E-BOOK

Business after Brexit

What UK businesses need to know and do.

February 2021
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Business after Brexit

Following the referendum vote in 2016, the UK officially left the European Union (EU) on 31 January 2020.

The majority of 2020 was spent in a transition period during which EU laws continued to apply to the UK. Therefore, nothing changed for the majority of businesses. But the transition period ended on 31 December 2020, meaning new rules came into force from 1 January 2021 onwards.

For example, businesses that import and export to EU countries now have to deal with customs borders with EU countries. Customs tariffs might be due on imports, or applied to exports by the recipient country. And the way VAT is accounted for with regard to imports from all countries has changing.

To help ease businesses into the new relationship with EU-based businesses, the UK government created significant post-Brexit legislation. These new laws and regulations are intended to limit disruption and to allow businesses to continue as smoothly as they can now the transition period has ended. There are likely to be more new laws and regulations over the coming years as the relationship with the EU is consolidated.

But this guide is intended to help businesses today by providing a high-level overview of key Brexit adaptations for most UK businesses, with particular reference to importing and exporting. It shouldn’t be used as a substitute for seeking advice specific to your needs.

However, what’s discussed should indicate a direction of travel and allow you to initiate or continue most required some of the adjustments required.

As the rules around Brexit continue to develop, we’ll update this guide. Visit the Sage Brexit hub to learn more about Brexit and get regular updates.
Brexit timeline

Here are the key events for businesses regarding the UK leaving the EU. This list should not be considered comprehensive, nor should it be a substitute for research specific to your business and its needs.

23 June 2016
The UK voted to leave the EU.

23 January 2020
The EU Withdrawal Bill became law, outlining a transition period that ended on 31 December 2020.

31 January 2020
Brexit occurred, and the transition period began.

31 December 2020
The transition period ended.

1 January 2021
The UK now operates independently of EU laws and requirements, and under a unique free trade agreement with the EU. The main changes for businesses are as follows:

Customs
- Full controls in place for exports from the UK to the EU. UK Global Tariffs could be applied to imports from EU countries to Great Britain (England, Wales and Scotland) unless they meet the rules of origin that are part of the UK-EU Trade and Cooperation Agreement (TCA). Northern Ireland effectively remains part of the EU customs union, although with separate rules for moving goods to and from the rest of the UK.
- Full controls in place for staged imports of controlled goods, and excise goods such as alcohol and tobacco.
- If you are importing non-controlled goods from the EU to the UK, you can decide to delay customs declarations for up to six months or complete the full customs declarations on import.
- If you chose to delay your customs declarations by six months, you still need to complete basic simplified customs documentation – which could include keeping sufficient records of imported goods, for example. Traders will also need to consider how they account for and pay VAT on imported goods (including any VAT that changes if the full customs declaration later means that the value of tariffs paid changes).
- Any tariffs due will need to be paid, but these can be deferred until you have made your customs declarations.
- Until the end of June 2021, data can be transferred between UK and EU via a bridging mechanism, meaning the UK and EU can continue to facilitate the free flow of data under the GDPR’s terms.
VAT
• Import VAT is due on all goods including those arriving from the EU.
• Postponed VAT accounting for all imports.
• Consignments not exceeding £135 in value have UK supply VAT applied at point of sale rather than UK import VAT.
• UK Low Value Consignment Relief (LVCR) is abolished.
• Exports to the EU are zero-rated for VAT.

Employment
• EU citizens moving to the UK (and UK citizens moving to the EU) for work now need a visa as part of new immigration rules. Those from the European Economic Area (EEA) or Switzerland need a sponsor licence. However, businesses can continue to check EU, EEA or Swiss citizens’ rights to work in the UK based on their passport or National Identity card until 30 June 2021.

Conformity/standards
• The UKCA conformity mark must be acquired and used for relevant goods being placed on the market in Great Britain. A UKNI mark can be used in Northern Ireland, depending on which body carries out the assessment. However, CE marks can continue to be used across the UK until 1 January 2022.

