368)
 [Show conditions]
 → Import control on seal products (18-10-2015 -) (CD603)
 [Show conditions]
 → Third country duty (01-01-2005 -) : **12.00 %**

CLASSIFICATION & DUTY RATE

Invoice Value	€900
+ Transport/Insurance	€100
- EU Transport Costs	(€ 10)

TOTAL VALUE FOR CUSTOMS = €990

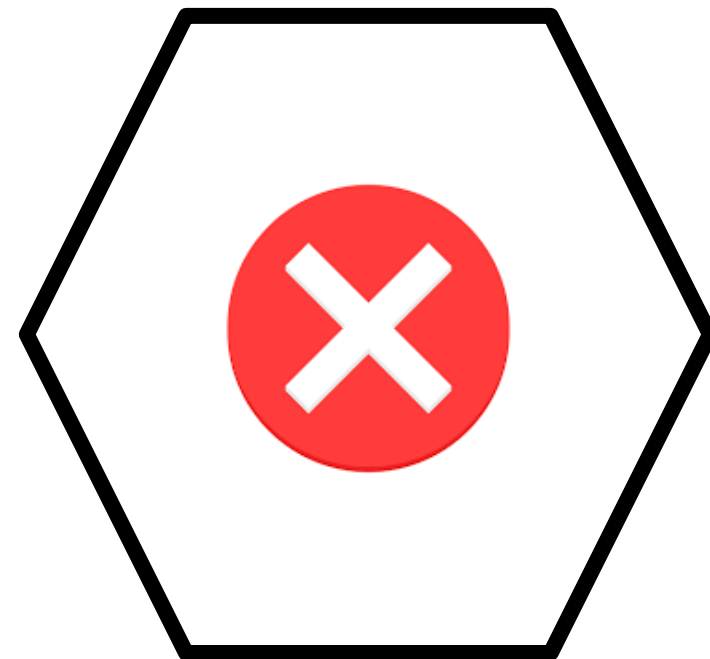
VALUATION

Customs Duty: $990 \times 12\% = \text{€}118.80$

VAT: $(990 + 118.80) \times 23\% = \text{€}1017.32$

Customs Value Incorrect

- The declaration will have to be corrected
- The correct duty must be paid
- The importer may be liable to penalties



CUSTOMS VALUATION

IMPORTER

Establish the correct valuation of all of your goods

Share this information with the entity completing your customs declarations

AGENT/LOGISTICS

Share information of freight costs etc with your customers

Ensure customers provide you with the CUSTOMS valuation for their goods



Further information

Visit the Revenue Website at

<https://www.revenue.ie/en/customs-traders-and-agents/importing-and-exporting/customs-valuation/index.aspx>

Contact Revenue at

origin&valuationsection@revenue.ie



Email: tarclass@revenue.ie

Origin & valuation section origin&valuationsection@revenue.ie

Website:

www.revenue.ie/brexit

General Brexit Email: brexitqueries@revenue.ie

Brexit – Get ready

Session Five

Theme: Moving prohibited and restricted goods

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Prohibitions and Restrictions

- Customs declarations required for all goods at import and export
- Some prohibited/restricted goods may be subject to additional requirements:
 - licence
 - permit
 - certificate

Examples of Prohibitions and Restrictions

- SPS controls on Agricultural Products
- Product Safety - Import
- Ozone Depleting Substances - Import
- CITES Endangered Species – Import/Export
- Dual Use Goods - Export
- Chemicals - Export



Product Safety

- EU Regulation 765/2008 provides for the enforcement of EU product safety requirements for placing goods on the market
- Product Safety controls are conducted by designated Market Surveillance Authorities
- Revenue's Customs Service works with the Market Surveillance Authorities to identify unsafe goods importation
- Competent authorities are the Department of Enterprise, Trade and Employment (co-ordinating body) and various Market Surveillance Authorities (MSAs)



Ozone Depleting Substances (ODS)

- Import Declaration must have the ODS Licence number quoted.
- Licence is validated by Customs
- Once Licence details are correct - goods are cleared
- If the Licence is invalid or contains discrepancies the consignment is referred to the Environmental Protection Agency for further inquiries. ods@epa.ie



CITES Endangered Species



Dual Use Goods

- Export Declaration must have the Dual Use Licence number quoted
- Licence is validated by Customs
- Once Licence details are correct - goods are cleared
- If the Licence is invalid or contains discrepancies the consignment is referred to the Export Control DBEI for further inquiries. exportcontrol@dbei.gov.ie

Cash Controls



European Commission

Travelling
with €10 000 or more?
Don't forget to declare it!



The image features a white background with a blue header containing the European Commission logo. Below the logo, the text 'Travelling with €10 000 or more? Don't forget to declare it!' is displayed in orange and black. The background is decorated with several paper boats made from Euro banknotes: a purple boat on the left, a brown boat at the bottom left, a green boat at the top right, and a yellow boat at the bottom right. Dotted lines suggest a path or journey across the scene.

