

FOCUS ON

# Moving goods under the Northern Ireland Protocol

The Cabinet Office published a policy paper on August 7th explaining the anticipated procedures for movement of goods between the EU and Northern Ireland; and between Northern Ireland and Great Britain.

Given the importance of this announcement and its implications for the future of the UK's relationship with the EU, it has received remarkably little attention. A brief overview of the protocol highlights its significance.



Businesses and individuals will be able to move goods from Northern Ireland into the rest of the United Kingdom on the same basis as now.

For almost all goods this means no declarations, tariffs, customs checks, or type approvals. Goods from Northern Ireland will be able to be placed on the market in Scotland, Wales and England, whether certified against EU or UK rules. The only exceptions so far announced to these arrangements will be for goods such as endangered species. This special treatment will be available only to Northern Ireland businesses (including businesses head-quartered in Great Britain with operations in Northern Ireland). The Government is still to define a qualifying status for goods and businesses in Northern Ireland benefiting from unfettered access.



There will be no change for the movement of goods between Northern Ireland and EU Member States, including Ireland.

That means there will be no new paperwork; no tariffs, quotas or checks on rules of origin; nor any barriers to movement within the EU Single Market for goods in free circulation in Northern Ireland.



There will be some new arrangements for goods movements into Northern Ireland from Great Britain. UK authorities will apply EU customs rules to goods entering Northern Ireland.

This entails new electronic import declaration requirements for goods entering Northern Ireland from the rest of the UK. This new system is being developed to minimise the burden on businesses required to make declarations. These are needed to make sure that tariffs are not paid on trade within the UK and that goods going to Ireland are subject to tariffs where appropriate.



As Northern Ireland remains in the UK customs territory, its businesses will benefit from preferential tariffs from third countries just as the rest of the UK will.

UK Tariffs will be applicable to imports from third countries.



The ability of businesses in Northern Ireland to have “unfettered access” to both the EU Single Market and the GB domestic market, along with the suggestion that this is likely to include any business with an NI establishment, means there could be a significant temptation to set up a Northern Ireland base for any GB business facing duty tariffs on EU imports after the end of the Brexit transitional period. Unless the UK government narrows the qualifying criteria significantly before January 1st, this appears to enable any sizable UK business to retain access to tariff free acquisitions from the EU, simply by establishing a related company in Northern Ireland to effect the import. The integrity of the Single Market, which the EU holds as an absolute red line in negotiations, cannot survive unless the UK places significant restrictions on which Northern Ireland goods can be sold without tariff or control into Great Britain.

The government intends to track movement of goods from GB to Northern Ireland as those goods are supposed to face barriers on entry into the EU (assuming no deal is reached). In the absence of Customs’ checks, smuggling via Northern Ireland as a route into the EU may become a significant problem,

particularly for goods which are UK VAT zero-rated (and which therefore do not rely on proof of export to escape 20% VAT).

It is still uncertain whether additional customs requirements will be imposed on businesses involved in the supply of parts for manufacture of goods in Northern Ireland. Depending on any agreement with the EU, those businesses may be subject to additional customs administration such as making declarations and holding a customs authorisation in Northern Ireland. This is an area that is part of the ongoing UK/ EU discussions so updates will be provided in due course.

There remain ongoing concerns with sanitary and phytosanitary (SPS) goods as checks will likely be required on Great Britain goods arriving in Northern Ireland. These are goods which require overview to protect human, animal and plant health. The UK government has announced that no additional infrastructure will be built but, expansion of existing operations to carry out the SPS screening of animals and food products will be created. This added requirement could result in delays in supplies of SPS goods if the operations are overwhelmed.



## Help from the Government

The UK government will establish a new end-to-end **Trader Support Service** which will guide Northern Ireland businesses through all import processes for movement of goods, including handling digital import and safety and security declarations on their behalf, at no additional cost. Once registered with the Trader Support Service, businesses will simply need to provide digitally the appropriate information on the goods being moved, and the new service will deal with all associated requirements for free. All traders who wish to draw upon the support should register now.

Visit: [www.gov.uk/guidance/trader-support-service](http://www.gov.uk/guidance/trader-support-service) to sign up for further information

## Contact us



Alastair Wilson  
Tax Partner  
0191 226 8411  
[alastair.wilson@taitwalker.co.uk](mailto:alastair.wilson@taitwalker.co.uk)



Andrew Fitton  
Tax Director  
0191 226 8363  
[andrew.fitton@taitwalker.co.uk](mailto:andrew.fitton@taitwalker.co.uk)



Hydeam Sulton  
Head of VAT & Indirect Tax  
0191 226 8351  
[hydeam.sulton@taitwalker.co.uk](mailto:hydeam.sulton@taitwalker.co.uk)

Tait Walker LLP trading as MHA Tait Walker is a member of MHA. MHA is an independent member of Baker Tilly International Limited, the members of which are separate and independent legal entities.

## Now, for tomorrow