Travel
• Existing ‘burgundy’ UK passports must have at least six months left until expiry, as of 1 January 2021, and can be used to travel to most EU countries (although travel to the Republic of Ireland is not affected by this requirement). Five and 10-year passports have different expiry rules – see the ‘Business travel to the EU’ section later in this guide.
• Any European Health Insurance Card (EHIC) can continue to be used until it expires, at which time you should apply for a UK Global Health Insurance Card (GHIC).
• A visa might be required for your visit depending on country, length of stay and purpose of visit.

1 April 2021
Customs
• Sanitary and Phytosanitary controls: UK traders importing Products of Animal Origin (POAO) or a regulated plant and plant product must now submit pre-notification and the relevant health documentation.

1 July 2021
Customs
• From this date, traders importing any goods will have to make either full or supplementary simplified declarations immediately upon import. The delayed declarations previously optional for the first six months of 2021 will no longer be possible.
• Arrangements to ease compliance with safety and security come to an end.
• Importers will need to pay VAT and excise duty where necessary. Postponed VAT accounting and duty deferment for duty deferment account holders will still be available after this date.
• By this date, the UK-EU should have finalised a data adequacy agreement enabling the free flow of data between EU and UK businesses in a way compatible with the GDPR.
Employment
- From this date you can no longer determine an EU, EEA or Swiss citizens’ right to work in the UK using only their passport or ID card. You must instead use the new immigration visa system.

31 December 2021
Rules of Origin declarations
- Last day to have Rules of Origin declarations in place for 2021 trade.

1 January 2022
Conformity/standards
- Businesses are no longer able to use CE conformity marks in Great Britain and must use the UKCA conformity mark.

More Brexit developments are sure to happen over the coming years.
Importing and exporting

The UK has a customs border with EU countries, with full customs controls. Additionally, the UK and EU now trade under a unique free trade agreement.

A business task that was formerly comparatively straightforward, such as bringing goods into the UK from France or Germany, has become more complex. Customs and excise duty might be payable on imports, as well as VAT (see ‘Getting VAT Right’ in the next section).

With a customs border now existing between the EU and UK (with the exception of Northern Ireland and Ireland), moving goods between the UK and EU is now considered importing and exporting.

From an administrative point of view, this will involve customs declarations, and requires understanding of previously arcane knowledge such as commodity codes and customs procedure codes. You’ll also need to understand the UK-EU free trade agreement, and how it applies to your business.

The UK-EU free trade agreement

Tariffs are a form of tax paid on imports, applied by the country to which the import is made.

In other words, tariffs in the UK are payable to HMRC. Also referred to as duty, tariffs are calculated at customs based on the commodity code.

The UK Global Tariff (UKGT) has now replaced the EU’s Common External Tariff following Brexit. It applies to all imports from countries for which the UK does not have a free trade agreement. You can check the tariff for an import using the government’s website look-up tool.

However, as has been widely publicised in the media, the UK and EU agreed the Trade and Cooperation Agreement (TCA) just before Christmas 2020. This is a free trade agreement referred to colloquially as the trade deal.

The TCA presents two considerations for businesses that import/export between the UK and EU:

- **Preferential treatment:** The UK and EU agreed that goods that formerly moved freely during the UK’s membership of the Common Market are now 0% tariff and not be restricted by quotas. This is referred to as preferential treatment and means there won’t be any customs duties or limit to the quantity of goods that can be imported or exported between the UK and EU. It doesn’t mean there won’t be customs formalities and documentation. There are conditions, one of which is rules of origin.
“Freight forwarders differ from customs brokers, who focus only on the customs paperwork and payments”

- **Rules of origin**: Traders can only claim preferential treatment if the rules of origin are met. These are very complex, and fill entire annexes of the TCA. But in summary, the rules of origin say that the goods (or originating materials used to make them) must originate in either the UK or EU. More than this, you must prove this is the case by obtaining a supplier’s declaration or equivalent documentation. This is known as a statement on origin for imports and it provides importers with what’s called ‘importers knowledge’.

If preferential treatment isn’t used then the goods can still be traded. However, the World Trade Organisation’s Most Favoured Nation (MFN) rules will apply. This means goods coming into the UK may have customs duties applied according to the aforementioned UK Global Tariff.

Goods exported from the UK to the EU might have the EU’s Common External Tariff applied by the EU country to which they’re sent. There might be quotas that will limit the quantity of goods that can be traded at a given time.