Cash Controls

- Applies to persons entering or leaving the Community and carrying cash of a value of €10,000 or more
- Cash must be declared to Customs
- Declaration is made in writing by the person in possession of the cash entering or exiting the EU
- Cash Declaration lodged at the customs office of arrival or departure
- The declaration form can be downloaded from Revenue.ie and is also available from customs offices at all airports and ports.
- Failure to declare is an offence

Intellectual Property Rights (IPR)

- EU Reg 608/2013 provides measures for Customs to act against counterfeit or pirated goods on behalf of the rights holder(s)
- Rights Holder makes application for Customs to take action and are valid for one year
- Application forms are available at the following link
https://ec.europa.eu/taxation_customs/business/customs-controls/counterfeit-piracy-other-ipr-violations/defend-your-rights_en
- Once a valid application is in place Customs may detain counterfeit goods on behalf of the rights holder

Key Actions Summary

- Assess if your products are subject to any prohibitions or restrictions
- Contact the relevant agencies, where necessary
- Further details on goods subject to import export Prohibitions and Restrictions may be found at the following link:

<https://www.revenue.ie/en/customs-traders-and-agents/documents/prohibitions-restrictions.pdf>



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General Brexit Email: brexitqueries@revenue.ie

Session Six

Theme: VAT and Excise Implications

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Website: www.revenue.ie/brexit





Planning for VAT after Brexit

Dermot Donegan



- The UK will leave the EU VAT Regime, Customs Union and Single Market on 31 December 2020.
- All trade with Britain will become third country trade, subject to Customs requirements at point of importation.
- Under the Withdrawal Agreement, trade in goods between Ireland and Northern Ireland will remain unchanged as far as VAT is concerned.
- Presentation will cover the various movements and their VAT implications and also highlight other important issues that you might need to consider.
- The position is confirmed and set out in more detail in European Commission Guidance Notes



Supplies and Movements between IE, NI and GB (1)

- Different treatments for VAT on goods supplied and moving between Ireland, NI and the rest of the UK excluding NI (Great Britain / GB).
- Goods supplied between NI and GB will now be subject to Customs rules.
- Cross border services between NI, GB and Ireland are **not** covered by the Protocol.

Supplies and Movements between IE, NI and GB (2)

- Supplies of goods between Ireland and GB will be imports and exports.
- Supplies between IE and NI - VAT treatment of supplies of goods will not change and existing arrangements will apply.
- Supply of Services – where services are supplied from GB or NI into Ireland, or vice versa, they will be treated as supplies of services to third countries.
- To report transactions between NI and Irish or other EU businesses, a new prefix XI will be allocated to NI Businesses.

Other consequences of Brexit

- **Reporting** – No reporting on trade with GB on Intrastat returns or the VAT Information Exchange System (VIES) system – But this will still apply for trade with NI.
- **The Mini One Stop Shop (MOSS)** system will no longer apply to sales to GB consumers - need to register for VAT in the UK in respect of such sales.
- **Triangulation** – Where GB is involved, triangulation cannot apply and a requirement for UK VAT registration may arise.
- **Distance Sales** – distance selling thresholds will no longer apply to the supply of goods from Ireland to the UK and vice versa. Import VAT and customs duties to apply.
- **VAT Refunds** - UK VAT incurred by Irish businesses can no longer be claimed using the EVR scheme – UK equivalent of the 13th VAT Directive Claim procedure may apply.
- **Travel or Tour Agents Margin Scheme** - Scheme will no longer automatically apply - may need to register for UK VAT.

Postponed Accounting

- Under current VAT rules, businesses importing goods from 3rd countries are required to pay VAT on importation and then recover it through their periodic VAT returns.
- Cash flow cost for businesses - Minister proposes to introduce Postponed Accounting.
- Irish VAT registered importers will self-account for VAT due in their VAT return rather than at point of entry into Ireland – new boxes on Forms VAT 3 and RTD.
- Will also benefit businesses who import goods from other non-EU countries - Scheme will be available to all importers.
- Legislation to provide for the introduction of conditions that importers must satisfy to avail of postponed accounting.

Key points

- Review supply chains and assess the potential implications for cash flow, VAT registration and reporting obligations.
- Do you avail of EU simplifications such as triangulation, self-billing, call off stocks and consignment stocks? What is the impact on these?
- Monitor VAT legislative developments in the UK – HMRC’s Brexit Webpages.
- Invoicing and reporting obligations will change.
- Ensure you have the records to support zero-rated exports.
- Systems changes may be required - IT and software services managers.
- More detailed Information is available on the Europa and Revenue Websites for information.



Planning for Excise after Brexit

Denis Sheehan



- The UK will leave the EU excise regime, Customs Union and Single Market on 31 December 2020;
- All trade with Britain will become third country trade, subject to Customs requirements at point of importation;
- Under the Withdrawal Agreement, trade in excise goods (alcohol, tobacco and mineral oils / energy products) between Ireland, other EU Member States and Northern Ireland will remain unchanged as far as excise is concerned;
- This presentation will cover the various movements and their excise implications and also highlight other important issues that you might need to consider.

