Forewarned and now forearmed

TIS for Brexit
KPMG’s Indirect Tax Impact Assessment Tool

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Do you know which steps to take when preparing your company for Brexit?

On 29 March 2017, Article 50 of the Treaty on European Union was officially invoked by the UK government. As a result, the next few years will certainly see changes in the way the UK trades with the EU and the rest of the world.

The impact on businesses will be highly dependent on the final form of the post-Brexit relationship the UK will have with the EU and other non-EU countries, and we recognise that the final outcome is uncertain. However, what we do know for certain is that the UK will leave the EU Single Market and Customs Union.

If no other arrangements are in place when Brexit takes effect, all trade between the UK and the EU will require full customs clearance and tariffs will be imposed on imports from the UK to the EU and very likely, from the EU to the UK as well.

The UK Government seeks to maintain tariff free trade and a “frictionless” border with the EU through a comprehensive customs arrangement. However, in the short-term at least, this may not be achievable. It will be up to individual businesses to arrange their operations to minimise potential risk and maximise opportunity.

KPMG have designed a tool to help businesses put some real numbers and detail around the potential consequences of leaving the Single Market and Customs Union.

The output of our tool models the potential change to your Customs duty and VAT profile post-Brexit, and provides you with concrete insights and metrics on impacted supply chains.

Our Deliverable:

Our team will use readily available data to produce a bespoke report setting out the key Customs Duty and VAT impacts from Brexit based on your actual data for the last 12 months. We will then meet with you to talk through the analysis and help you to identify the areas which require attention.
Planning for Brexit

The report provides:

- How will current duty costs change as a result of Brexit?
- Should the business be looking to import goods from a different country to mitigate duty costs?
- Can the business continue to export goods as it does at present without it creating a duty cost?
- Should the business be considering some form of lobbying to influence government agenda (e.g. FTA negotiations with certain countries)?
- What would be the additional administrative costs of doing additional import and export declarations?
- Will there be a working capital impact as a result of having to fund import VAT upfront?

Supply Chain Visibility

The tool maps the flow of goods into and out of the UK giving you greater visibility not only over what you are importing and where, but what elements of the supply chain are most exposed to risk.

Interactive

The tool allows us to drill down into different areas so that you can get a clear and unambiguous picture of the position. Our ability to identify and map the impact of the loss of FTAs will give you visibility over where key risks may lie in respect to your supply chain and sourcing strategy. Free Trade Agreements, the tool allows us to isolate the data relevant to that issue.
For advice on how KPMG’s tool can work for you, or if you’d like a demonstration please get in touch:

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