

GUIDANCE DASHBOARD – DECEMBER 2020

The UK left the European Union on January 31, 2020. The transition period will end on December 31, 2020. Negotiations to establish a trade between the UK and the EU deal are still underway. If these talks fail to produce an agreement, a ‘no-deal’ Brexit is still possible at the end of December 2020. If a deal is agreed, it will take the form of a free trade agreement. Such a deal would be announced late in the year, although, many of the new procedures, e.g. customs formalities, will be very similar under a deal and no-deal scenario. It is imperative that businesses begin preparing for the new arrangements as soon as possible, based on appropriate and accurate information.

The British Chambers of Commerce has evaluated the quality of official guidance to assess whether it provides sufficiently clear, complete, visible, timely and actionable information which businesses can use to prepare for change. **This is not an assessment of the impact of a deal or no-deal exit or a judgement on the desirability of the policy change in each case. It is an assessment of how well businesses can act on the basis of the guidance available.** This is consistent with our approach to previous milestones for the UK’s exit from the EU.

BCC has compiled the 35 questions most frequently raised by companies. Only 11 are marked green - the top rating for available information based on our quality criteria; 5 are red – indicating wholly inadequate information at all on which to plan; and 19 are amber - indicating that some information is available but there remain gaps and / or other quality issues to address.

CATEGORY	ISSUE	After the end of the transition period...	RAG
PEOPLE	ACCESS TO EU WORKFORCE	Will I be able to hire EU nationals in future and under what conditions?	Amber
	BUSINESS TRAVEL	Will business travel between the UK and the EU involve further administration, cost and visas?	Green
		Will staff spending longer than 90 out of 180 days in the EU be subject to further administration, costs or visas?	Green
	STAFF TRANSFERS	Will my business be able to move skilled staff members between the UK and the EU after the end of the transition period?	Amber
FUNDING	EUROPEAN INVESTMENT BANK	Will UK projects be eligible for support from the EIB after the end of the transition period? What domestic mechanisms will meet the funding and expertise gap left by EIB?	Amber
	EU FUNDING	How will the UK replacement for EU funds (UK Shared Prosperity Fund) work? How can my company access opportunities?	Amber
TAX	IMPORT VAT	How will postponed VAT accounting work?	Green
	SERVICES VAT	Will I need to become VAT registered in every EU member state where my firm has clients?	Amber
	REGULATORY AGENCIES	Which regulator will be overseeing my business in the future, and what rules do I need to follow? Is the UK Government going to charge businesses for the creation of new regulatory agencies in the UK?	Amber



REGULATION AND CONTRACT FULFILLMENT	NOTIFIED BODIES AND CONFORMITY ASSESSMENTS	Will conformity assessments on products conducted by a UK body continue to be sufficient for the product to be sold on the EU market? What happens to products placed on the EU market before the end of the transition period? What happens to conformity assessment certificates issued before the end of the transition period by a UK Notified Body? How do I transfer my certificate to an EU Notified Body?	
	INDUSTRIAL STANDARDS	What industrial standards will my firm need to comply with in the future? Will the UK have a seat at the table to influence European standards (as is currently the case)?	
	E-COMMERCE	If the UK fully removes 'Country of Origin Principle' (contained in the eCommerce Directive), will there be additional obligations for my business when selling to buyers in EEA states?	
	ACCOUNTING	Will my business need to comply with new accounting and reporting requirements?	
	CERTIFICATION MARKS	Will my business need to use different certification marks on products?	
	FOOD AND DRINK LABELLING	What labelling rules will GB food and drink businesses exporting to Northern Ireland and the EU need to follow after the transition period?	
	DISPUTE RESOLUTION	If my business is in dispute with another in the EU, what form of resolution and means of redress will be available to my business after the transition period?	
DIGITAL	MOBILE ROAMING	Will my business have to pay mobile roaming charges in the EU after the transition period?	
	GDPR AND CUSTOMER DATA	Will my business continue to be able to hold and transfer data and personal information without any interruptions after Brexit?	
TRADE	TARIFFS	Where can I find information on EU tariffs? Will I be able to continue trading with the EU without tariffs in the future?	
		What tariffs will my company need to pay when importing goods to the UK from the EU and the rest of the world? When will they become available?	
		When will the UK Government launch an official market access database to provide this information?	
	CONTINUITY OF EU FTAS	Will my company still have access to markets on the same terms as under EU FTAs once we have left the EU? Will I be able to use the current trade preferences with all markets?	
		What administrative arrangements will I need to follow to continue importing tariff-free goods from developing and least-developed countries under a Generalised System of Preferences (GSP) programme after the transition period?	
	RULES OF ORIGIN	What rules of origin will I need to comply with after the transition period? Will I be able to count UK and EU content and processing as a single origin, both when trading with the EU and with third countries?	
BUSINESS ENGAGEMENT	How will my business be able to contribute directly to future trade negotiations?		
	AVIATION	Will I still be able to fly people and/or goods between the UK and the EU after the transition period - or could travel be disrupted?	
BORDERS	CUSTOMS	Will my goods be subject to new customs rules, procedures and inspections at the UK or EU border in future? Could my shipments be held up and delayed? How will my lead times be impacted by new customs procedures?	