GB to Ireland (Customs import)

Import for placing in tax warehouse (excise duty suspended)

- National excise movement procedure - port to tax warehouse (subject to guarantee);
- Excise duty / VAT suspended pending release for consumption (from tax warehouse);
- Customs procedure code 0700, EMCS not applicable.

Import for immediate release for free circulation

- Customs / VAT / excise paid up front or otherwise accounted for via deferred payment authorisation;
- Customs procedure code 4000.

Ireland to GB(Customs export)

- Export dispatched from tax warehouse to port under national excise movement procedure;
- Excise duty suspended during movement to port, subject to guarantee;
- Customs procedure code 1000, no EMCS.

Note: no additional excise procedures for exports of duty paid excisable products to GB.

Ireland to and from NI

- Ireland to and from NI (duty suspended): No change – current EMCS movement procedure applies;
- Ireland to and from NI (duty paid): No change – current intra EU duty paid movement processes apply.

Transit from Ireland to/from other EU State via GB (duty suspended)

EMCS is used for parts of journey in EU;
Common Transit is used for journey via GB.

Method:

- Consignor puts goods under EMCS as at present;
- Consignor, or their representative, simultaneously uses NCTS to put the GB movement under the Common transit procedure;
- Separate authorisations and guarantees are required for EMCS and transit.

Current paper based procedure (SAAD or equivalent commercial documentation) for parts of journey in EU as at present;
Common Transit for journey via GB.

Method:

- Consignor puts goods under paper based procedure as at present;
- Consignor, or their representative, simultaneously uses NCTS to put the GB movement under the Common transit procedure;
- Guarantee required for common transit only.

Key points

- Get acquainted with new procedures and obligations in relation to trade in excisable goods with the UK and differences in trading with GB and NI;
- Ensure you are familiar with customs procedures and data requirements e.g. EORI number, CN codes for relevant goods, customs procedure codes;
- Be aware that unless you have a deferred payment guarantee with Revenue you must pay excise duty, as well as customs duty and VAT, on your imports of excisable goods before they clear customs at the port of import;
- If you are a Revenue authorised tax warehousekeeper, check that your guarantee is sufficient to cover movements to and from your warehouse to and from the port of export and import in the State.

Further information:

- Keep in regular contact with your Revenue control officer to ensure you are fully familiar with the new arrangements as they apply to you personally.
- EU readiness notice on excise:

https://ec.europa.eu/info/files/excise-duties_en



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Brexit – Get ready

Session Seven

Theme: VRT Changes

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Registration Scenarios

- Vehicles currently in the State
- Vehicles declared to Customs at a Port of Entry
- Vehicles declared after Entry into State
- Vehicles entering the State from Northern Ireland
- Vehicles which were in dealers' stock in NI
- New vehicles – manufactured in the UK
- Information on the customs requirements for importing goods (including vehicles) from GB is available in Day 1, Sessions 2 and 3.

Export Repayment Scheme

- If you permanently export a car from the State you may be entitled to a repayment of the residual tax.
- For cars leaving the State to GB you will need to ensure the VIN detail is included on a customs export declaration.
- For cars leaving the State to NI, you must provide proof of the new NI registration.
- Information on the customs requirements for exporting goods (including vehicles) to GB is available in Day 1, Sessions 5.

Key Points

- VIN will need to be present on Customs Declaration
- Full Original V5C – UK Registration Document
- Customs Declaration must be made before presentation at National Car Testing service (NCTS)
- Importing cars from GB will require a customs declaration and potential payment of duties and VAT



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Session Eight

Theme: Benefits and limitations of becoming an authorised ‘trusted trader’ – AEO and Simplified Procedures

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Efficient Movement of Goods: AEO

- Trusted trader
- Criteria/Standards
- Benefits
- Mutual recognition
- Pros & Cons

