

VBB BREXIT WEBINAR SERIES

Brexit and Trade – Customs and FTAs

Philippe De Baere

Pablo Muñiz

Joanna Redelbach

17 November 2020

VAN BAEEL & BELLIS

UK Free Trade Agreements after Brexit

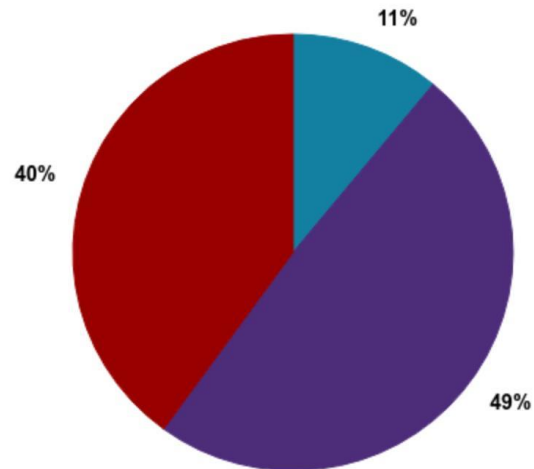
Before Brexit

- More than 40 FTAs with over 70 countries

Where does the UK trade?

% of total UK trade in 2018

■ Countries with EU trade agreements ■ The EU ■ Rest of the world



Japan, Singapore and Vietnam are included in the "rest of the world" as their EU trade deals had not come into force in 2018