	What new registration requirements will be in place?	
	If I need a duty deferment account without a Customs Comprehensive Guarantee (CCG), how do I get one in place before the end of the transition period?	
INSPECTIONS	Will there be new health and safety requirements and inspections at the UK-EU border that my company will need to deal with (for products of animal and plant origin)? Where will the inspections be held?	
DECLARATIONS	Will I need to do additional customs-related paperwork, including import and export declarations, when trading with the EU?	
	What system will I be using to input customs data - will HMRC's new Customs Declaration Service (CDS) be ready in time for the end of the transition period?	
TRUSTED TRADER SCHEMES	Will my business be able to become a 'trusted trader' to move quickly through borders in the future, and what will the process be?	
IRELAND	What procedures will my company face trading cross-border between Northern Ireland and Great Britain?	
QUOTAS	What will be the UK quotas post the transition period? How can I apply for UK quotas? How will they be administered?	

PEOPLE

ISSUE	After the end of the transition period...	COMMENT ON OFFICIAL GUIDANCE	RAG
<p>ACCESS TO EU WORKFORCE <i>Without clear information on who they can hire, and the right to work requirements, businesses which need to recruit EU nationals in the period between EU exit and the introduction of the new UK immigration system may be forced to put recruitment plans on hold.</i></p>	<p>Will I be able to hire EU nationals in future and under what conditions?</p>	<p>The official guidance on the EU Settlement Scheme includes toolkits and partnership packs, and there are well-established mechanisms in place for engaging the business community. Guidance is also available on how EU citizens and their families can work in the UK, and employers' responsibilities, in the period between the UK leaving the EU and the introduction of the new UK immigration system.</p> <p>Official guidance currently states that EU citizens resident in the UK before Brexit can stay and apply for Settled Status up until 30 June 2021. From 1 January 2021, the new UK Immigration System applies.</p> <p>Businesses are awaiting detailed guidance on the end-to-end process for employing skilled migrant workers.</p> <p>Immigration advice is a regulated area, so the implications of unclear government advice, and gaps in the system, could be costly for businesses that may feel they need to access professional help.</p>	
<p>BUSINESS TRAVEL <i>If businesses are unable to plan for additional travel requirements or delays, they may incur greater</i></p>	<p>Will business travel between the UK and the EU involve further administration, cost and visas?</p>	<p>The guidance states restrictions to the time business which visitors can spend in the EU (90 out of 180 days). It includes other travel changes, including to passports, carrying currency, healthcare and driving. On modes of transport, the guidance states that buses, coaches, flights, ferries, cruises, Eurostar and Eurotunnel will be able to run as before. Passenger</p>	



<p><i>costs and miss out on business opportunities.</i></p> <p><i>Businesses with customers or suppliers based in EU member states may need to send staff there on multiple occasions throughout the year, adding up to more than 90 out of 180 days. Unless firms know the cost and administrative implications of this, they may be unable to price contracts competitively.</i></p>		<p>rights will continue to be protected by the EU regulation which will be brought into UK law. There is also guidance for EU citizens visiting the UK.</p>	
<p>STAFF TRANSFERS <i>Businesses need to be able to plan for workforce skills. Many firms regularly transfer staff between their UK and EU sites. Uncertainty over access, cost and administration could impact on the availability of skills, future investment and productivity, and may result</i></p>	<p>Will staff spending longer than 90 out of 180 days in the EU be subject to further administration, costs or visas?</p> <p>Will my business be able to move skilled staff members between the UK and the EU after the end of the transition period?</p>	<p>The official guidance on travelling to Europe is supplemented by additional guidance for business travellers.</p> <p>It also provides links to where information on individual country requirements can be found once confirmed, and advises businesses to check for updates.</p> <p>There is an email alert system for businesses to sign up to receive updates.</p> <p>Under current guidance there will be no change for EU citizens transferring to the UK for work until 1 January 2021. The status of staff transfers after 1 January 2021 remains subject to negotiations with the EU.</p> <p>Under the Points Based System, the ICT route will require applicants to be skilled to RQF level 6 (degree level) and subject to a minimum salary threshold that is different to the main skilled worker route. There is no clarity about UK staff transferring to the EU, beyond the 90-day allowance.</p>	

in additional recruitment and training costs.

FUNDING

ISSUE	After the end of the transition period...	COMMENT ON OFFICIAL GUIDANCE	RAG
<p>EUROPEAN INVESTMENT BANK <i>The European Investment Bank lends billions to UK firms and public organisations.</i></p>	<p>Will UK projects be eligible for support from the EIB after the end of transition period? What domestic mechanisms will meet the funding and expertise gap left by EIB?</p>	<p>Now the UK has left the EU, it is no longer a member of the European Investment Bank Group ('EIBG') as it is not a member state. Therefore, UK businesses will no longer be eligible to apply for loans from the Bank. Any organisation that has received financing for a UK project from the EIBG should be aware that the Group' s operating rights for such projects are preserved. Therefore, existing UK project contracts should be protected, and organisations do not need to take any action.'</p> <p>At the 2020 Comprehensive Spending Review it was confirmed that the government is setting up a new national infrastructure bank to replace EIB. The bank will operate UK-wide. The government intends for the bank to be operational in an interim form, from spring 2021 . However, details regarding</p>	