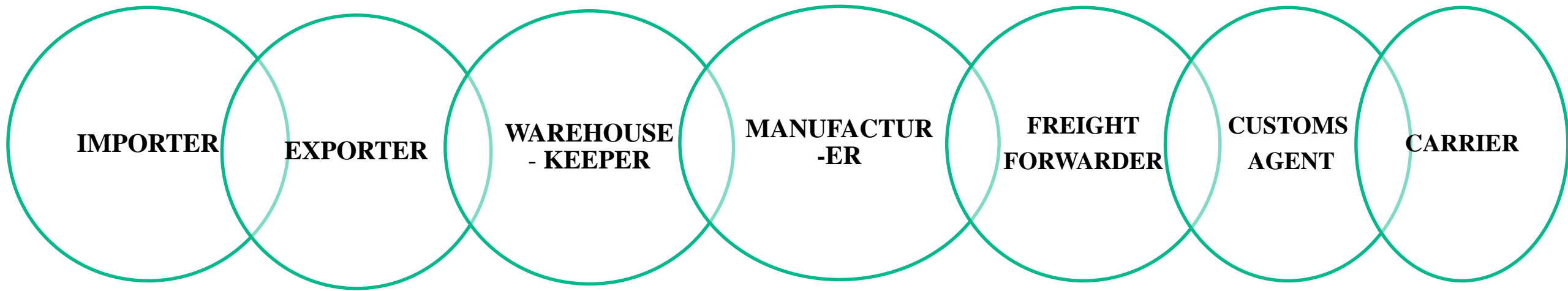
**AEO CUSTOMS SIMPLIFICATION
(AEO C)**

AEO SAFETY & SECURITY (AEO S)

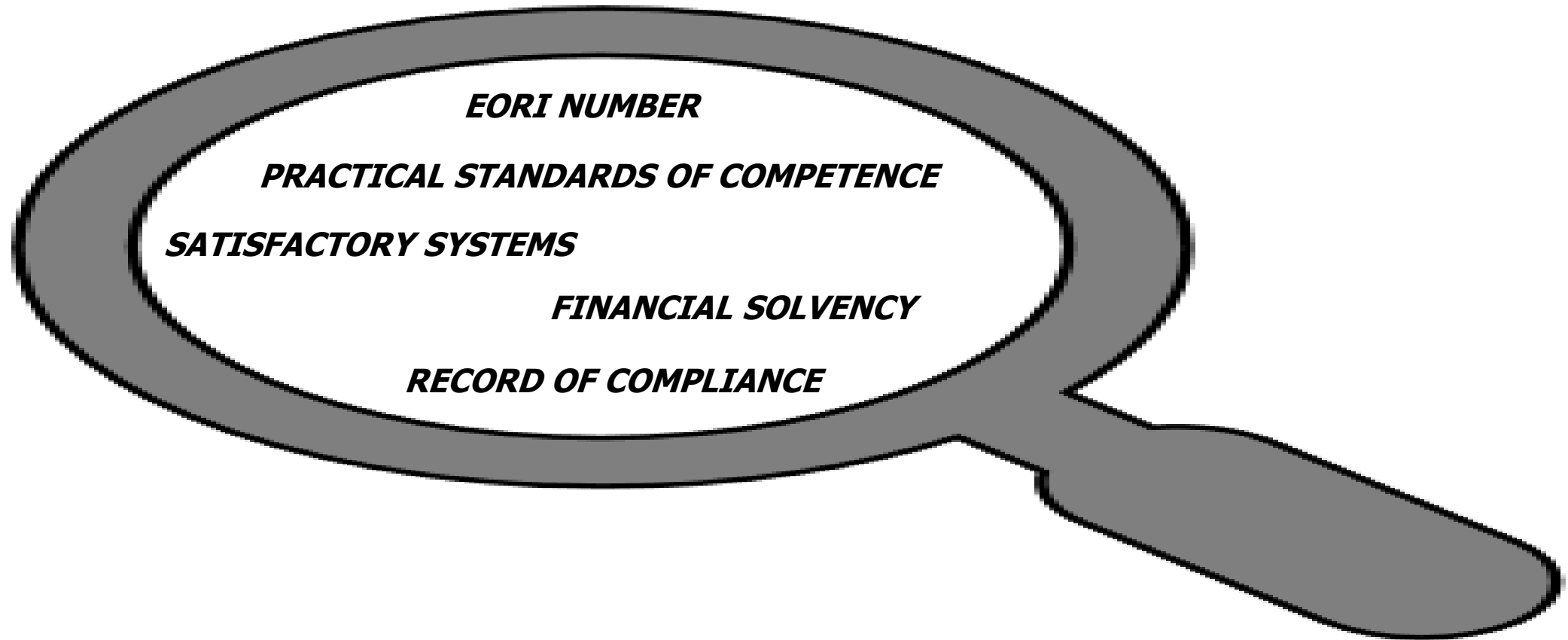
**AEO F – A combination of AEO C and
AEO S**



WHO CAN APPLY FOR AEO ?



AUTHORISED ECONOMIC OPERATOR CRITERIA



PROS

- Recognised EU wide as a compliant business partner
- Reduced risk ranking and therefore may be subject to fewer physical and documentary checks at borders
- Priority treatment if selected for intervention
- Easier access to Customs simplifications and special procedures
- Availability of guarantee reduction/waiver
- Possibility to request a specific place for performance of the intervention
- Improved relationship with Revenue

CONS

- No priority treatment for Agri/Food interventions
- No reduction in Agri/Food interventions
- Cannot avail of certain simplifications where goods are 'restricted'
- Time consuming to be authorised and to maintain status
- Possible cost of obtaining and maintaining AEO

