



AGRI-FOOD BUSINESSES

You need to know that tariffs are changing

Ensure your business is prepared for changes to the way we trade with the EU and rest of world, including the UK's new temporary tariff regime.

Check if tariffs will apply to your products at
gov.uk/brexit

Get **ready** for Brexit

HOW WILL TARIFFS AFFECT MY AGRI-FOOD BUSINESS AFTER BREXIT?

UK businesses currently have tariff-free access to imports from and exports to the EU single market.

If we leave the EU without a deal, a new set of tariffs and tariff rate quotas will apply to some products being imported into the UK.

What are tariffs and tariff rate quotas?

Tariffs are a customs duty or tax on imported goods.

Tariff rate quotas (TRQs) are a limited amount of a good imported into a country at a lower tariff.

EU tariffs will apply for the first time to UK goods exported to the EU. This may impact the demand for goods you produce for sale in the EU market due to the increased cost incurred by the EU importer.

Why will EU tariffs be in place on UK exports in a no-deal?

Under World Trade Organization (WTO) rules, the EU must apply tariffs equally to imports from all countries where there is not a free trade agreement or any other preferential arrangement in place. In the event of no-deal, this includes the UK.

This is called the Most Favoured Nation (MFN) rule.

The UK Government has set out temporary rates of tariffs which will apply to imports into the UK if we leave the EU without a deal. These specific tariffs would be in place for up to 12 months while a full consultation and review on a permanent approach to tariffs is undertaken.

How do free trade agreements affect tariffs?

Free trade agreements reduce tariffs and non-tariff barriers to trade so businesses can import and export goods more easily and more cheaply.

The Government has sought a balance between the impacts on consumers and producers.

In order to reduce potential price increases that consumers could face from tariffs, the majority of total current imports by value would be tariff free.

Maintaining zero tariffs on imported products can benefit some UK businesses because it provides access to low cost goods which manufacturers can use to produce competitively priced exports.

What tariffs will be in place on UK exports to other countries?

This will depend on the country's own tariffs and also on whether the UK has a trade agreement with them. Regular updates on the progress of free trade agreement negotiation will be published on gov.uk.

However, tariffs and quotas have been maintained on some imported products, for example in the agricultural sector, in order to protect producers from unfair international competition.

IMPORTING TO THE UK

If the UK leaves the EU without a deal, you'll need to follow these rules for importing goods from anywhere outside the UK.

When importing goods, you'll need to:

- get a UK EORI number if you do not have one
- find the commodity code for the goods you're importing - this tells you how much duty you pay and if you need an import licence for restricted goods
- declare your imports to customs - you can hire a customs agent to make declarations for you
- find out if you can register to use transitional simplified procedures that will allow you to delay submitting a full declaration and paying the duty you owe (if you're importing goods from the EU)
- pay VAT and tariffs to HMRC

Check HMRC guidance to get your business ready to import to the UK after Brexit

HOW CAN I PREPARE MY AGRI-FOOD BUSINESS?

Prepare your business by speaking to your supply chain and following these steps:

- The UK currently benefits from trade agreements with other countries through membership of the EU. After Brexit, some of these agreements won't apply
Check to see if **the countries you trade with** are affected
- Classify your goods – identify the **correct commodity code**. If you require support on the classification of your goods, email the HMRC's **Tariff Classification Service**
- Check the UK's **temporary tariffs** to see if tariffs will apply to goods you are importing after Brexit. Consider how any differences in cost may affect your business
- Check the **country-by-country guidance** to see if your international customers, including in the EU, will have to pay tariffs on the products you are exporting to them
- Work with your supply chain to explore other markets for your goods and check that your products meet with requirements for the UK as a non-EU country

Visit **great.gov.uk** for market access advice and support

IF YOU HAVE FURTHER QUESTIONS, PLEASE CONTACT:

- General trade queries: EUExit@trade.gov.uk
- EU Exit Import and Export Helpline: 0300 3301 331
- Product and agreement specific queries: defra.helpline@defra.gov.uk



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