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Challenges of Brexit for the Irish Seafood Sector:
Investing in the Seafood Route to Market

Customs & Seafood

Preparing for potential Brexit impacts on
the Seafood Industry

The Problem

- Brexit is unprecedented. Disentangling the UK from the World's most integrated trading bloc is so complex it cannot be accurately modelled.
- The problems will be resolved and trade with UK will continue; the difficulty is the adjustment period, likely to be several years.
- Once UK leaves the EU, some controls on trade are almost certain, leading to additional costs and reduced certainty for traders.
- In the absence of Single Market controls, customs is the gatekeeper of trade regulation, so checks at ports and airports are likely.
- The most vulnerable trade is in low-margin goods, perishable goods (e.g. seafood), and just-in-time deliveries.
- The most vulnerable business model is small and relatively informal.
- Northern Ireland is a special case and is not included in this talk.

The Seafood Trade

- 2017, CSO figures for “fish and crustaceans, molluscs and other aquatic invertebrates”.
 - **Imports** - €290m of which €184m from UK, €70m from EU-27
 - **Exports** - €616m, €59m UK, €397m EU-27, mainly France, Spain, Italy.
- Mature and successful export trade, including many 3rd countries.
- Vulnerabilities to Brexit:
 - Transit across the UK, especially Ro-Ro and airbridge.
 - Use of UK intermediate processing facilities.
 - Sourcing produce in UK.
 - More formality (tariffs?) for exports to UK.
 - New catch and landing arrangements.

Planning for Solutions

- Major issues are cost and the ability to guarantee delivery time.
- Customs and regulatory requirements are minimised by advance planning and prior arrangement.
- Some issues (port congestion, random checks) will pose risks for complex supply chains.
- Each business must choose its best supply chain option.
- Transition period is not yet agreed, and in any case will be 2 years only.
- Need to start serious planning **now**.

Pessimistic Example: Route to France across UK

- Producer – certificates etc. required under EU regulation.
- Haulier – conformity with transport regulations for 3rd country UK. Driver & vehicle permits, charges.
- Transport operator (ferry) – safety & security declarations entering and leaving UK.
- Customs agent – open/close transit procedure, proof of EU status for entering France. Financial guarantee required.
- Unpredictable – possible congestion at ports entering and leaving UK.

Choices

- Best if all operators in the chain have AEO authorisation, and simplified procedures where appropriate.
- Best if one person/agency takes responsibility for entire journey.
- Should the producer seek AEO authorisation?
- Should the producer develop customs capability or retain an agent?
- Is the existing supply chain too complex/costly?

Authorised Economic Operator

AEOC – Customs; AEOS – safety & security

Requirements

- Record of tax & customs compliance.
- High level of control in operations and flow of goods.
- Financial solvency.
- Practical standards of competency in customs for staff involved (AEOC).
- Appropriate security measures for each step of the supply chain (AEOS)

Benefits

- Reduction of financial guarantee.
- Authorisation of premises as customs warehouse.
- Centralised clearance.
- Entry in declarant's records instead of customs declaration.
- Self-assessment of liability.
- Overall less checking for regulatory and risk purposes.

Conclusion

- Uncertainty will continue for some time, and there will be a period of adjustment.
- Planning ahead is now possible however, based on known arrangements for 3rd country trade – any improvement of terms will be a bonus.
- Very important to become familiar with possible customs and regulatory requirements, and the associated costs and delays.

Start planning now.