PROS

- Recognised worldwide as a safe, secure and compliant business partner in international trade
- Reduced risk ranking and therefore may be subject to fewer physical and documentary safety & security checks at EU borders
- Priority treatment if selected for intervention
- Possibility to request a specific place for performance of the intervention
- Possible benefits at border of any of the countries who recognise our AEO status
- Improved relationship with Revenue

AEO Safety and Security (AEO S)

CONS

- Status only recognised by a 3rd country if a Mutual Recognition Agreement is in place
- Benefits related only to the Safety and Security Declaration
- Time consuming to be authorised and to maintain status
- Possible cost of obtaining and maintaining AEO

- Simplifications currently available
 - Simplified Declaration (SD)
 - Entry in the Declarants Records (EIDR)
 - Centralised Clearance (CC)

Customs Simplifications

- Simplified procedures information
 - New applications are submitted through Customs Decisions System (CDS)
 - There is a Self Assessment Questionnaire available in respect of applications
 - Further information at <https://www.revenue.ie/en/customs-traders-and-agents/simplified-customs-procedures/simplified-declaration-procedure-for-imports.aspx>



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Brexit – Get ready

Session Nine

Theme: Rules of Origin

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Origin

- Origin - the economic nationality of goods:
 - Where do the goods originate?
 - Is the country of origin party to a trade agreement?
- FTA - Preferential Origin – products meeting Rules of Origin (RoO) qualify for reduced/nil rate of duty



Background



Some common provisions but details vary per individual FTA



Rules are specific to products (product specific rules i.e. list rules)



Origin must be proven in order to claim preference – recent agreements allow for the use of the Registered Exporters (REX) system



Exemptions only apply to non-trade movements e.g. goods in a traveller's personal luggage



Common provisions

- Originating status – products have originating status if they are “wholly obtained” or sufficiently worked – applies to all preferential origin arrangements
- Wholly obtained – applies mainly to natural products and to goods made entirely from them
- Sufficiently worked or processed – non-originating materials/components must be sufficiently worked, in accordance with the list rules, in order to obtain origin
- Cumulation – bilateral, diagonal, regional, full
- Territoriality – means that any working/processing must be carried out in the territories of the parties. Some exceptions may apply where value added is less than 10%

Common provisions

- Direct transport/non-alteration – the goods must travel directly between the partner countries or be under customs control if they transit through a 3rd country
- Tolerance – the general tolerance rule allows the final product to obtain originating status using a small amount of non-originating materials (e.g. less than 10%)
- Cannot apply both the general tolerance rule and derogation from principle of territoriality at the same time

Examples of origin obtained as wholly obtained goods

- Live animals born and raised there
- Products from live animals raised there
- Mineral products or other non-living natural resources extracted or taken from there
- Vegetables, plants and plant products harvested or gathered there



Sufficiently worked or processed products

- The List Rules/Product Specific Rules in an FTA specify the working or processing that non-originating products must undergo to qualify as originating under that FTA
- The main methods by which sufficient working or processing are determined:
 - a) Value-added method, e.g. Production in which the value of non-originating materials used does not exceed xx% of the ex-works price i.e. the factory price of the product (materials + labour + overheads + profit)
 - b) Specific process method as set out in the Product Specific Rule
 - c) Change of tariff heading method
 - d) Combination of two or more of a, b and c above



Examples of origin obtained by a specific process

EU/CANADA Comprehensive Economic and Trade Agreement (CETA) - Cotton sewing thread

- Rule: Spinning of natural fibres or extrusion of man-made fibres accompanied by spinning
- The EU manufacturer uses non-originating natural fibres. The fibres are spun into cotton sewing thread. The thread is exported under CETA as EU originating

The Pan-Euro-Mediterranean (PEM) Convention - Skirt

- Rule: Manufacture from yarn
- The EU manufacturer uses non-originating yarn. The yarn is woven into fabric from which skirts are made-up. The skirts are exported under PEM as EU originating

Insufficient processing

The working or processing on non-originating materials must go beyond insufficient or minimal processing to confer origin

Examples of insufficient/minimal operations

- Preserving operations to ensure that the products remain in good condition during transport and storage
- Breaking-up and assembly of packages
- Simple mixing of products, whether or not of different kinds
- Slaughter of animals



Impact of Brexit from an Origin perspective

- GB goods - 3rd country goods
- Trade with GB
 - To be determined as part of future relationship negotiations
- Trade with other 3rd countries
 - No impact where no FTA in place
 - Potential impact on trade with FTA partner countries depending on terms of the FTA
 - GB content (material or processing operations) is “non-originating” under EU FTA’s
 - Prudent for both importers and exporters to examine if GB goods being used as inputs to products affects ability for preference to be claimed under other FTA’s

Bilateral cumulation

- Materials originating in one Partner country can be regarded as originating in the other Partner country
- Working or processing on originating materials from the FTA Partner country does not need to fulfil the list rule but must normally go beyond insufficient working or processing.
- Bilateral cumulation is the standard form of cumulation in free trade agreements between 2 countries

