



Brexit - Understanding the supply chain

What the Free Trade Agreement means for importers and exporters

The 11th hour Free Trade Agreement between the UK and EU, announced on Christmas Eve, provided some relief for businesses, as it was announced no tariffs or quotas are to be applied to the movement of goods between the UK and EU from 1st January 2021.

What does this mean for businesses?

Where businesses can implement efficient customs and trade procedures, the deal provides an opportunity for UK companies to compete on quality and price.

However, businesses need to be aware that regardless of the Agreement, there are requirements and obligations which still need to be addressed. Customs procedures and documentation remain applicable and a fundamental requirement will be for businesses to understand what this means for their operations.

Supply chain health checks

To gain a competitive advantage, businesses should review their supply chains from a customs and VAT perspective, and consider if sufficient processes are in place to optimise efficiencies in this area.

Procedures where further review would be prudent include:

- **Understanding rules associated with country of origin – extent to which product or components could be manufactured outside of the EU**
- **Benefits of supplying customers on DDP incoterms**
- **Customs trade facilitation**
 - **Lower finance costs**
 - **Reducing border control processes**
- **Customs suspense arrangements – sales to non-UK customers**
- **Postponed VAT accounting**
- **Import / Export declarations**

In recent weeks, we've been supporting our clients engaged with the import or export of goods into or from the UK, conducting internal supply chain reviews, the purpose of which is to evaluate existing business plans from a functional perspective.

Our supply chain reviews have assisted companies across numerous sectors, helping them to understand their Customs and VAT requirements, evaluate the structures and arrangements available to drive indirect tax efficiencies and implement cost effective outsourced solutions in respect of all indirect tax reporting requirements across the EU.

Solutions range from consulting and advisory to fully outsourced reporting and compliance for customs declarations, VAT return preparation and submission and fiscal representation.

If you would like to discuss changes that have come into force, and what impact they may have on your business activities, please do not hesitate to get in touch. We are here to help you navigate the new regulations, and thrive through the change.



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