		<p>the operations, mandate and scale of the bank won't be set out until Budget 2021.</p> <p>What is also less clear is the status of live funding applications and how domestic mechanisms will meet the funding and expertise gap left by EIBG, with the £200m boost to the British Business Bank guaranteed for one year only. The Political Declaration notes 'the United Kingdom's intention to explore options for a future relationship with the European Investment Bank (EIB) Group', but no actionable detail is provided.</p> <p>Official guidance also fails to bring together all these points in a single place, making it difficult for businesses to have a complete overview of the government-backed funding landscape beyond the end of the transition period.</p>
<p>EU FUNDING <i>EU monies drawn down by the UK form part of the funding mix for economic development and business support programmes. In the absence of a replacement, there is the potential for a large funding gap for programmes and schemes.</i></p>	<p>How will the UK replacement for EU funds (UK Shared Prosperity Fund) work? How can my company access opportunities?</p>	<p>The 2020 Comprehensive Spending Review confirmed the long overdue launch of UK Shared Prosperity Fund. The government have confirmed that total domestic UK-wide funding will at least match current EU receipts, on average reaching around of £1.5 billion a year. The government will also provide additional funding to support our communities to pilot programmes and new approaches. However further details won't be published until next year.</p> <p>HMG have developed a UK-wide framework for investment in places receiving funding and outlined high level priorities, including bespoke employment and skills programmes that are tailored to local need. However, further details of the UKSPF in a UK-wide investment framework won't be published until spring 2021.</p>

Significant unanswered questions remain. Business communities require more detail on how the scheme will operate and how the new fund will avoid damaging cliff edges in existing local economic development and business support schemes.

TAX

ISSUE	After the end of the transition period...	COMMENT ON OFFICIAL GUIDANCE	RAG
<p>IMPORT VAT <i>Under the current system, firms trading with the EU report every quarter on what they have imported and exported, with a VAT bill calculated afterwards. Without clear facilitations, the risk facing business is the need to pay VAT at the point of each cross-border transaction, creating a significant cash flow and</i></p>	<p>Will I need to pay VAT on goods at the point of import? Will I be able to use postponed accounting and have access to more generous deferment account terms to offset the cash flow issues?</p>	<p>The official guidance on VAT for business, published in July 2020, confirms that postponed accounting will be introduced. UK VAT-registered business will be able to account for import VAT on their usual VAT Return forms. This will apply both to imports from the EU and non-EU countries.</p>	

competitiveness problem for many.

SERVICES VAT

The absence of schemes such as VAT MOSS would leave business with the administrative and cost burden of having to register for VAT in up to 27 other EU member states.

Will I need to become VAT registered in every EU member state where my firm has clients?

The **official guidance** on VAT for business states that: the main VAT ‘place of supply’ rules will remain the same for UK businesses. The current ‘place of supply’ rules determine the country in which you need to charge and account for VAT. These rules are in line with international standards set out by the OECD. The rules around ‘place of supply’ will continue to apply in broadly the same way that they do now. Areas of potential change are also highlighted by the **official guidance**. After the end of the transition period, businesses that sell digital services to consumers in the EU will be able to register for the MOSS non-union scheme. However, while detail of changes is provided in some areas, such as for those using VAT Moss (a way of paying VAT if your business supplies certain digital services to other EU countries).

There remains a lack of clarity in other areas, such as for UK businesses supplying insurance and financial services.

REGULATION AND CONTRACT FULFILLMENT

ISSUE	After the end of the transition period...	COMMENT ON OFFICIAL GUIDANCE	RAG
<p>REGULATORY AGENCIES <i>There are 90 regulators operating in the UK, covering thousands of regulations derived either from UK law or EU law. Any uncertainty around what rules a business needs to follow or which regulator a business needs to speak to could be highly damaging, and in many cases, could cause businesses to cease trading immediately.</i></p>	<p>Which regulator will be overseeing my business in the future, and what rules do I need to follow? Is the UK Government going to charge businesses for the creation of new regulatory agencies in the UK?</p>	<p>The official guidance on regulatory agencies is split across several websites, including gov.uk, HSE and FCA, so businesses need to search for their specific regulatory agency to get information. There does not yet appear to be a single portal for businesses to answer regulatory queries.</p>	
<p>NOTIFIED BODIES AND CONFORMITY ASSESSMENTS <i>A Notified Body is an organisation that assesses the conformity of products so they can be placed on the EU market. In a no-deal situation, UK Notified Bodies issuing conformity</i></p>	<p>Will conformity assessments on products conducted by a UK body continue to be sufficient for the product to be sold on the EU market? What happens to products placed on the EU market before the end of the transition period? What happens to conformity assessment certificates issued before Brexit</p>	<p>The official guidance confirms that most conformity assessment bodies will automatically have their status converted under a new framework and that the United Kingdom Accreditation Service (UKAS) will continue as your national accreditation body (where relevant). UKAS also expects to continue its membership of the European Cooperation for Accreditation (EA).</p> <p>However, there remains limited actionable information for business, and no clear action points to the outstanding questions, including on conformity assessment certificates.</p>	

assessment certificates will no longer be considered to be the EU Notified Bodies and will no longer be able to perform assessments for the purpose of the EU market. Businesses without a valid certificate might be unable to continue trading on the EU market.

by a UK Notified Body? How do I transfer my certificate to an EU Notified Body?

INDUSTRIAL STANDARDS

The application of industrial standards – often designed internationally – allows UK businesses to comply with regulations, avoid product failures or recalls, and enable entry to new markets. A lack of input into the design of standards or a divergence in standards could significantly reduce the competitiveness of UK firms and create uncertainty when trading internationally.