Diagonal/Regional cumulation

- Operates between more than two countries provided they have free trade agreements containing identical origin rules and provision for diagonal/regional cumulation between them
- The materials used must be originating from the countries participating in the diagonal cumulation

Cumulation

Full cumulation

- Applies to working and processing on non-originating materials
- The working or processing in the Product Specific Rules can be carried out on non-originating materials in the Parties to the FTA
- Operations carried out successively in the Parties can be considered together in order for the final product to obtain origin
- It operates between the EU and for example, countries of the EEA, the Overseas Countries and Territories of EU countries, African/Caribbean/Pacific countries

Documentary proof of origin

- Certificates authorised by customs (EUR.1, A.TR, GSP Form A certs)
- Declarations made out on invoices or other commercial documents by ‘Approved Exporters’ under ‘simplified procedure’
- Declarations made out on invoices or other commercial documents by registered traders - REX
- Importer’s knowledge

Verification procedures

- Importers and exporters should keep documentary evidence for at least 3 years proving origin of the goods
- Customs authorities may request such proof from importers and exporters under the terms of free trade agreements

Union Status -v- Union Origin

- Union Status – all goods in free circulation in the EU, irrespective of their Origin, have Union status allowing them to move freely between Member States without any customs or regulatory controls*
- Union origin – origin of the goods will be determined based on the common provisions outlined previously. It is the Origin of the goods that is considered when availing of preferential duty rates.

*Some products, such as live animals, are subject to regulatory controls when moving within the EU



Impact of NI Protocol from an Origin perspective

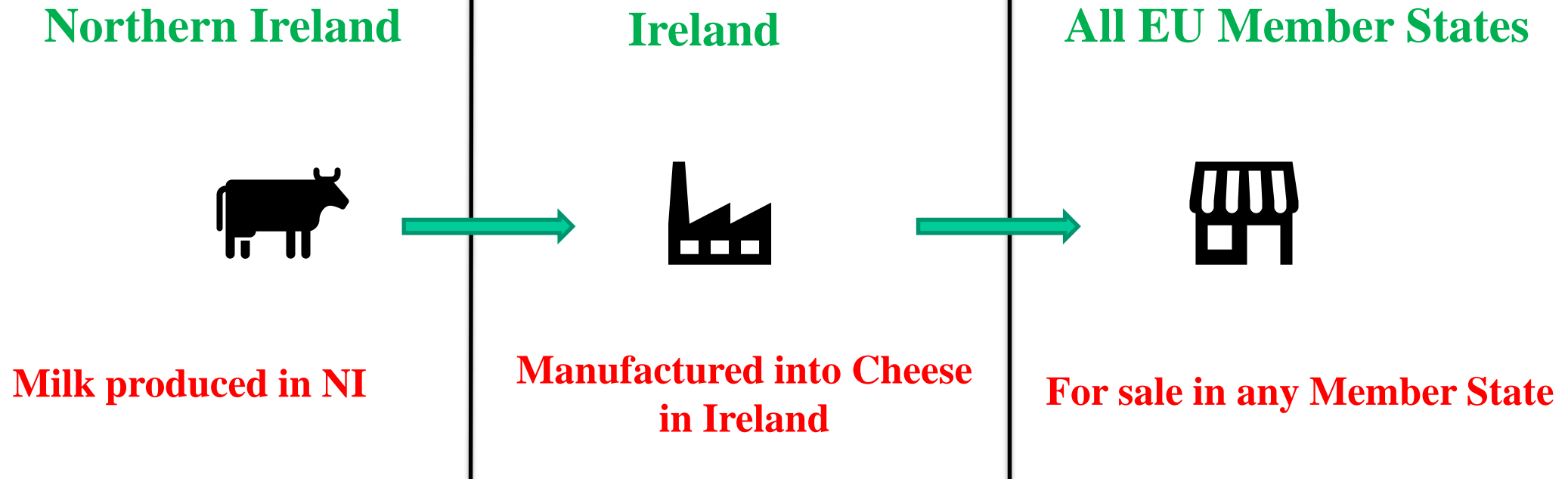
- Intra-community trade
 - NI goods will have Union status therefore no impact for trade between NI and other MS
 - No impact on goods manufactured using NI inputs
- Trade with the UK
 - To be determined as part of future relationship negotiations
- Trade with other 3rd countries
 - No impact where no FTA in place
 - Potential impact on trade with FTA partner countries depending on terms of the FTA



Northern Ireland Goods/Processing in Northern Ireland

- Understanding based on Protocol
 - NI origin goods are not EU origin goods
 - However, they have Union status and are treated as all other goods in free circulation
 - Consequently there are no customs formalities (declarations or duties) required for NI-IE movements
 - There is no need for processing authorisations for manufacturing in NI as the goods are in free circulation
- Understanding based on existing FTAs
 - FTA is between EU and a 3rd country and only applies to trade between the EU and that partner country
 - NI origin components will be treated as non-originating components under the FTA
 - Processing of EU goods in NI will be treated as non-originating processing under the FTA