It’s a mistake to assume preferential treatment via the TCA is always the best route to take. Using MFN rules means the rules of origin don’t apply, which can provide more freedom on where you source products or materials used to make them. And you may find the customs tariffs are low or even zero, while there may be quota allowances that won’t be exceeded by your trade.

**EU import and export changes**

To allow for a period of adjustment, the UK government has made allowances – some permanent, some temporary – that mean businesses aren’t faced with a sudden strain on their admin resources when it comes to customs and VAT processes, or overwhelming cash flow requirements.

From an administrative point of view, this will involve customs declarations, and requires understanding of previously arcane knowledge such as commodity codes and customs procedure codes. The basics are as follows.

**Importing overview**

Customs import processes are discussed in more detail later (see the heading “Deferred customs declarations and simplified declarations for imports”). But, as mentioned, customs and excise duties might be payable on imports into the UK from the EU. You can make use of existing simplified import measures to reduce the administrative requirements.

The UK Global Tariff (UKGT) replaces the EU’s Common External Tariff for UK imports. As well as potentially applying to imports from EU countries, it also applies to all imports from countries for which the UK does not yet have a trade agreement, which currently includes one of the UK’s largest trading partners – the US. You can check the tariff for an import using the government website’s look-up tool.

Furthermore, you may need to apply for licences to import certain goods into the UK, and some goods might require an inspection fee be paid.

**Exporting overview**

Many businesses exporting to the EU from 1 January 2021 use the simplified declaration procedure, although this can only be used for certain kinds of exported goods. It means you don’t need to provide as much information as a full declaration up front, and can instead use a pre-shipment advice declaration. But you still need to provide the rest of the customs export information at a later date.

You can also simplify export paperwork requirements using the entry in declarant’s records (EIDR) procedure, although this only applies to goods that don’t need a pre-departure declaration.

Note that simplified declarations and entry in declarant’s records both require you apply to HMRC, and to be authorised before use to use them.
If making any kind of export declarations yourself, rather than use a customs intermediary, you’ll need to register for and use the National Export System (NES), which will let you make declarations electronically. You’ll need what’s known as a CHIEF badge role. Following this, you can make export declarations via the web, email, or using software.

An alternative is to all these options is to use a Community System Provider (CSP). You can use your own import/export software to access their system, and use their CHIEF registration. However, there will be a fee.

Some goods require export licences, and there are additional rules specific to alcohol, tobacco and certain oils, and for controlled goods. You’ll need to ensure you have these in place prior to export.

**Using a customs intermediary**

Moving goods between the UK and EU countries is now understandably more complicated following Brexit, as is moving goods through EU countries on-route for another country.

The government expects most businesses to use a customs intermediary, which many already do for imports and exports to non-EU countries.

For businesses and import and export on a regular basis, there are two main options: using a freight forwarder, or using a customs broker.

**Freight forwarder**

Freight forwarders are like a travel agency for freight. They aim to provide a complete ‘door-to-door’ service between seller and buyer. Alternatively, some might offer a ‘door-to-port’ service (and vice versa), or even just a ‘port-to-port’ service. You or your customer will have to handle logistics before and after this.

Freight forwarders know the documentation required – export, customs, licensing, security and safety. Often, they use their knowledge of customs to ensure you pay the lowest costs.

A freight forwarder may have in-house transport services but, in any event, they will sort out the required logistics on your behalf – road, rail, air and ship. Often, they take advantage of block booking for reduced costs. If the freight needs warehousing, they also take care of that, as well as insurance too.

**Customs broker**

Freight forwarders differ from customs brokers, who focus only on the customs paperwork and payments. A customs broker (also known as a customs agent) will check the all-important classification and get you the right commodity code. They know which documentation required for products that need an import licence, such as hazardous goods, or restricted goods.

The customs broker will be electronically registered with the customs authorities, speeding up communications, and they will know the timescales required so can anticipate problems. They can electronically file import and export documentation. This can be done in advance of a shipment, either leaving the country or before it comes in.
If you’re a regular importer and frequently have to pay duty, taxes or VAT on commodities, the customs broker or their freight agent will often have a duty deferment or a VAT deferment account that you can make use of, which means you don’t have to pay the duty or VAT immediately. This can help with your cash flow, and ensure the goods are then able to get through the port quickly.

