

Economic Operator Registration Guide

What is an Economic Operator Registration and Identification number (“EORI”)?

An EORI number is a mandatory unique identification number that allows customs authorities uniformly in the EU to identify businesses and individuals which import and export goods into and out of the EU.

A business or individual is only allowed one EORI number in the EU and the same EORI number is used throughout the EU irrespective of which EU country goods are imported to or exported from. Only businesses and individual which import or export goods into or out of the EU are required to have an EORI.

As the UK is currently a member of the EU an EORI number is not required for businesses and individuals buying from or selling goods between the UK and the EU only (known as acquisitions and dispatches). The need for an EORI number will therefore be a new requirement for a substantial number of UK businesses trading only with EU Member States in the event of a No-Deal Brexit.

When/if the UK leaves the EU without a Brexit deal, the UK will become a ‘third’ country for the purposes of EU rules and EU Member States will become ‘third’ country for the purposes of UK rules.

Goods coming into the UK from the EU will therefore be treated the same as imports from ‘third’ countries (such as the US, Australia, China etc) and vice versa goods sold from the UK to the EU will be treated by EU Member States like imports from ‘third’ countries.

It is important to note that a key feature of a No-Deal Brexit will be the end of free movement of goods resulting in applicable customs duties and import VAT becoming payable as well as amended/additional customs clearance procedures for goods moving between the UK and EU.

The EORI number is key in identifying the ‘importer’ or ‘exporter’ for the purposes of customs clearance procedures and paying customs duties, and import VAT.

Is Having a UK EORI number the end of the matter?

Unfortunately not, it is the administrative start of the journey for goods coming into and out of the UK only. The position is different for goods sold to or leaving EU member States.

Goods 'Imported into the UK from the EU?

An EORI number is mandatory to move goods into or out of the EU (including the UK).

Not having an EORI number can increase costs and lead to delays. For example, if HM Revenue and Customs ("HMRC") cannot clear goods due to lack of an EORI number businesses and individuals may have to pay storage fees.

Businesses and individuals will need an EORI number that starts with GB ("UK EORI") to move goods in or out of the UK if there's a No-Deal Brexit.

Where a business or individual already has an EORI number that starts with GB e.g. one previously issued by HMRC, they can continue to use it (but only in relation to the UK). Those businesses which are auto allocated an EORI as part of the Chancellor's announcement will receive a UK EORI number.

Current EORI numbers issued by Customs Authorities in other EU Member States i.e. those not starting with GB ("EU EORI") will no longer be valid in the UK.

Businesses and individuals which currently have an EU EORI number will need to register for a UK EORI number post a No-Deal Brexit. Unfortunately, it is not possible to have both a UK and EU EORI number before a No-Deal Brexit as the UK is currently still an EU Member State and multiple EORI numbers in the EU is prohibited. This is likely to result in delays and additional cost.

Getting an EORI is the first step in 'importing' from the EU.

The Government have listed 4 additional basic steps.

1. Decide who will make the customs declaration (find out if your freight forwarder can make declaration on your behalf, hire an agent to make the declarations, or make the declarations yourself).
2. Applying for 'simplified Import Procedures' and which other customs procedure may be beneficial.
3. Find out what Customs duties, Excise duties may apply.
4. Find out whether additional procedures apply to the good you are importing. For example, you might need to change the labelling on the packaging for your goods, or apply for licences.

Goods 'Exported' to the EU from the UK?

In the event of No-deal Brexit UK EORI numbers will not be valid in the EU.

Businesses and individuals will need to apply for an EU EORI number post a No-Deal Brexit (due to the prohibition on multiple EORI numbers in the EU). Again, this is likely to result in delays and additional cost.

Another factor to consider is that within the EU, currently where a business is not established in a Member State the EORI number will be issued by the Customs Authority where an import is first made in EU .e.g. a US based only company starts exporting to France (its first ever export to an EU Member State) - the EORI number will be issued by the French Customs Authority.

Goods 'Exported' to the EU from the UK?

Given the potential language barrier and administrative differences (between Member States Customs Authorities where a UK business first 'exports' in the EU (and therefore which Member State's Customs Authority you'll need to apply to and which will issue the one and only EU EORI) could have real unwanted practical complications for UK businesses and individuals.

It is understood some Member states are looking at allowing 'provisional' applications which will become valid in the event of a No-Deal Brexit but it is unclear how this will interact with the rules above.

In principle the above applies if you are moving goods between the Republic of Ireland and Northern Ireland in the event of a hard border.

As with importing from the EU, business need to familiarise themselves with UK export rules e.g. will a license be required to export out of the UK and the additional rules on importation into the EU applied by individual Member states as imports from the UK will be treated as 'Third' country imports and have additional costs and formalities.

How to get a "UK EORI"

If you do not have an existing EORI (or are not advised by HMRC that you have been auto-allocated an EORI) you will need to apply for one online.

It takes 5 to 10 minutes to apply for an EORI number. You'll get it either straight away or within 5 working days (if HMRC needs to make more checks).

It is advisable to do this now as the closer to the No-Deal Brexit deadline businesses or individuals leave their application the more likely this is to lead to delay (and HMRC systems falling over due to volumes of applications).

More information on applying for an EORI can be found at: <https://www.gov.uk/eori?step-by-step-nav=db1149f5-f60a-4d02-be0c-9c9db2828665>

You can check if you already have an EORI number if you are UK VAT registered by entering your VAT number prefixed with GB and followed by 000 e.g. GB123456789000 via the European Commission EORI number validation website.

https://ec.europa.eu/taxation_customs/dds2/eos/eori_validation.jsp%3FLang%3Den

Members of VAT groups are treated as separate legal entities in their own right for EORI purposes and therefore require their own EORI numbers.

If you have any questions or would like further information and support, please contact our Senior VAT manager Hydeam Sulton on 0191 285 0321 or email hydeam.sulton@taitwalker.co.uk