What industrial standards will my firm need to comply with in the future? Will the UK have a seat at the table to influence European standards (as is currently the case)?

The remains little official guidance on the future for industrial standards.

The British Standards Institute (BSI) has published **information** about standards, now the UK has left the EU. BSI's memberships of the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) are unaffected by Brexit.

BSI's membership of the European Committee for Standardization (CEN) and European Committee for Electrotechnical Standardization (CENELEC) is guaranteed beyond the end of the EU exit transition period. On 18 June, the General Assemblies of CEN and CENELEC extended their timeframe to update the organisations' statutes in response to the UK's departure from the EU. This will now run until the end of 2021, enabling the UK's continued influence over standards produced in CEN and CENELEC, providing stability and certainty for our stakeholders. BSI is working to ensure that its membership will continue beyond that time.

ECOMMERCE

Current EU rules on ecommerce have sought to reduce cross-border delivery costs for EU customers, prevent geo-blocking, and allow firms to register for a .eu domain. A lack of clarity in application of these rules to the UK could reduce the competitiveness of UK ecommerce firms looking to sell to European customers.

If the UK fully removes 'Country of Origin Principle' (contained in the eCommerce Directive), will there be additional obligations for my business when selling to buyers in EEA states?

The **official guidance** on the eCommerce Directive covers what the directive is, what the 'country of origin principle' is, and lists several action points for online service providers. However, these action points are quite high-level and point to the Directive for further details. Action points for businesses include to 'Check whether you are in scope' and 'Check where your service is based', but there remains limited detailed and actionable guidance for businesses.

ACCOUNTING

The EU Accounting Directive currently sets the rules that UK companies must follow when preparing financial statements. This directive was introduced in 2013 so changes to the rules could incur upheaval costs for UK businesses, particularly for SMEs who may not have in-

Will my business need to comply with new accounting and reporting requirements?

The **official guidance** on accounting and reporting requirements states that accounting and reporting changes will affect a small number of companies and lists actions for UK incorporated companies and EEA companies. While there isn't much background on the changes, the actions for businesses are generally clear and concise. A key action point is for businesses to use 'UK-adopted International Accounting Standards' rather than 'EU-adopted IAS'. However, there is no link out for further information on this.



<p><i>house accounting expertise.</i></p>			
<p>CERTIFICATION MARKS <i>Under the current system, certain products (such as medical devices, toys, and machinery) must carry a CE marking to demonstrate compliance with EU safety, health and environmental requirements. A change in the type of certification marks that firms must use could incur significant transition costs as production equipment would need to be adapted to carry a new mark.</i></p>	<p>Will my business need to use different certification marks on products?</p>	<p>Official guidance confirms that the UK will recognise the CE marking scheme until 1 January 2022, (12 months after the end of the transition period), irrespective of whether there is a trade deal with the EU. This effectively reinstates the position prior to the withdrawal of the original No Deal Technical Notice in February.</p>	
<p>FOOD AND DRINK LABELLING <i>Food products placed on the EU market before 1 January 2021 can continue to be sold, distributed or transferred in the EU without labelling changes. However, following the end of the transition period, the labels that British food and drink businesses use will no</i></p>	<p>What labelling rules will GB food and drink businesses exporting to Northern Ireland and the EU need to follow after the transition period?</p>	<p>The official guidance confirms that goods produced in the UK cannot use EU logos after 1 January 2021. While updated official guidance on health and identification marks and a number of other food labelling requirements was published on 5 November.</p> <p>The updated guidance confirms UK Government has recognised that businesses will need time to adapt to these new labelling rules. The UK Government is working with the Department of Agriculture, Environment and</p>	

longer be legally recognised on the continent. Unless guidance is issued that will allow them to produce new labels in time for 1 January 2021, British food and businesses could be left without the correct labelling required to continue selling to the EU and Northern Ireland.

Rural Affairs (DAERA) and district councils in NI on an enforcement approach of new labelling requirements on the NI market that takes these challenges into account. In line with previous rule changes for labelling, there will be a **proportionate and risk-based enforcement approach** for: identification marks, Food Business Operator (FBO) address requirements and 'UK(NI)' origin labelling requirements. HMG have noted that this approach will be implemented in a way which supports businesses as they adapt to the requirements over time.

However, the only actionable guidance for GB exporters is that they should check with their EU importer how the EU's labelling requirements will affect your products. There remains a lack of clarity and resolutions to labelling questions for NI-GB.

DISPUTE RESOLUTION


The UK Government has said that it will seek to end the 'direct jurisdiction' of the Court of Justice of the European Union. This means businesses have uncertainty about a future system. UK businesses that are buying from or selling to the EU need to be completely confident that there is a clear and consistent dispute resolution system in place that protects and enforces their rights.

If my business is in dispute with another in the EU, what form of resolution and means of redress will be available to my business after Brexit?

The **official guidance** on dispute resolution is contained in wider information on consumer rights. It states that while 'most businesses will not need to take any action except to continue to comply as normal with UK consumer law', there will be changes to rules on selling to the EU, cross border enforcement, alternative dispute resolution and online dispute resolution. On the latter, the guidance simply states that 'businesses and consumers will no longer be able to use the online dispute resolution platform after Brexit', without any further information. No clear action points are listed for businesses.