Source: Department for International Trade

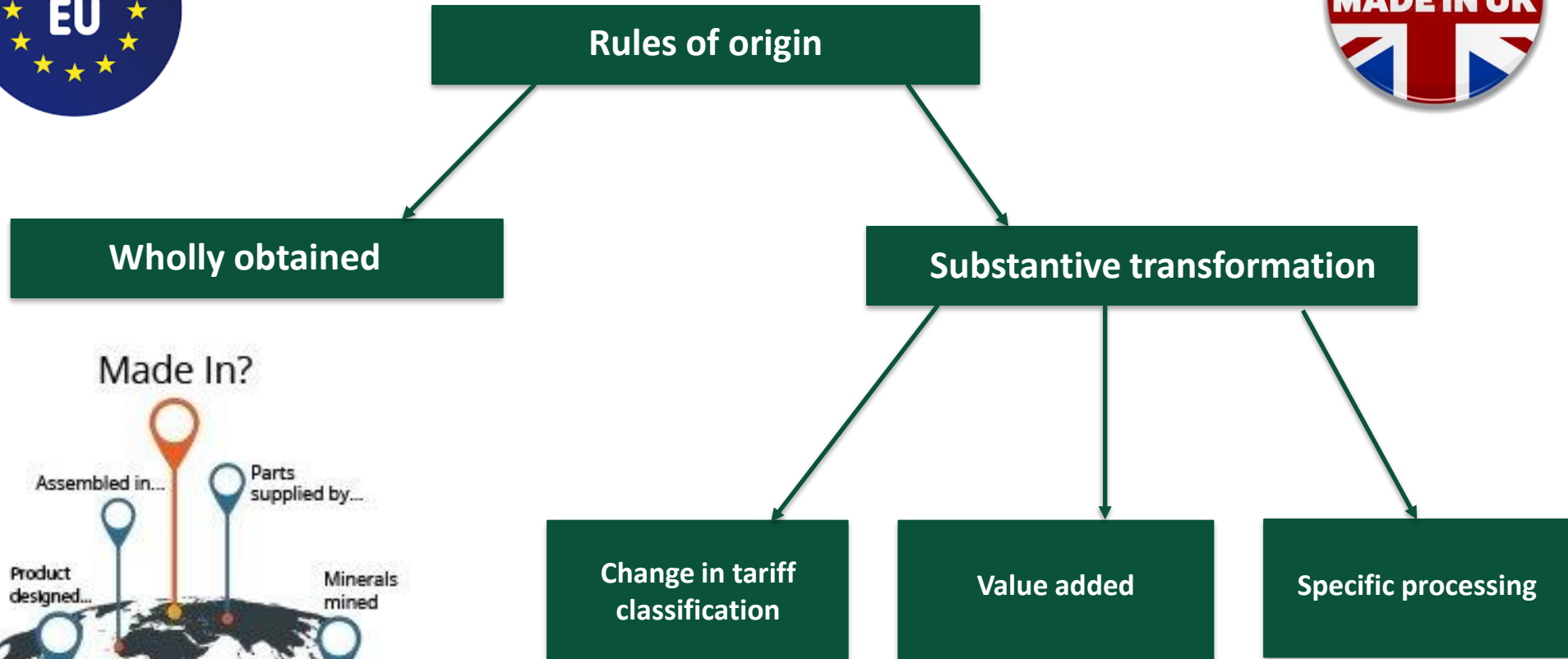


After Brexit

- More than 20 continuity agreements with over 50 countries
- New FTAs: UK-Japan CEPA
- Priority negotiations: EU, US, Australia, New Zealand

Rules of origin

How to make use of the preferential trade rules?

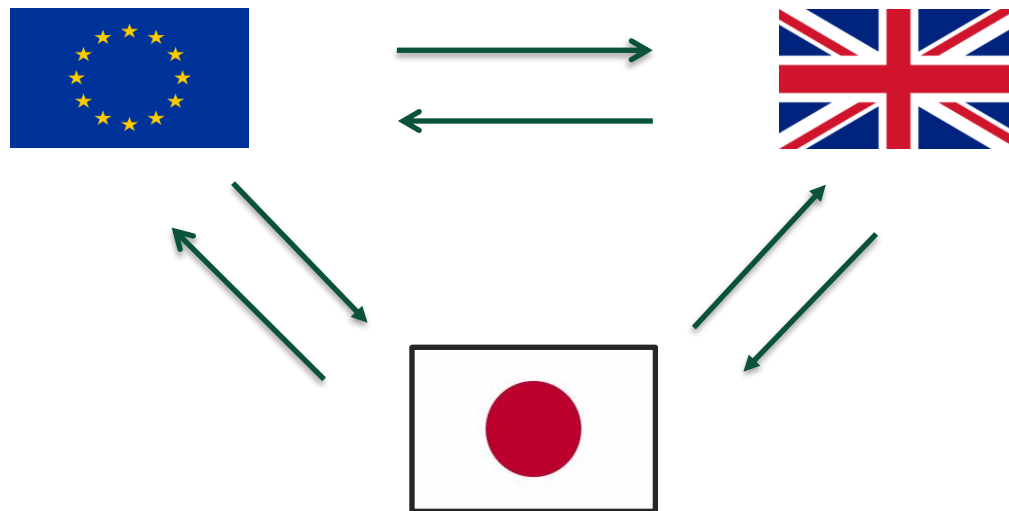


Cumulation

Bilateral cumulation



Diagonal cumulation



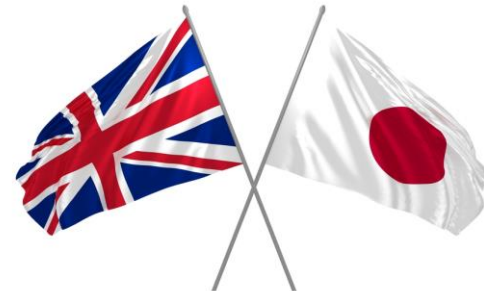
Proof of origin

Documents on origin under different FTAs:

- Government certificates (certificate of origin)
- Self-certification by exporter (origin declaration)
- Importer's knowledge

UK-Japan CEPA

Article 3.16(2)



A claim for preferential tariff treatment shall be based on:

- (a) a statement on origin that the product is originating made out by the exporter; or
- (b) the importer's knowledge that the product is originating.

Cutting red tape? Or imposing additional burden on importers?

Customs check list



- **Customs formalities & other regulatory measures** (phytosanitary, etc.) will apply as of **1 January 2021** between EU27 and UK



- Regardless of whether a free trade agreement is concluded by 31 December 2020



- **EU – UK Free Trade Agreement** only means that duties may not apply to goods having EU/UK origin



Be ready for 1 January 2021 no matter what!

