# A round up of the CIOT's roundtable Brexit customs duty meetings

**Indirect Tax**

01 November 2018

Following the government's publication of the 'no-deal' technical notices covering indirect taxes (reported in October's *Tax Adviser*), CIOT representatives have met with parliamentarians and representatives from HM Treasury to discuss the impact to customs duty, VAT and excise duty. It is important to note that arising points for a 'no deal' position could be equally relevant when the UK fully exits the EU, and possibly during a transitional period, depending upon what is agreed.

## With parliamentarians

Perspectives from the legal sector, industry and practice on the impact of Brexit in no-deal and deal scenarios for customs duty and moving goods cross border were presented to parliamentarians. The speakers raised awareness on the impacts for large business, small and medium enterprises, selling to EU consumers and issues for Irish business.

A more in depth blog with full details of the speakers' views and the arising questions is published on the CIOT website.

## With HM Treasury

Our representatives from the legal sector and industry met with HMT to discuss progress and strategy including:

Customs legislation: HMRC is redrafting the Union Customs Code (UCC) into English law style. It is intended that the legislation will have the same effect as the UCC unless specifically highlighted. HMT sees the redraft as an opportunity to remove some detail and condense it. The strong recommendation to HMT was instead to essentially 'copy and paste' the UCC with signposted amendments. However, HMT

are currently determined to pursue the redrafting approach. To aid legal certainty, we requested that ministerial statements should be made to emphasise the intent of uniformity, to provide case law reliance post Brexit, and to make it clear (in substance, not just form) where the new law diverges. It was also raised that significant legislative changes require six months' notice (to comply with EU law that has been recognised by the UK government) to allow business to adjust, risking litigation if insufficient notice is given.

Postponed accounting: The announcement on postponed accounting for import VAT was welcomed. However, the CIOT would like to see the position on input VAT recovery and C79s clarified and also to understand whether postponed accounting will be introduced in the post-transitional period if a deal is secured.

HMT customs planning: a discussion around the practicalities of a facilitated customs arrangement (the Chequers white paper) took place and there was some disagreement between HMT and the CIOT representatives about its anticipated effectiveness.

## Continuing consultation

CIOT representatives continue to meet with representatives from all the major political parties in an attempt to better inform the debate and further our education objectives. We aim to consider the impact of policy developments and will continue to engage with senior officials as important milestones occur.

## Brexit factsheet

You may be interested in the first of several Brexit factsheets published jointly by the CIOT, ICAEW and ICAS. This factsheet covers The Taxation (Cross-border Trade) Act 2018 and others will follow.