DIGITAL

ISSUE	After the end of the transition period...	COMMENT ON OFFICIAL GUIDANCE	RAG
<p>MOBILE ROAMING <i>In 2017, the EU abolished mobile phone roaming charges for citizens travelling within the EU. UK businesses with a physical presence in the EU, or those employing staff travelling between the UK and EU, will need to know the status of roaming charges to review mobile phone contracts and avoid new costs.</i></p>	<p>Will my business have to pay mobile roaming charges in the EU after the transition period?</p>	<p>The official guidance on mobile roaming highlights that mobile roaming charges would potentially be applied, While operators have stated that they have no current plans to change their mobile roaming policies.</p> <p>have not yet made a decision about whether to apply these charges, which could lead to additional costs to businesses.</p> <p>The mobile operators (Three, EE, O2 and Vodafone) have stated that they have no current plans to change their mobile roaming policies.</p>	

GDPR AND CUSTOMER DATA

GDPR applies to all companies in the EU and any that trade with the EU. In a no-deal scenario, the UK will become a 'third country' and the transfer of data with the EU will face stricter rules. Compliance with GDPR has already been a time-consuming and costly process for many UK businesses, and if no EU-UK data transfer agreement is made, UK firms may face new compliance costs for additional restrictions.

Will my business continue to be able to hold and transfer data and personal information without any interruptions after Brexit?

The Information Commissioner's Office **guidance** on GDPR is detailed, and the ICO have made a significant effort to simplify complex subject matter, including a helpful FAQ section. However, the guidance would still probably need interpretation for non-specialists, particularly small businesses without in-house IT capability. The guidance is hosted on the ICO website, rather than the government portal, so could cause some confusion to firms not familiar with the ICO.

TRADE

ISSUE	After the end of the transition period...	COMMENT ON OFFICIAL GUIDANCE	RAG
TARIFFS <i>Duties payable on internationally traded goods contribute to the cost of buying and supplying products. They affect pricing</i>	Where can I find information on EU tariffs? Will I be able to continue trading with the EU without tariffs in the future?	The EU third country tariffs can be checked on EU databases such as Market Access Database and TARIC . After the end of the transition period, the current third country EU tariffs will apply to imports from the UK. UK will apply its third country tariffs to imports from the EU.	



decisions, margins - even the choice of business location and the geography of supply chains. Without certainty around tariffs, long-term business investments are put off, firms struggle to price and evaluate contracts, and mitigations (like forward-buying ahead of Brexit) tie up cash that could be used to grow the business.

What tariffs will my company need to pay when importing goods to the UK from the EU and the rest of the world? When will they become available?

When will the UK Government launch an official market access database to provide this information?

If a deal is reached, UK goods might be eligible for preferential (reduced) EU tariffs, provided they meet rules of origin applicable under the UK-EU trade deal. The UK and the EU are aiming to agree to a tariff-free deal whereby tariffs on all products would be reduced to zero for all products that meet origin conditions.

However, given there is currently no conclusive outcome to the UK-EU negotiations, there is little clarity on which of the above outcomes will apply.

In May 2020, the UK Government has published new UK tariffs. These tariff rates will apply to imports into the UK from all countries with which the UK does not have a trade deal in place, as of January 2021. If the EU and the UK do not reach a trade deal these tariffs will also apply to imports from the EU.

More information about the tariffs and goods exempt from them can be found [here](#). Tariffs can also be checked via the UK tariff lookup tool available [here](#).

However, the UK Government has so far not confirmed that the current version of the UK tariffs is final and so some changes may still be introduced.

The Department for International Trade announced that a market access database is now live.

A tool covering importing into the UK is now available in BETA version. The Trade with the UK provides detailed information on tariffs, taxes and rules



		<p>applicable to imports into the UK (available here). However, the tool currently shows EU tariffs and rules and does not provide a full list of requirements – it links to various pieces of guidance rather than provide information relevant for the specific product.</p> <p>Another tool is available for UK exporters. It provides information for exporting goods to over 160 markets across the world and covers tariffs, documentary requirements and quotas.</p> <p>The UK might lose access to significant parts of the EU Market Access Database, which are only available for EU Members.</p>	
<p>CONTINUITY OF EU FTAS <i>'Trade preferences' relate to favourable duty rates and other measures that facilitate market access to other countries and vice-versa. A lack of clarity over market access arrangements affects a range of factors, including price competitiveness and the viability of UK involvement in international supply chains.</i></p>	<p>Will my company still have access to non-EU markets on the same terms as under EU FTAs once we have left the EU? Will I be able to use the current trade preferences with all markets?</p>	<p>The official guidance on FTAs confirms that the UK will lose access to EU trade deals on 1 January 2021. Current trade preferences will expire. This means that UK companies will not be able to export to current EU FTA partners under preferential tariffs and that goods imported from these countries will no longer be subject to preferential import tariffs in the UK.</p> <p>However, the UK Government has been able to negotiate a roll-over of some of the current EU' s agreements. A list of these agreements can be found here. The guidance highlights which agreements have been signed or agreed in principle. However, there remains some uncertainty over which of the continuity agreements will be in place on day one, as some of them might not be ratified and implemented on time.</p> <p>The guidance states that continuity agreements will “ensure continuity of trading arrangements for UK businesses” and doesn’ t point out that EU will no longer be part of these arrangements. This has important implications because even if the UK replicates a trade deal with a current EU partner, UK and EU inputs will no longer be mutually considered as</p>	

originating. Given how integrated EU and UK supply chains are, this will have a significant impact on UK companies' trading arrangements.