**Essential customs requirements**

Customs declarations include a number of pieces of information including the EORI number, commodity code, customs procedure code (CPC), the value of goods for customs purposes, the weight or size and country of origin.

Import and export declarations can be complicated and require software that can integrate into the government’s Customs Handling of Import and Export Freight (CHIEF) system.

Eventually, this will be replaced with the Customs Declaration Service, or CDS, which already must be used for goods moving to or from Northern Ireland (including goods moving between Northern Ireland and England, Wales or Scotland).

But as of now, the CHIEF system remains in use, and should be used for most imports and exports.

**More about EORI numbers**

Since 1 January 2021, all UK businesses located in Great Britain (that is England, Scotland or Wales) that import or export goods to or from the EU have needed an Economic Operator Registration and Identification (EORI) number.

Businesses in Northern Ireland might need an EORI too, and perhaps even a second XI-series EORI.

In fact, businesses might need up to three different types of EORI, depending on the location of your business and what it does:

- **Businesses in Great Britain:** To trade goods with EU countries, you need an EORI number that starts with GB. However, if your business only moves goods between Northern Ireland and the Republic of Ireland – and nowhere else – it will not usually require an EORI number.

- **Businesses moving goods to or from Northern Ireland:** If you move goods to or from Northern Ireland, you need a second EORI number that starts with XI. This includes moving goods between Northern Ireland and the rest of the UK, and moving goods between Northern Ireland and non-EU countries.

- **Businesses making declarations or getting customs decisions in EU countries:** If your business makes declarations or gets customs decisions in an EU country, you need to get an EORI from the customs authority in the EU country where you submit your first declaration, or request your first decision.

In 2019, the UK government began sending out GB-series EORI numbers to businesses that it believed required them. These are likely to have been sent to your business’ registered address, as provided with your VAT registration. If you haven’t received your EORI number, you can apply online.

Similarly, the UK government has automatically issued XI-series EORI numbers to businesses it believes require them, including all businesses that have registered with the Trader Support Service (TSS).

You won’t receive an XI EORI number unless you already have a GB number. Again, you should apply as soon as possible if in doubt.

**Deferred customs declarations and simplified declarations for imports**

To allow for a period of adjustment, until 30 June 2021, importers in England, Wales and Scotland can,
for most types of goods, optionally defer customs declarations and any payments that might be due. The declaration and payment can be deferred for up to six months (175 days) after the import date. This is known as Deferred Declarations.

To make use of it, businesses in England, Wales and Scotland must be authorised to use the Simplified Customs Declaration process. This is also known as the Customs Freight Simplified Procedure (CFSP).

Simplified Customs Declaration means you can either make an entry if your own commercial records, or submit a simplified customs declaration before import. Then, up to six months after the import date, you send HMRC a supplementary customs declaration, at which point the customs and VAT (if any) becomes due.

You have to be authorised by HMRC to use the Simplified Customs Declaration process. Depending on whether or not you’re using a customs intermediary, you may need to register for a duty deferment account (see below) and get software compatible with the CHIEF system used by HMRC (including the process referred to as getting a CHIEF badge).

Additionally, if your business is VAT registered then you’ll need to use postponed VAT too. Note that you can continue to use the Simplified Customs Declaration process following the end of the six-month deferment option (that is, from 1 July 2021).

**Duty deferment account**

If you import regularly then paying any customs duties, paying VAT and excise duty monthly might make more sense, rather than paying them immediately upon import. A duty deferment account lets you do this. It was formerly the case that your bank or an insurance company had to be willing to act as an approved guarantor on your behalf, but this requirement is being waived because of Brexit.

A duty deferment account is a necessity for the simplified frontier declaration system, as described above, and the six-month window in which you can make simplified declarations from 1 January 2021 to 30 June 2021.

**Transport logistics**

The organisations you use to transport goods across borders, such as sea shipping, couriers or air freight, need to know many of the details above before shipping commences. You should consult with them as soon as possible to learn what they require, and when. There might be additional issues you’ll need to consider when importing goods, such as using the correct border inspection post and pre-notification of the movement of goods.

