Brexit: Economic Operator Registration and Identification numbers

Indirect Tax

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At the time of writing this article, it still not confirmed whether the UK will leave the EU with or without a deal on 31 October (or, indeed, on a later date). Economic Operator Registration and Identification (EORI) numbers are required to make customs declarations, and will be required when trading in goods with EU suppliers or customers when the UK leaves the EU VAT and customs union.

Background: current pre-Brexit position for VAT and customs duty for EU trading in goods

As a member state, the UK is in a VAT and customs union with the EU. VAT on the sale of goods to business customers across intra-community borders is dealt with by self-assessment in the VAT return (acquisition VAT declared by the business customer). No customs duty declarations or payments of duty are required within the borders of the EU VAT and customs union, though businesses may have to complete monthly Intrastat returns.

If a business is currently importing from or exporting to non-EU countries, it will have an existing EORI number. A business trading with non-EU countries only requires a single EORI number for imports to, or exports from, any member state. The EORI number has a two letter country prefix denoting the country that processed the application, which is quoted by the business in any member state where imports or exports take place; you do not apply for additional EORI numbers with other country prefixes.

Why do I need an EORI for a no-deal Brexit?

Should the UK leave the EU without a deal, or otherwise come out of the EU VAT and customs union, cross-border movements of goods to and from the remaining EU member states will require customs declarations, as they will be on the same import and export basis as currently applies in respect of trade with non-EU countries. The first step in making customs declarations is to obtain an EORI number so that appropriate border administration can be completed.

Over 74,000 businesses have applied for EORI numbers since December 2018 and, more recently, HMRC has auto-enrolled a further 88,000 VAT registered businesses that it considers may need one (likely because these businesses have previously reported figures in boxes 8 or 9 of the VAT return to report acquisitions or dispatches, indicating trade with the EU). The letter templates from HMRC to businesses regarding applications for an EORI number are on gov.uk, and these letters also set out further Brexit preparatory steps for new importers and exporters .

I still don't have an EORI number, but should I?

You may need to apply for an EORI number via gov.uk if you:

- are not registered for VAT and buy from EU suppliers or sell goods to EU customers (note that there is no requirement to become registered for VAT in order to obtain an EORI);
- are newly registered for VAT and intend to trade in goods with EU suppliers/customers (or in any non-EU countries);
- have only started trading in goods with the EU since 2018; or
- are a business without a GB EORI but which currently has a valid EU EORI – although HMRC have previously said that EU EORIs may be acceptable for use in the UK for a temporary period after the UK comes out of the EU VAT and customs union.

If you already have a GB EORI which you currently use for importing to, or exporting from, non-EU countries and other member states in which your business operates, you will need to obtain an EORI number from another member state to make customs declarations in these countries post-Brexit. Note that the timing of the application will need to be considered carefully and local advice may be required, as you can only normally hold one valid EORI number. This EORI number will be effective for all member states in the EU, so you will not need to apply for 27

separate EORI numbers.

If you are only responsible for the customs declarations at the UK border and it is your EU supplier or customer who is responsible for the import/export customs declaration in their own country, then post-Brexit you would only require a GB EORI number; nor would you need an EORI number issued in the supplier or customer's member state, as you will not be completing the customs declarations in that country.

HMRC have published an EORI number mythbuster factsheet and a preparation checklist, 'Get ready for when the UK leaves the EU', which provides links to guidance for further cross-border steps such as Transitional Simplified Procedures and considering if customs agent support is required.