The guidance doesn't fully clarify what actions importers and exporters in different industries need to take and what changes will be introduced under each continuity deal.


What administrative arrangements will I need to follow to continue importing tariff-free goods from developing and least-developed countries under a Generalised System of Preferences (GSP) programme after the transition period?

The **official guidance** confirms that while the EU's Generalised Scheme of Preferences (GSP) for developing countries will no longer apply to the UK at the end of the transition period, the UK will replicate the scheme. However, on 11 November, the UK government confirmed that preferential tariffs will continue for eligible developing countries and least-developed countries:

<https://www.gov.uk/government/news/preferential-tariffs-continue-for-eligible-developing-countries>

The UK's Generalised Scheme of Preferences (like the EU's) has three Frameworks:

- The Least Developed Countries Framework will give duty-free quota-free access for all 47 countries classified by the UN as Least Developed Countries. This commitment is enshrined in law, in line with the UK's commitment to the Global Goals.
- The General Framework will reduce tariffs on certain product lines to Low-Income and Lower-Middle Income countries.
- The Enhanced Framework will remove tariffs on certain product lines for eight economically-vulnerable Low-Income and Lower-Middle Income Countries which meet conditions related to sustainable development.

<p>RULES OF ORIGIN <i>Rules of origin stipulate how the product needs to be produced/manufactured to qualify for preferential tariff rates under various trade agreements. Currently, UK companies can export to third countries with which the EU has a free trade agreement and qualify for preferential rates based on the value added or processing undertaken in the EU and vice versa. In the event that the UK is able to roll-over third country agreements, in some cases, UK producers will still be able to include EU inputs and processing to qualify for preferential treatment. This is unlikely to apply under all deals. It is unlikely that the EU will take the same approach and allow EU companies to obtain inputs and process in the UK for their exports. A lack of clarity here cuts across the ability of UK companies and their customers to plan</i></p>	<p>What rules of origin will I need to comply with after Brexit? Will I be able to count UK and EU content and processing as a single origin, both when trading with the EU and with third countries?</p>	<p>Rules of origin will apply in cases where the UK rolls-over an existing trade deal or signs a new one with adequate provisions. If there is no deal between the UK and the trading partner, rules of origin will not be applicable.</p> <p>There is no official guidance on rules of origin following the end of the transition period.</p> <p>Rules of origin applicable under continuity deals, together with wider origin provision, can be found in the text of the continuity deals. However, few firms will know where to look for them or be able to understand the technical language of the trade deals.</p> <p>Further support is needed to help companies find the rules of origin that might apply under the rolled-over agreements and details on origin documentation that might be required. The guidance also does little to direct businesses to trusted third parties, such as local Chambers of Commerce, who can provide crucial support and guidance in this area.</p>	
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ahead and could influence business location and supply-chain decisions.

BUSINESS ENGAGEMENT

The shifting of trade competences from the EU to the national level represents a need for a new mechanism to engage businesses and other key stakeholders as the UK creates an independent trade policy and negotiates new trade agreements. This will ensure that the future UK trade strategy captures the needs, expectations and expertise of British businesses of all sizes, sectors and regions, and strengthen the

How will my business be able to contribute directly to future trade negotiations?

The **official guidance** on how businesses can engage in the development of future trade policy references open public consultations in the pre-negotiation phase to inform the overall approach and the development of negotiating objectives. The UK Government has created the Strategic Trade Advisory Group (STAG) to seek expert insight and views on relevant trade policy matters and the Expert Trade Advisory Groups (ETAGs), to bring together stakeholders with relevant expertise in particular industries or sectors. STAG membership was reviewed over the summer of 2020 with a new application process run. From August 2020 majority of ETAGs were cancelled and will no longer serve as a forum for stakeholder engagement. New sectoral Trade Advisory Groups (TAGs) have been created in the upcoming months. Their members are British businesses and industry groups. **Official guidance** is available on the composition of the new TAGs.



<p><i>UK's position in future trade negotiations.</i></p>		<p>A number of public consultations have been launched in 2020. These consultations are open to companies as well as individuals.</p>	
<p>AVIATION <i>Any disruption to international transport, either for transporting goods or people, can lead to loss of business, the cost of delays and interruption to services in the UK that rely on these movements</i></p>	<p>Will I still be able to fly people and/or goods between the UK and the EU after the transition period - or could travel be disrupted?</p>	<p>The official guidance on aviation states aerospace businesses, airlines and aviation personnel may need new or changed certification, licences and documentation to design, produce, maintain and operate aircraft between the UK and the EU. Personnel and organisations working in the aviation industry may need to take action to ensure they continue to hold appropriate safety certificates and approvals from 1 January 2021. However, with the future relationship between the UK and the EU with regard to aviation still being negotiated, there remains limited actionable information, aside from confirmation that the UK will no longer participate in EASA systems after the end of the transition period.</p>	

