



What next?



In less than two months, as of 30 March 2019, The United Kingdom of Great Britain and Northern Ireland ('UK') may no longer be part of the European Union ('EU').

In 2017, when the UK government invoked Article 50 of the European Union Treaty, the date for the UK's exit from the EU was set. However, less than two months before the formal exit date, there is still considerable uncertainty over Brexit.

The UK's exit agreement in the form negotiated by the British government and the EU was rejected by the British Parliament, and a whole series of debates followed on various amendments to the Brexit process, including one amendment which was passed and which required the British government to reopen negotiations with the EU.

What might happen on 29 March 2019?



The UK could decide unilaterally not to leave the EU.



The UK could leave the EU under the initial version of the Agreement.



The UK could leave the EU under a renegotiated version of the Agreement.



The UK could leave the EU without an Agreement („no deal“).



What might happen on 29 March 2019?

- Any supply or acquisition to and from the UK would be subject to customs formalities.
- Companies that have not yet completed customs formalities would need to obtain an EORI number and enter into a customs representation agreement with a customs broker.
- Import of goods from the UK would be subject to customs duties, VAT and excise duties (if applicable).
- For some product categories, it would be necessary to obtain the appropriate import or export licenses.
- Different rules would apply for justifying VAT exemption for supplies of goods to the UK.
- Reimbursement rules for VAT paid in the UK would change, as well as the conditions for distance sales to UK consumers.
- Deliveries of excise goods under excise duty suspension arrangements between Romania and the UK and supervised under the EMCS system would no longer be possible. Instead, the rules for export to a third country would apply.
- Companies that acquire UK excisable products and receive them under registered consignee authorization would no longer be able to receive the goods under suspension arrangements.
- Companies that purchase excise goods in the UK would no longer be able to recover excise duties paid in the UK.

What measures can Romanian companies take to mitigate the effects of Brexit?

A	Carry out an Internal Flow Analysis of areas of the business which would be affected by a U.K. exit: raw materials, finished products, triangular operations, call-off stock, etc.
B	Quantification of cost increases
C	Identification of the customs / VAT simplifications applicable

KPMG can help you identify issues that may affect your business, and find the right solutions.

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