**Incoterms**

Review the commercial terms of trade (Incoterms) in your contracts relating to importing goods. These
will help you to understand who is now responsible for any customs duties, import VAT, and any additional transportation and insurance costs. Additionally, Incoterms determine when risk and liability passes from the seller to the buyer – something that is not as clear cut with customs borders, compared to the free travel of goods before Brexit and the end of the transition period.

The Northern Ireland protocol

Northern Ireland remains part of the EU customs and VAT regime when it comes to trade with the Republic of Ireland and the rest of the EU.

From a customs perspective, moving goods from Northern Ireland to Great Britain hasn’t changed. There are no additional processes, paperwork or restrictions.

Moving goods from Great Britain to Northern Ireland has become a little trickier following the end of the Brexit transition period. It’s now necessary to declare goods in movement to Northern Ireland as being not ‘at risk’ of moving.

To be considered not at risk, one of the following has to be true for goods moving from the UK to Northern Ireland:

- The EU tariff is zero, or the goods are eligible to claim the zero-rate, zero-quota allowance of the preferential rate of duty as discussed earlier in this article. Taking this route will involve completing customs paperwork, as with any export to the EU.
- The goods are to be sold to end consumers in the UK and you are authorised under the UK Trusted Trader scheme. Under this scheme you make a declaration for each export that the goods are not at risk of onward movement to the EU, and must be able to provide evidence this is the case.

The UK government is running a new Trader Support Service for businesses moving goods to and from Northern Ireland. It provides free support to businesses buying and selling between Northern Ireland and Great Britain. The support service will also be of help if you bring goods into Northern Ireland from outside the UK. If you’re based in Northern Ireland, or move goods there from the rest of the UK, signing up for its advice is vital.

“From a customs perspective, moving goods from Northern Ireland to Great Britain hasn’t changed”
Checklist: Importing and exporting

**EORI number**
Have you got the EORI number(s) you need?

**Customs intermediary**
Do you have a customs intermediary, such as a customs broker?

**Rules of origin**
Do your products meet the rules of origin, as described in the Trade and Cooperation Agreement? If not, do you know what tariff rate and quotas will apply?

**Customs declaration**
Have you registered for Simplified Customs Declarations, to defer import customs declarations and payments for six months as of 1 January 2021?

**Duty deferment account**
Have you applied for a duty deferment account if you intend to defer customs declarations?

**CHIEF-compatible software**
If you’re not using a customs intermediary, do you have the right CHIEF-compatible software – plus training to use it?

**Incoterms**
Have you reviewed your Incoterms with your customers and suppliers?

**Transport**
Have you reviewed your transport logistic arrangements?
Getting VAT right

The way VAT is dealt with for importing and exporting has changed for anyone who carries out these tasks with businesses or individuals in EU countries.

Notably, the outcome for businesses remains largely the same as before the end of the Brexit transition period, thanks to measures the government has put in place. There should be negligible cash flow impact. But the administrative requirements have changed because of the new postponed VAT system.

Postponed VAT for goods imports

Businesses registered for VAT that import goods into the UK from anywhere in the world can use a system called postponed VAT accounting. This is similar to the previous EU reverse charge system on intra-community acquisitions, but is handled differently.

Businesses account for the import VAT on their VAT Return, rather than paying it immediately (e.g. at the port of entry), as follows:

- **Box 1 – VAT due on sales and other outputs:** Include the VAT due in this period on imports accounted for through postponed VAT accounting.

- **Box 4 – VAT reclaimed on purchases and other inputs:** Include the VAT reclaimed in this period on imports accounted for through postponed VAT accounting.

- **Box 7 – Total value of purchases and all other inputs excluding any VAT:** Include the total value of all imports of goods included on your online monthly statement, excluding any VAT.

The purpose of postponed VAT accounting is to avoid an impact to your cash flow when importing. In fact, if your business already imported from outside the EU before the end of the Brexit transition period, you may see cash flow benefits because it removes the need to pay for the import VAT typically due.

Use of the postponed VAT accounting scheme is optional. If you wish, you can pay the VAT upfront when the goods enter free circulation in the UK (at the port of entry, for example, or after release from a customs warehouse).

This will require you obtain monthly C79 reports from HMRC, as is the case for non-EU imports.

However, postponed VAT accounting is mandatory if you defer the submission of customs declarations – such as making use of the initial six-month customs deferment period after the end of the transition period.

