

# VAT and Duty: Brexit update and practical considerations

This is a brief 'no deal Brexit' guide summarising the possible implications for UK businesses trading with the EU, either on a Business to Business (B2B) or Business to Consumer (B2C) basis:

Issue	B2B considerations	B2C considerations
<b>General</b>	<ul style="list-style-type: none"> <li>- EORI number needed - to clear goods into EU.</li> <li>- <i>Is import Duty due on UK purchases, adding to cost price?</i></li> <li>- <i>Potential added or even double duty cost (Into UK and then into EU)? Any reliefs?</i></li> <li>- Additional Customs documentation needed (including origin and commodity codes) and cost.</li> <li>- <i>Do contracts/T&amp;C's allow for revised pricing and changes in VAT/ Duty/ delivery times?</i></li> <li>- <i>Are systems set up to cope with any changes?</i></li> </ul>	
<b>Delays in delivery due to change in Customs procedures, affecting:</b> <ul style="list-style-type: none"> <li>- Customer delivery expectation</li> <li>- Perishable goods</li> </ul>	<p><i>AEO status (or Transitional Simplified Procedures) to speed up processes? This can take 6 months or more for HMRC to approve.</i></p> <p><i>Set up a stock hub in the EU?</i></p> <ul style="list-style-type: none"> <li>- VAT registration/s in EU required.</li> <li>- <i>Where to set up?</i></li> <li>- <i>How long to do this?</i></li> </ul>	
<b>VAT Distance selling</b> The threshold over which VAT registrations are needed in EU countries	N/A.	<ul style="list-style-type: none"> <li>- No longer applies – <i>will VAT registration be required in each country?</i></li> <li>- <i>Set up in the EU and use distance selling from there? Where?</i></li> <li>- <i>Distributor/agent model?</i></li> </ul>
<b>VAT &amp; Customs Duty – who pays?</b> <ul style="list-style-type: none"> <li>- Importing into the EU</li> </ul>	<ul style="list-style-type: none"> <li>- Depends on responsibility for importation/delivery (incoterms).</li> <li>- <i>VAT registration/s in EU?</i></li> </ul>	<p>VAT and Duty is payable on entry.</p> <ul style="list-style-type: none"> <li>- <i>Customer: Unexpected cost and clearance burden?</i></li> <li>- <i>Seller: VAT registrations?</i></li> </ul>
<b>VAT Simplifications</b> <ul style="list-style-type: none"> <li>- Triangulation</li> <li>- Call off stock</li> <li>- Supply and install</li> </ul>	No longer available – local VAT registrations required.	N/A.
<b>Trading through e-market places</b> <ul style="list-style-type: none"> <li>- Goods moved into EU</li> </ul>	Local VAT registrations required, need to know movements.	
<b>Electronic supplies of services</b>	N/A – normal rules apply.	EU Mini One Stop Shop (MOSS) not available to UK. Need to register for Non-Union MOSS in an EU Country. <i>Where?</i>

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