

The UK government has published the proposed customs duty rates that will apply to imported merchandise entering the UK from third countries after the country has left the European Union (EU) under a so-called no-deal scenario. Unless recent political developments require the UK government to extend that deadline, it has been indicated that the UK will leave the EU on October 31, 2019.

For more detail on how UK politics might play out, please see our recent [Brexit Legal blog post](#).



How and When Will This Apply?

After the UK leaves the EU, it is free to set its own customs duty rates for imports subject to its commitments to the World Trade Organization (WTO), which set the maximum ceilings that can be applied by the UK after it becomes a full WTO member in its own right.

Today's announcement of the UK tariff regime means that, in the event of a no-deal departure, goods entering the UK from both the EU and any other of the UK's trading partners where no preferential trade arrangement is in place (e.g., the US, China, Canada, Taiwan, etc.) will be subject to these duties. The UK can set its own customs duty rates in such a scenario because, upon departure from the EU's Customs Union and Common Customs Tariff, it does not need to keep the same rates of customs duties as those applied by the EU.

An exceptional review process has also been announced, which will apply as of exit day and which will enable changes to be made to the regime if necessary. In addition, businesses and consumers will be able to provide feedback on the impact of the regime through an online submission.

Overall Reductions

The UK is intending to eliminate all customs duties for imports, from all third country trading partners, for 88% of total imports by value, according to the UK government's plan. These reductions will be applied on a "temporary basis" for a period of up to one year following their introduction. From January, the UK government will undertake a full consultation on a more permanent approach to tariffs in order to develop their independent trade policy. If necessary, duty rates could be increased for these imports in the future. However, during the period of temporary application, UK businesses will not pay customs duties on a significant portion of UK imports.

Upcoming Event

Boris's Brexit: A Roadmap to a New US-UK Free Trade Agreement?

October 23, 2019, 4-6 p.m. ET
Washington DC

Please join us for a discussion to examine some of the most critical aspects of Brexit and their short- and medium-term implications, including a potential roadmap to a US-UK free trade agreement, and what the impact of a possible Jeremy Corbyn-led government could mean for US-UK relations.

Register your interest by Friday, October 11, 2019 [here](#). Venue details will be provided after October 11 upon confirmation of registration.

Exceptions

The UK will apply customs duties to certain imports from third countries in areas deemed sensitive to UK industry and which require tariff protection in the view of the UK government.

A flavor of the range of imported products that will be subject to UK customs duties and the applicable level of duty rates that will apply are set out in the table below. The full list is accessible [here](#):

	UK Commodity Heading	General Description	Typical MFN Tariff Rate
1	0201-0210	Bovine meat (beef)	6.8% + 116.7 euros/100kg*
2	0207 and 1602	Poultry meat	11.3 euros/100kg to 74.3 euros/100kg*
3	0303 and 1604	Fish and crustaceans	8.0% – 24.0%
4	0405	Butter	60.5 euros/100kg*
5	0406	Cheese	18.4 euros/100kg
6	1516-1518	Fats and oils	7.7% – 10.9%
7	1701	Sugar	15 euros/100kg to 41.9 euros/100kg*
8	2207-2208	Bioethanol	10.2 – 19.2 euros/hl*
9	3102-3105	Fertilizers	6.5%
10	6103-6302	Textiles and clothing	8.0% – 12.0%
11	8703-04	Motor cars and other motor vehicles	10%
12	8711	Motorcycles	6% – 8%

*Fixed duties expressed in euros at the moment, awaiting conversion to GBP

These customs duties will be payable by UK importers when the goods are declared for entry into the UK's customs territory, which, in the absence of a withdrawal agreement, will include third country imports directly into Northern Ireland.

Separately, proposed UK antidumping and antisubsidy duties will also be payable on importation into the UK, in addition to the normal duty rates mentioned above, if the merchandise is covered by a UK antidumping and/or antisubsidy order. The list of imports subject to these additional duties can be accessed [here](#).

UK Trade in Goods out of the UK and in to the EU Single Market

In the absence of a withdrawal agreement, goods originating in the UK and exported to the EU-27 will be subject to the currently applicable duty rates applied by the EU to imports from third countries. These duty rates can be accessed [here](#). This is because there are not yet any proposed transition measures taken by the EU in favor of the UK insofar as tariffs are concerned.

However, UK exporters will continue to benefit from some limited EU customs exemptions such as autonomous duty suspensions, if their exported goods are covered by such an exemption.

In Short

UK importers and business now have an improved level of certainty about the level of UK customs duties that will be payable in the event of a no-deal Brexit. The position the UK government has adopted reflects a delicate balance among protecting UK producers, keeping prices low for UK consumers and the UK's interests in future free trade agreements. Clearly, the elimination of customs duties on 88% of UK trade will come as a relief for many UK importers. In those areas where the UK intends to apply customs duties, the potential for additional costs to arise should be factored into future business operations and supply contracts.

Please feel free to contact one of the Trade Practitioners listed below, or you can reach our team at InternationalTradeCompliance@sqirepb.com. Be sure to subscribe to *The Trade Practitioner* for our updates on this matter and other international trade topics in real time.

Primary Contact



Robert MacLean

Partner, Brussels/London
T +32 2 6277 619 (Brussels)
T +44 20 7655 1651 (London)
E robert.maclean@squirepb.com



Laura Delap

Associate, Brussels
T +32 2 627 76 28
E laura.delap@squirepb.com

US



George Grammas

Partner, Washington DC/London
T +1 202 626 6234 (Washington DC)
T +44 20 7655 1301 (London)
E george.grammas@squirepb.com



Daniel Waltz

Partner, Washington DC
T +1 202 457 5651
E daniel.waltz@squirepb.com



Christopher Skinner

Principal, Washington DC
T +1 202 626 6226
E christopher.skinner@squirepb.com



Karen Harbaugh

Partner, Washington DC
T +1 202 457 6485
E karen.harbaugh@squirepb.com

EU



Robert MacLean

Partner, Brussels/London
T +32 2 6277 619 (Brussels)
T +44 20 7655 1651 (London)
E robert.maclean@squirepb.com



José María Viñals

Partner, Brussels/Madrid
T +32 2 6271 111 (Brussels)
T +34 91 426 4840 (Madrid)
E josemaria.vinals@squirepb.com



Matthew Kirk

International Affairs Advisor, London
T +44 20 7655 1389
E matthew.kirk@squirepb.com

International Trade Practice co-leaders: Frank Samolis (partner, Washington DC) and George Grammas

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Our export controls and sanctions lawyers have the ability to provide advice on the shifting regulatory framework on both sides of the Atlantic. We have extensive experience in advising and representing a wide range of companies and financial institutions in Europe, the US and other jurisdictions on export control and sanctions from a multijurisdictional perspective. Our team is part of our overall International Trade Practice, providing a “one-stop shop” solution to global trade compliance through rapid, professional and tailored advice and compliance tools to fit your business needs and processes. Our Export Controls and Sanctions team stands ready to answer any question that you may have on this ruling.

Resources to Strengthen Compliance

We encourage you to visit our blog, *The Trade Practitioner*, where you will find additional updates and information on export controls, sanctions and other international trade topics. In addition, organizations engaged in the trade of items specially designed for military or space applications are encouraged to download our complimentary *ITAR Practitioner's Handbook*, which covers the International Traffic in Arms Regulations (ITAR) and the US Department of Commerce “600 Series.”

The contents of this update are not intended to serve as legal advice related to individual situations or as legal opinions concerning such situations, nor should they be considered a substitute for taking legal advice.

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