Postponed VAT accounting can be used by all VAT-registered businesses in the UK, although businesses in Northern Ireland will continue to be considered part of the EU VAT area, so goods arriving from the EU will not be considered imports and will therefore not incur import VAT. However, it can still be used for imports from outside the EU.

Postponed VAT is only relevant for imports to England, Wales or Scotland and only if the value exceeds £135. For imports beneath this amount, there’s still a need to account for VAT but you must use the new e-commerce rules (even if the goods were not traded via e-commerce). See the ‘VAT on imports £135 and under’ section below.

**VAT on services**

When it comes to purchasing services, rather than goods cross-border, things continue much as they did before 1 January 2021.

Under the place of supply rules, business to business (B2B) sales of services will continue to be generally subject to tax in the country of the customer and administered through reverse charge, with some exceptions.

Business to consumer (B2C) sales of services will continue to be generally subject to tax in the country of the seller, again with some exceptions.

However, UK businesses that use the Mini One-Stop Shop (MOSS) system now need to register for the non-union MOSS and as such no longer benefit from a €10k threshold before having to apply the place of supply rules.
This means many more businesses may be liable to VAT in the countries they sell digital services to and so will find themselves needing to register for the non-union MOSS.

VAT on exports

As of 1 January 2021, when it comes to exporting goods to EU countries, the VAT situation has also changed. Exports to EU countries are now treated like those to non-EU countries, which is to say, they should be zero-rated for UK VAT.

This will apply regardless of whether you’re exporting goods to a consumer (B2C), or to a business (B2B). In other words, there’s no longer any need to observe distance selling regulations, or to verify the VAT status of the recipient business.

Notably, businesses selling B2C to the EU might need to register for EU VAT and appoint fiscal representatives depending on the requirements of the countries in which they sell.

It’s important to understand what it means to zero-rate goods for VAT if you meet the criteria outlined above.

It doesn’t mean you can simply forget about VAT. It means you apply a 0% VAT rate. No VAT is payable but you still have to include the exports as part of your VAT accounting.

VAT on imports £135 and under

Alongside the end of the transition period on 1 January 2021, the UK introduced additional measures for overseas goods arriving into Great Britain from outside the UK. Perhaps the most impactful relates to imports valued at £135 and lower, but the new rules are as follows:

- Low Value Consignment Relief (LVCR) has been removed. Previously, this exempted imports with a value below £15 from import VAT.
- Online marketplaces (OMPs), where they are involved in facilitating the sale, are responsible for collecting and accounting for the VAT.
- VAT on imports with a consignment value of £135 or lower have VAT applied at the point of sale, rather than applied as import VAT at customs. For B2C transactions, this UK VAT will be charged and collected by the seller but for B2B transactions the VAT is reverse charged to the customer.

Essentially, the latter means foreign sellers sending goods into the UK will need to charge UK VAT and apply to be part of the UK VAT system when supplying goods with a value of £135 or less to end consumers (that is, non-VAT-registered individuals).

Businesses that receive goods of £135 or less will have to account for the VAT as part of the reverse charge procedure, declaring the VAT on their next
“Services are excluded from the Northern Ireland Protocol… This results in very little change from a VAT perspective”

VAT Return. Normal rules apply for the tax point, which is to say, it will usually be the invoice date.

Additionally, as the recipient business for goods, you should ensure the seller knows your VAT number, or the seller will have no choice but to treat it as a B2C sale and apply VAT.

Northern Ireland VAT and customs following 1 January 2021

As discussed earlier, when it comes to customs and VAT after the end of the transition period, Northern Ireland is not like the three other countries that comprise the UK.

It uses the Northern Ireland Protocol, which is part of the Withdrawal Agreement between the UK and EU that aims to avoid a customs border (known as a hard border) between Northern Ireland and the Republic of Ireland (ROI).

There are different rules for the supply of goods and services, as follows:

**Goods**
From a VAT perspective, movements between Great Britain and Northern Ireland will continue to be treated like domestic sales and purchases as they were before the end of the Brexit transition period. This means that, among other things, there won’t be import VAT due on movements.