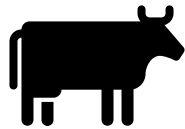
Placed on the Market in the EU



- No Customs Declarations or duties on milk into IE or on cheese from IE to OMS
- No Processing authorisation required
- Milk and Cheese are in free circulation at all times

Placed on the Market in a Non-FTA Country

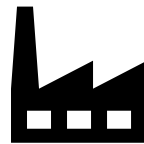
Northern Ireland



Milk produced in NI



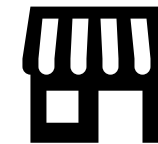
Ireland



**Manufactured into
Cheese in Ireland**



e.g. China



**Exported to China – EU does
not have an FTA with China**

- No Customs Declarations or duties on milk into IE – in free circulation
- No Processing authorisation required
- Cheese imported into China as 3rd country so normal Chinese import duties applicable

Placed on the Market in an FTA Country

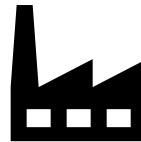
Northern Ireland



Milk produced in NI



Ireland



**Manufactured into Cheese in
Ireland**



e.g. Canada



**Exported to Canada – EU has an
FTA with Canada**

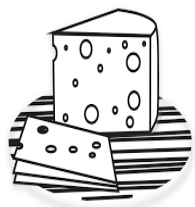
- No Customs Declarations or duties on milk into IE – in free circulation
- No Processing authorisation required
- Records required to prove origin
- Milk element of the cheese deemed to be non-EU origin in context of FTA
- Under CETA this cheese will not qualify for EU Origin

Placed on the Market in the EU

Northern Ireland

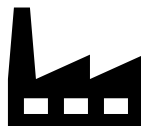


Milk produced in NI



Sent to NI for slicing and packaging

Ireland



Manufactured into Cheese in Ireland



Returned to Ireland for storage and distribution

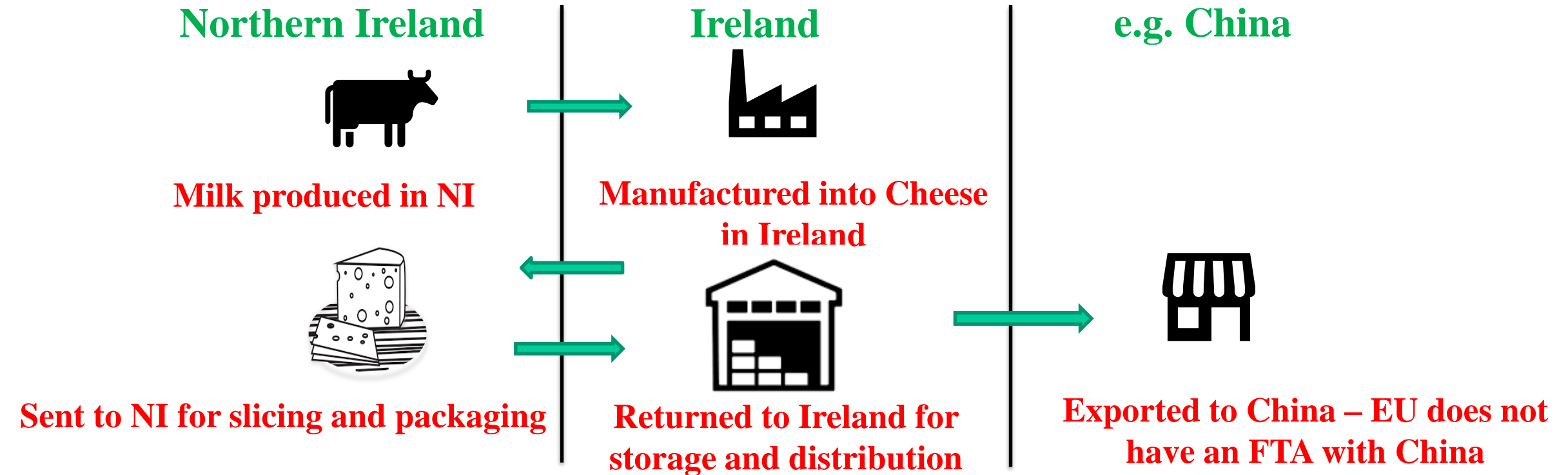
Any EU Member State



For sale in all Member States

- No Customs Declarations or duties on milk into IE or on cheese from IE to OMS
- No records required to prove origin
- No Processing authorisation required
- Milk and Cheese are in free circulation at all times

Placed on the Market in an Non-FTA Country



- No Customs Declarations or duties on milk and sliced cheese into IE – in free circulation
- No Processing authorisation required
- Cheese imported into China as 3rd country so normal Chinese import duties applicable

