



# BREXIT UPDATE

**Issued 14th February 2019 by Isle of Man Treasury, Customs & Excise Division**

This update sets out actions that you may need to take now and changes you need to be prepared for, in the event that the UK leaves the EU without a deal.

## Trading with the EU

In the event the UK leaves the EU without a deal you will be responsible for making customs declarations for your UK-EU trade of goods in a no deal scenario. Many businesses find the simplest way to make customs declarations is to appoint a customs agent to manage the process for them.

So that you are ready you should now:

- register for your **Economic Operator Registration and Identification (EORI) number** if you haven't done so already at [www.gov.uk/hmrc/get-eori](http://www.gov.uk/hmrc/get-eori).
- If you want to make declarations through a customs agent, appoint one as soon as possible.

If you cannot appoint an agent, or do not think this is the right solution for your business and if you intend to import or export regularly, you should now:

- make sure someone in your business is trained to make **customs declarations**
- buy **specialist software** that links to **HMRC's customs systems**
- if you're exporting, register for the **National Export System** at [national export system guidance](#)

For further information, go to [www.gov.uk/hmrc/trade-with-the-eu](http://www.gov.uk/hmrc/trade-with-the-eu)

For those that do not intend to use a customs agent and intend to buy specialist software to link to HMRC's customs system, HMRC is introducing a new Transitional Simplified Procedures (TSP) for customs. More information on this system can be found at [www.gov.uk/hmrc/eu-simple-importing](http://www.gov.uk/hmrc/eu-simple-importing)

We would encourage any Isle of Man business considering entering customs declarations on their own behalf (ie not through a customs agent) to get in touch with Isle of Man Customs and Excise on 648128 as soon as possible to discuss the procedures you will need to go through.

## Changes to VAT

In the event of the UK leaving the EU without a deal the way you account for VAT on imports will change. You will be able to pay import VAT on your next VAT return rather than when your goods arrive at the UK border.

You will:

- be able to **declare and recover import VAT** on the same **VAT return**.
- need to provide your **VAT registration number** on your **customs declaration**.

Further information will be available soon.

## Changes to VAT IT systems

If the UK leaves the EU without a deal you will no longer be able to use certain EU VAT IT systems. If you currently use any of these systems, you should be aware of the following:

### EU VAT Refund Electronic System

To make EU VAT refund claims for 2018 using EU VAT Refund Electronic System, you should submit these before 29 March 2019, instead of the normal deadline of 30 September 2019. After the UK leaves the EU, UK and Isle of Man businesses will be able to reclaim VAT from EU countries, by using the existing processes for non-EU businesses.

### EU's VAT number validation service (VIES)

If you use VIES to check a customer or supplier's VAT number, UK and Isle of Man VAT numbers will no longer be part of this service after 29 March. A new online VAT number checker will be available on GOV.UK from 29 March to enable customers or suppliers to check UK and Isle of Man VAT numbers. You will still be able to use VIES to check the validity of EU VAT numbers.

### UK VAT Mini One Stop Shop (MOSS)

If you currently use MOSS to declare and pay VAT on sales of digital services to EU consumers, you should submit your return for supplies made between 1 January 2019 and 29 March 2019 via the UK portal by the normal deadline of 20 April 2019. If you want to continue to use MOSS for sales you make after the UK leaves the EU, you will need to register for MOSS in an EU Member State. You should do this by 10 April 2019.

For further information, go to [www.gov.uk/hmrc/eu-vat-it-rules](http://www.gov.uk/hmrc/eu-vat-it-rules)

### To keep up to date with EU Exit news as it happens you can:

Register for the **email update service** at [www.gov.uk/hmrc/business-support](http://www.gov.uk/hmrc/business-support) select '**business help and education emails**', then '**EU Exit**'.

**Non-VAT registered businesses** should also go to [www.gov.uk/hmrc/trade-with-the-eu](http://www.gov.uk/hmrc/trade-with-the-eu) for changes that affect them.

Further information can also be found in the partnership pack published by HMRC [Partnership pack](#)