**Services**
Services are excluded from the Northern Ireland Protocol, so sales of services between Northern Ireland and the Ireland/EU from 1 January 2021 are treated like Third Country supplies.

This results in very little change from a VAT perspective. Similarly, nothing has changed for supplies of services between Great Britain and Northern Ireland, and they continue to be considered domestic supplies.
Checklist: Getting VAT right

Postponed VAT accounting
Are you going to use postponed VAT accounting on imports, or pay VAT upfront?

EORI number
Have you ensured suppliers overseas have your GB or XI-series EORI number so VAT isn’t incorrectly applied?

Registering for EU VAT
If selling B2C in the EU, have you registered for EU VAT and appointed fiscal representatives (depending on the requirements of the countries where you sell)?

Registering for non-Union MOSS
Have you registered for non-Union MOSS, and are you sure you won’t meet the threshold?

Registering for VAT
If you know you will exceed the non-Union MOSS threshold, have you registered for VAT with the EU country or countries where you intend to sell?
Business travel to the EU

If you’re travelling to the EU on business, there are a number of things to be aware of, covering the likes of passports, visas and travel insurance.

Now the UK has left the EU, travel for UK nationals has changed if your destination is any of the following:

- Most countries in the EU
- Iceland
- Norway
- Switzerland.

In short, the rights and protections for freedom of movement and freedom of establishment no longer apply to UK citizens. Travel requirements will vary depending on the country you’re entering and its local laws.

You need to check the destination country’s requirements before travelling, even if travelling to major EU destinations such as Germany or France. The UK government provides a website with details for most.

The exception is the Republic of Ireland. Despite the fact this is an EU country, UK citizens can live there and undertake employment freely, as well as receive social benefits and study. Irish citizens can do the same within the UK. This is because of the Common Travel Area (CTA) rules.

**Passports**

To travel to the countries above, you can use an existing burgundy-coloured passport with EU markings, provided that it has more than six months until it expires (measured from 1 January 2021).

If there are less than six months until expiry when you travel, you will need to get a new UK passport before travelling.

This doesn’t apply if you’re travelling to Ireland, where your passport with less than six months left will still be valid.

Your passport also needs to be less than 10 years old in total, even if it the expiry date shows more than six months from the date of travel. To check this, look at the issue date and then calculate the addition of 10 years. Does the date of travel and return fall within this time period?

**EHIC and travel insurance**

UK travellers have long since relied upon the European Health Insurance Card (EHIC) to get free essential medical services in the EU countries, as well as in Norway, Iceland, Liechtenstein and Switzerland.

The good news is any EHIC you have continues to be valid. However, the UK government will not be issuing any in future. Instead, you should replace your EHIC with a UK Global Health Insurance Card (GHIC). This is available upon application at the special NHS website created for the purpose.

However, for anybody else, and as of 1 January 2021, you are strongly advised to purchase travel insurance that includes a medical/health coverage component before travelling.

Business travellers are always advised to purchase travel insurance that includes a medical/health coverage component before travelling.
If your business relies on travel insurance, then you’ll need to check to make sure it continues to cover you following the end of the Brexit transition period.

Airport arrival

Assuming you’re travelling by air, train or boat, upon arrival you will need to join the customs lane for non-EU, EEA or Swiss nationals. Typically, this is labelled on signs as ‘All Other Passports’, or ‘Non-EU Passports’. These queues can be slower moving than those for the EU, so you might want to budget extra time. If you carry goods into the EU to sell, you will have to declare them upon entry. You may need to present a customs declaration, and pay customs duties and VAT.

Visas

You might need a visa if you’re travelling to the countries mentioned above for business purposes. However, generally a visa isn’t required if you visit less than 90 days in a 180-day period. However, a visa could be required if you’re providing a service.

Note that as of late 2022, UK travellers to EU countries are likely to require an EU Travel Information and Authorisation System (ETIAS) visa waiver. This will probably cost around €7, and will be valid for three years (or until the date of passport expiry, if that occurs before).

Driving in the EU

If you intend to drive while on your trip then your existing UK driving licence should be carried with you. In certain limited situations you may need an International Driving Permit (IDP). You can get these from the Post Office for a small cost.