BORDERS

ISSUE	After the end of the transition period...	COMMENT ON OFFICIAL GUIDANCE	RAG
<p>CUSTOMS <i>To maintain cross-border trade flows with the EU, there will be new registration requirements. Companies will need to comply with new rules and requirements. Additional procedures and checks might be required at the UK/EU border. With many thousands of businesses facing the same requirements, and under time pressure, the potential is huge for a customer service backlog and queues at the border - a potential that will only grow with the complexity of processes and requirements. Uncertainty over lead times impacted by new border processes has led some businesses to stockpile components, which in turn has hit cashflow and put pressure on</i></p>	<p>Will my goods be subject to new customs rules, procedures and inspections at the UK or EU border in future? Could my shipments be held up and delayed? How will my lead times be impacted by new customs procedures?</p>	<p>The official guidance on customs confirms the free circulation and movements of goods between the UK and EU would end at the end of the transition period. From then on, a new customs and regulatory border will be in place between the UK and the EU, and customs formalities will apply to goods moving both ways across this border.</p> <p>Customs declarations, customs duties, import VAT, border inspections and other formalities (for example for products of plant and animal origin) will apply to all goods entering the UK as well as UK goods entering the EU.</p> <p>The UK Government has recently published the Border Operating Model. It gives an outline of how UK borders will operate excluding the Irish Sea border. The Model can be found here.</p> <p>The UK Government has unilaterally announced a staged approach to introducing customs formalities:</p> <p>Stage 1: from January to end of March. Only certain goods will be subject to full customs procedures when entering the UK. For a majority of products, only basic customs information will be required at the time of import, with traders having up to six months to complete full customs declaration (these will still be required). Pre-notifications will not be required for imports but will be needed for exports from the UK. SPS</p>	<p></p>



the availability of warehousing space. To plan ahead effectively, businesses need to know which registrations will be required and how various procedures to simplify customs arrangements will operate.

procedures and checks will be needed for high-risk animal and plant products.

Stage 2: from April to end of June. Sanitary and phytosanitary (SPS) procedures and documentation will become required for all animal and plant products.

Stage 3: from July onwards. Full customs procedures will be required at the UK border for all imported products. Pre-notification on imports into the UK will be necessary and traders will have to complete a full customs declaration, required at the point of import.

The Border Operating Model confirmed that a new IT system, Goods Vehicle Movement System (GVMS), will be used to manage traffic. It will allow exporters to check whether they have all the required paperwork and can proceed to the port. In some locations, like ro-ro ports, the use of GVMS will be mandatory. Carriers approaching ports without a valid GVMS message allowing them to move will face fines.

GVMS is unlikely to be ready by January 2021. As a result, the Border Operating Model clarifies that GVMS will only be used for transit as of 1 January 2021

However, the Border Operating Model remains fairly high level. Companies and service providers such as hauliers or customs brokers are still uncertain how the border procedures and formalities will work in practice, and how compliance will be monitored. The guidance provides no firm details on how customs enforcement might be executed in practice. No clear action points are listed for businesses, nor an explanation of, for example, recordkeeping requirements.

	What new registration requirements will be in place?	<p>The official guidance confirms that businesses will need to apply the same procedures to EU trade that apply to trade with the rest of the world.</p> <p>Businesses will need a UK EORI number: VAT-registered businesses have automatically been issued with a UK EORI number from HMRC, but those that are not VAT-registered and trade with the EU will need to apply for a UK EORI number.</p>	
	If I need a duty deferment account without a Customs Comprehensive Guarantee (CCG), how do I get one in place before the end of the transition period?	<p>The official guidance provides clarity on whether a business will need a deferment account and a Comprehensive Customs Guarantee. It specifies what can be deferred and under which conditions. Another guidance document deals with applying for a deferment account.</p> <p>A new application process was launched by HMRC on 27th November 2020, this allows traders to apply for a ‘Guarantee Waiver’ of up to £10,000 per month if they don’t already have a duty deferment account, those with an existing deferment account will also be able to apply for a waiver. Certain traders with AEO, EPSS and SIVA approvals will automatically be given the guarantee waiver.</p> <p>https://www.gov.uk/guidance/check-which-type-of-account-to-apply-for-to-defer-duty-payments-when-you-import-goods</p>	
<p>INSPECTIONS Goods arriving into the UK from outside the EU are subject to</p>	Will there be new health and safety requirements and inspections at the UK-EU border	The official guidance on imports of animal and plant products after the end of the transition period builds on the staged approach to introducing sanitary and phytosanitary (SPS) measures introduced in the Border	



health and safety procedures and vice versa. Were these to be applied to goods at the UK-EU border they would - at least for the medium term - affect the throughput of freight at ports, could create bottlenecks in surface access to transport gateway, and have widespread impacts on the logistics and costs of moving goods between customers and suppliers for the goods these checks apply to, as well as potentially the overall flow of goods. Time-sensitive industries, such as perishables or manufacturers in just-in-time supply chains, would see the biggest impacts.

that my company will need to deal with (for products of animal and plant origin)? Where will the inspections be held?

Operating Model. It clarifies which goods are considered to be high-risk and, as such, will be subject to controls and formalities from 1 January.

The UK will no longer have access to the EU system for notifying and declaring imports of products of animal and plant origin, TRACES. Instead, a new UK system will be introduced - IPAFFS. Further **guidance** is available on registering and using the new UK system.

As clarified above will be introduced gradually for imports into the UK. The EU will, however, require full procedures from day 1. The EU guidance available **here** and **here** provides more guidance for importers of animal and plant products from the UK into to EU. The **guidance** also provides a link to EU Approved Border Inspection Posts (BIP) in the first EU country reached.