Placed on the Market in an FTA Country

Northern Ireland

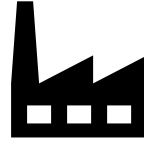


Milk produced in NI



Sent to NI for slicing and packaging

Ireland

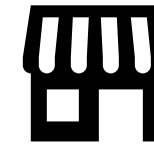


Manufactured into Cheese
in Ireland



Returned to Ireland for
storage and distribution

e.g. Canada



Exported to Canada – EU has an
FTA with Canada

- No Customs Declarations or duties on milk and sliced cheese into IE – in free circulation
- No Processing authorisation required
- Records required to prove origin
- Milk element of the cheese and slicing and packaging in NI deemed to be non-EU in context of FTA
- Preference would not apply as NI milk and goods processing in NI not allowed under CETA

Principle of Accounting Segregation

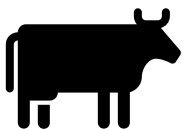
- Must be included in the FTA in order to be availed of
- May require an authorisation from Revenue
- Allows fungible originating and non-originating materials to be stored together without the originating material losing its origin
- Economic operator must demonstrate that keeping a physical segregation of its stocks of originating and non-originating materials would be costly or difficult
- Fungible materials must be identical and interchangeable:
 - Must be of the same kind and commercial quality
 - Must have the same technical and physical characteristics
 - Should not be possible to distinguish them from one another once they have been incorporated into the product.

Principle of Accounting Segregation continued

- Must have sufficient originating materials in stock at time origin is determined
 - At time of manufacture or;
 - At time origin document is issued or;
 - At time of delivery
- Stock management system required sufficient to ensure that no more originating products are produced than would have been the case if the materials were stored separately
- Accounting segregation does not generally apply to products

CETA – allows Accounting Segregation

Northern Ireland



Milk produced in NI

Ireland

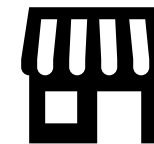


Combined with IE milk and
manufactured into cheese



Sliced and packaged in IE

e.g. Canada



Exported to Canada: EU has an
FTA with Canada & Accounting
Segregation is allowed

- No Customs Declarations or duties on milk into IE – in free circulation
- No Processing authorisation required
- Stock management system required to prove origin and sufficient IE stocks on hand
- NI milk element of the cheese deemed to be non-EU origin in context of FTA therefore Product Specific Rule would mean the cheese does not qualify for preference
- However, using accounting segregation, because the NI milk is fungible, using mixed milk means the cheese could qualify



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Session Ten

Theme: Some financial considerations -
Comprehensive Guarantee,
Postponed Accounting, Deferred Payment

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WHEN IS A COMPREHENSIVE GUARANTEE REQUIRED

Temporary Storage



Temporary Admission



Warehousing



End-Use



Inward Processing



Transit



**Release for free circulation
with payment deferred**



- established in the customs territory of the Union
- no serious infringements or repeated infringements of customs legislation and taxation rules
- regular user of the customs procedures involved/practical standards of competence

SUBMITTING AN APPLICATION CUSTOMS DECISION SYSTEM

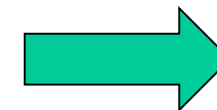
Revenue.ie:



Comprehensive Guarantee and
guarantee waivers



How to apply for a comprehensive
guarantee authorisation



You should apply for your
comprehensive guarantee
electronically using the Customs
Decision System

TIME FRAME TO MAKE DECISION

- There are two time frames involved:

- 30 days to accept a fully completed application



- 120 days to make a decision
this can be extended if needed
to 150 days.



TYPES OF COMPREHENSIVE GURANTEEE

Cash Deposit (not for Transit)



OR

Undertaking from
Financial Institution



REDUCTIONS/WAIVERS AVAILABLE

- Applicants can apply for a reduction or a waiver to the amount of the guarantee for transit, temporary storage and special procedures. This is subject to meeting specific criteria



- Only Authorised Economic Operators (AEO) can apply for a reduction to 30% of the amount of the guarantee for existing customs debt (e.g. deferred payment).

Deferred Payment

How to assess the guarantee amount:

- Establish the customs duty rates that will apply on import
- Assess the frequency of your imports
- Are there any excise duties that apply
- Consider the payment of VAT at import
 - The expected introduction of ‘postponed accounting’ will reduce the amount of guarantee required.
 - Session 6 covers Postponed accounting in more detail

Deferred Payment

How it works

- Declarations are written against the Guarantee Amount
- Monthly limit based on half of Comprehensive Guarantee Amount
- Accounts can be topped up online if monthly limit reached
- Duty and VAT liabilities totalled on a calendar month basis
- Monthly Statement of liability at the end of every month
- Bank Account debited on 15th of following month



Deferred Payment

Application Process

- Comprehensive Guarantee Authorisation number
- Customs Decisions System through ROS
- AEP3 form –Direct Debit Instruction
- AEP5 form-Authority for Agent to use Account(Optional)
- Applications are generally approved within 2 working days



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