You should also contact your vehicle insurer and request a green card. This provides proof that you have insurance for the country you’re driving in. If the vehicle is insured under a fleet policy, you will need a green card specific to your vehicle. You will need a GB sticker on the rear of your vehicle. Note that any existing number plate country identification is no longer valid.

If the vehicle is leased or hired in the UK, you should take a VE103 certificate. One of these can be obtained for a fee from the British Vehicle Rental and Leasing Association (BVRLA), Freight Transport Association (FTA), RAC Motoring Services or the Road Haulage Association (RHA). Notably, if you own the vehicle, the UK government also advises that you take your V5C vehicle logbook document when driving abroad.

If driving in the Republic of Ireland, none of the above applies with the exception of requiring a green card for insurance purposes.

Using a mobile phone outside the UK

Making voice calls or using cellular data while in an EU country may no longer be covered by your existing contract’s allowances, because EU-mandated reciprocal voice and data roaming agreements no longer apply to UK citizens now the UK has left the EU. You should speak to your mobile network to ask about the situation, and find out what the charges are likely to be. You should ensure your phone has mobile roaming enabled for the country that you are visiting.

As with travelling to non-EU countries before the end of the Brexit transition period, you might find it cheaper to purchase a pay-as-you-go (PAYG) SIM card in the country you’re visiting for use while there.

Note that a new UK law means roaming mobile data charges can’t exceed £45 without your consent. At that point, you will need to explicitly opt-in to spend more. Again, you should speak to your mobile network about this.
Checklist: Business travel to the EU

**Passport**
Does your passport have more than six months left?

**EHIC and GHIC**
Check your European Health Insurance Card (EHIC) expiry date. If it won’t cover your travel period, apply for a Global Health Insurance Card (GHIC) in good time.

**EU entry requirements**
Have you checked entry requirements for your destination EU country – especially if you intend to sell goods or services while there?

**Insurance**
Do you have insurance that includes medical/health coverage?

**Visa**
If you’re going on a business trip, do you need a visa?

**Mobile phone**
Do you have mobile phone roaming enabled? Are you aware of its cost?

**Driving**
Do you require an International Driving Permit? Do you have an insurance green card, a GB sticker on your vehicle and other required documentation?
What you need to know about data protection

While the GDPR is implemented in UK law, there are a number of things to be aware of around data transfers between the UK and EU.

Following the end of the Brexit transition period, how your business handles personal data has not changed if you have correctly implemented the General Data Protection Regulation (GDPR) legislation within your processes.

The UK is hoping to become a ‘favoured nation’ via an ‘adequacy decision’ on behalf of the EU, which should facilitate the free transfer of personal data without the need to implement additional safeguards.

As part of the agreements made between the UK and EU in December 2020, a deadline of six months was set to achieve the adequacy decision.

Until the end of June 2021, a bridging mechanism means that the UK and EU will continue to facilitate the free flow of data under the GDPR’s terms.

Most experts believe an adequacy decision will be reached in time, again meaning that nothing will change when it comes to data protection requirements for UK businesses.

However, guidance from the Information Commissioner’s Office (ICO) says an additional agreement between UK and EU/EEA businesses that allows for transfer of data, such as a Standard Contractual Clause (SCC), is worth investigating in the event an adequacy decision cannot be reached. The SCC has to be based on EU-approved terms compatible with the GDPR.

The ICO provides an interactive tool that can help you understand the right type of SCC to use, and also help you create one for your needs. Remember that this will need to be done for all EU/EEA businesses with which you transfer data.
Embracing new opportunities

The UK government describes Brexit as the start of a new relationship with the countries of the EU, along with their inhabitants.

Businesses that mirror this attitude as they carry out the required administrative changes moving forward might find the light at the end of the tunnel arrives more quickly.

There are fresh opportunities for businesses, and there’s a need to think creatively and to be prepared to harness the advantages brought by change.

Above all, businesses need to act now. Businesses need to make real and permanent changes to areas such as VAT accounting, and customs declarations.

Additionally, there’s a need to continue this attitude and approach in the coming years. The coming decade is likely to see an ongoing requirement to adapt and evolve as the UK government fully rolls out the new laws and regulations that affect trade with our EU neighbours, and as businesses in the UK adapt both culturally and professionally.

Prepare for the potential of the UK’s new relationship with the European Union by visiting the Sage Brexit hub.