However, the guidance doesn't clearly specify where and how the checks will operate.

DECLARATIONS

Processing customs declarations is a key part of the administration of international trade and to the timely supply and receipt of goods. There will be a significant increase in the number of customs declarations

Will I need to do additional customs-related paperwork, including import and export declarations, when trading with the EU?

Businesses importing goods from the EU will be required to follow customs procedures in the same way as when importing goods from a country outside the EU – a pre-notification and an import declaration will be required, customs checks may be carried out and any customs duties must be paid. Similar procedures will apply in the EU to exports from the UK. UK exporters will need to submit pre-notifications and export declarations.



required between the EU and the UK. For many businesses this will be the first time they will submit customs documentation. Issues with IT systems, speed of processing of declarations, and delays resulting from companies not being ready and not having the correct information to provide to brokers, might lead to delays.

What system will I be using to input customs data - will HMRC's new Customs Declaration Service (CDS) be ready in time for the end of the transition period?

The **Border Operating Model** provides further guidance to the staged approach to introducing declarations and border formalities in the UK. However, there is still some uncertainty regarding how these procedures will work in practice. Businesses and forwarders are awaiting more detailed guidance. In addition, it is currently unclear how this will work with the GVMS system. [There is also a lack of clarity on what practical steps maybe required at individual ports.](#)

The Government has announced that that the Customs Declaration Service (CDS), will not be fully ready by 1 January 2021 and that CHIEF will continue to be used in parallel to the old system. However, for goods traded between GB and NI, CDS will be used from Day 1.

The official guidance, such as the Border Operating Model, refers to "CHIEF/CDS" .

TRUSTED TRADER SCHEMES

The current AEO scheme offers some financial benefits and limited trade facilitation benefits for certified companies. If a new trusted trader scheme was to be implemented by the UK, such a scheme could provide additional benefits depending, on how it would be applied.

Will my business be able to become a 'trusted trader' to move quickly through borders in the future and what will the process be?

After the end of the transition period, the UK will need to create its own version of the trusted trader programme.

The guidance available refers to the EU's trusted trader scheme - Authorised Economic Operator (AEO). HMG confirms that they will automatically transfer AEO authorisation (AEOC, AEOS or AEOF) to the new UK AEO scheme from 1 January 2021. However, there is little guidance available on what the UK's programme will look like. It is uncertain whether the UK will replicate the current AEO scheme or introduce a newer version of it. It is also uncertain what benefits would such a new scheme have under the new customs arrangements. Finally, it is uncertain whether the EU and the UK would mutually recognise each other trusted trader schemes or would benefits only apply on one side of the border.

IRELAND

Based on the Withdrawal Agreement, Northern Ireland will de facto be a part of UK's customs territory but will apply EU's customs legislation and Single Market rules in respect of trade in goods (?). That means that there will be a new customs and regulatory border in the Irish Sea.

What procedures will my company face trading cross-border between Northern Ireland and Great Britain?

If the UK and the EU do not reach a deal before the end of the year, the Protocol on Ireland/Northern Ireland will apply from January 1 2021, subject to any alterations at law.

The Protocol would see Northern Ireland following EU Single Market rules for goods, remain aligned to EU rules on customs and VAT, while still remaining part of the UK's customs territory and VAT area, and be able to benefit from UK trade agreements (as well as likely EU agreements). There would be a 'consent mechanism', with the Northern Ireland assembly given an opportunity to periodically vote on whether it wants this set of arrangements to continue.

When the Protocol enters into force, goods moving from GB to NI will be subject to full customs procedures. Pre-notification in the form of exit and entry notifications and customs declarations will be required. SPS documentation for animal and plant products will also be required, as well as any documentation resulting from product regulation. In addition, the Joint Committee is in the process of establishing the procedure for determining which goods are at risk of entering the ROI/EU market. In the case of a no-deal, such goods would be subject to EU tariffs.

Goods moving from NI to GB should have unfettered access to GB, according to the UK Government. This, however, requires confirmation from the EU as it goes against the EU customs legislation.

There is no official guidance available on the procedures for the Irish Sea border. The UK Government has published a **Command Paper** but this represents only UK's approach to the border and has not been agreed with the EU. For example, How does the application of EU Duties GB-NI and the "at risk" test occur? The Border Operating Model does not

		<p>cover Northern Ireland and the Government announced that it will publish a separate document for that border.</p> <p>The UK Government has announced that GVMS will be used to log movements and manage traffic between GB and NI from January 2021. GVMS is not ready, and the Government is currently planning a “research” stage with stakeholders.</p> <p>In addition, the Government has announced the Trader Support Service (TSS) – a new system will be introduced to help NI traders with customs formalities. The system is going to be available for companies trading with GB as well as with the rest of the world. TSS is currently at a procurement stage.</p>	
<p>QUOTAS <i>Quotas are limits on the quantity of a good that can be imported or exported during a specified time period under a specific duty rate. Amounts imported outside the quota limits are usually subject to particularly high tariff rates designed to protect the domestic market. For the affected businesses, lack of clear procedures around quotas might lead to shortages or significant cost increase.</i></p>	<p>What will be the UK quotas post the end of the transition period? How can I apply for UK quotas? How will they be administered?</p>	<p>There is no official guidance on tariff rate quotas for after the end of the transition period.</p>	