Customs check list

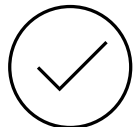


Companies headquartered in the UK which operate in the EU through their UK-based entity and vice versa



Companies which move goods between the EU and the UK:

- Finished goods / combined manufacturing between the UK and the EU



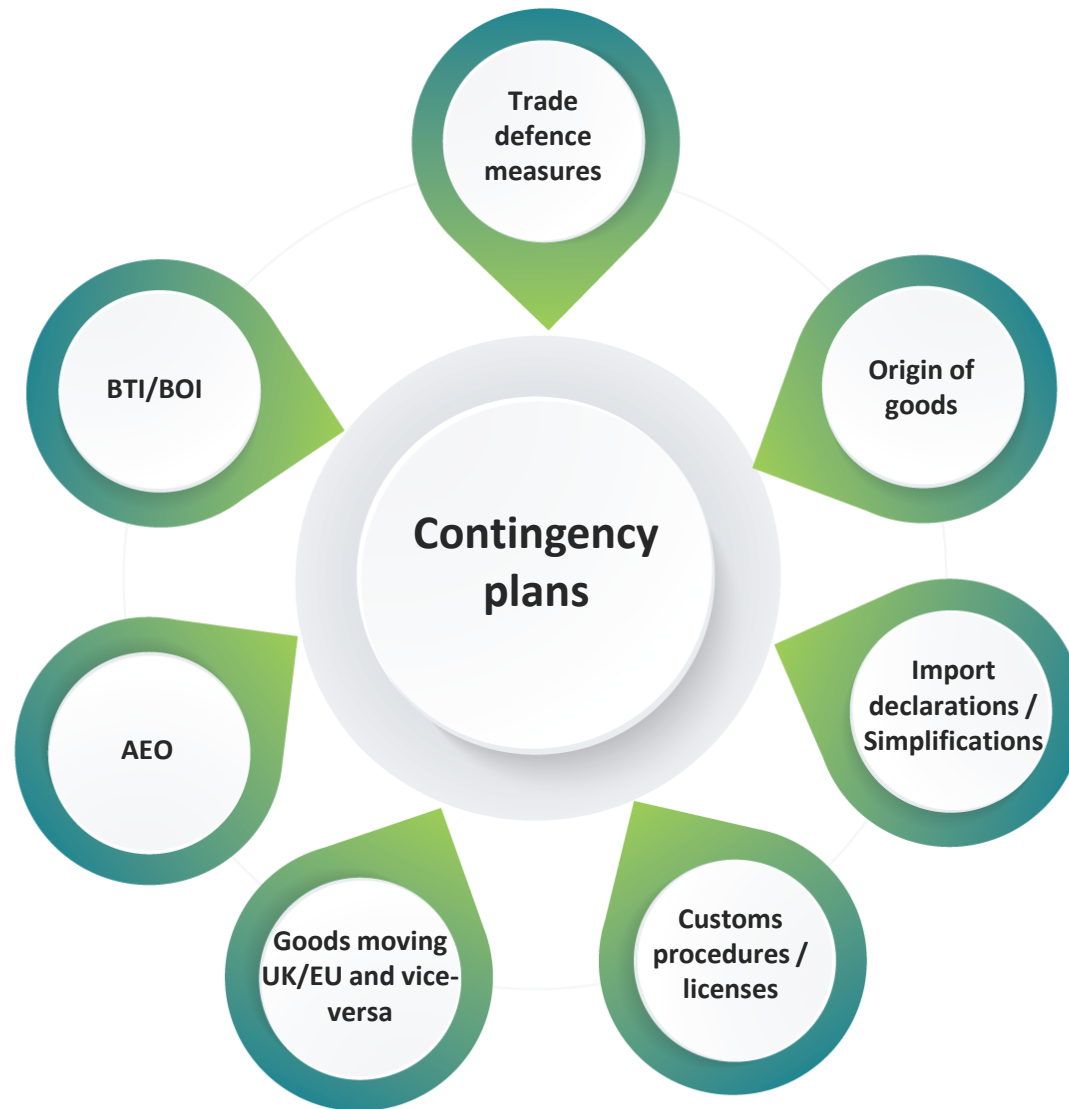
Companies that benefit from preferential duties upon importation into the UK/EU



Companies that market products which are subject to regulatory requirements in the EU/UK

- Sanitary and phytosanitary checks
- Labeling requirements, i.e. importer for regulatory matters
- Data protection

Customs check list



Customs check list



Thank you

Any questions?