The Brexit Border: 4 key slides


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UK-EU Brexit Border options in 4 slides

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What border controls mean for different types of border with the EU...

**Slide 1** shows the different scale of customs controls on the movement of goods across an EU border, depending on the trade relationship a country has with the EU.

**Slide 2** shows what customs controls mean in practice for operators and customs agencies.

**Slide 3** shows what technology can do at a border and what is still nonetheless required to enforce a customs border.

**Slide 4** shows the possible scenarios for UK/EU, GB/NI and NI/IRL border in light of the UK/EU Joint Report of 8 December.

*This is a pared-back and simplified overview of complex matters. It is the second draft of a work in progress. The author welcomes corrections, comments and suggestions.*
### Customs controls on goods at EU external borders

<table>
<thead>
<tr>
<th></th>
<th>Between EU member states</th>
<th>In the Single Market but outside EU</th>
<th>In a Customs Union with EU</th>
<th>In a Free Trade Agreement with EU</th>
<th>No Deal</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Restricted goods [e.g. hazardous waste]</td>
<td>• Agricultural produce [subject to tariffs]</td>
<td>• All goods not covered by the CU [e.g. specific goods; those from other 3rd party countries]</td>
<td>• All goods not covered by FTA</td>
<td>• Conformity Assessment Procedure on all products prior to access to EU market</td>
</tr>
<tr>
<td></td>
<td>Prohibited goods [e.g. Class A drugs]</td>
<td>• All 3rd party country goods [quotas, tariffs]</td>
<td>• Agricultural produce [unless negotiated]</td>
<td>• All 3rd country goods</td>
<td>• Potential for customs controls (tariffs &amp; quotas) for all goods crossing the border</td>
</tr>
<tr>
<td></td>
<td>Excise goods [e.g. alcohol; these transit in duty-suspension under EU EMCS]</td>
<td>• Rules of Origin [for how much EEA, how much 3rd country]</td>
<td>• Regulatory compliance [exc., for example, areas addressed by MRAs]</td>
<td>• Agricultural produce [unless negotiated]</td>
<td>• Permits required for transport services</td>
</tr>
<tr>
<td></td>
<td>Goods identified through the shared Customs Risk Management Framework [e.g. counterfeit medicine]</td>
<td>• Restricted goods [expands outside EU membership]</td>
<td>• Transport services [unless negotiated]</td>
<td>• Rules of Origin</td>
<td>• VAT paid on import</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Excise goods [outside Excise Movement and Control system]</td>
<td>• Transport services [unless negotiated]</td>
<td>• VAT paid on import [unless negotiated]</td>
<td>• Certain agricultural goods must enter through designated, specialised Border Inspection Posts</td>
</tr>
</tbody>
</table>

- **Example:** Norway-Sweden
- **Example:** Turkey-Bulgaria
- **Example:** Canada

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Customs controls require the importer/exporter to have...

- Knowledge of the relevant rules on both sides
- Capacity and resources for compliance with rules in both production and transport [e.g. meeting standards, paying duties]
- The means of proving goods are properly classified (e.g. eligible for preferential tariff rate) and demonstrating compliance [e.g. as a 3rd country, the baseline is all UK exporters to EU would need to complete & submit both a Single Administrative Document & an Entry Summary Declaration for every declaration, plus additional documentation required for highly regulated goods, transport permits, insurance certificates]
- Time allowed for in transit for possibility of delays/checks
- Sufficient profit margin to be able to incorporate costs associated with crossing the customs border
- To ensure export/import enters at customs-approved border crossing point or via Inland Clearance Depot if subject to customs controls
- To pay VAT up front on crossing the border

The customs agency on each side must have at least the means of...

- Enabling advance declarations of goods crossing
- A system to allow for advanced, intelligent risk management
- Registering details of each border crossing of declared/cleared goods
- Communicating with destination country, the freight forwarded/hauler, and/or importer/exporter
- Granting approval for movement and production of necessary documentation (inc. in e-form)
- Checking correct documentation is held as border is crossed (can be electronic) and that it relates to the goods carried
- For goods in transit, checking the seal is intact & recording movement
- Physically checking that the consignment matches the declaration (based on risk assessment)
- Checking agricultural produce at specialised Border Inspection Posts
- Involving relevant agencies in assessing fitness to exit/enter (e.g. vets)
- Detaining cargo until duties/VAT paid, with the potential of seizing it
- Communicating, coordinating action with agencies on other side
- Testing standards of goods

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‘Smart’ border technology

What it can do

• Reduce time and paperwork required for customs declarations.
• Reduce time taken to receive clearance for entry into different customs zone.
• Make risk management more efficient and comprehensive.
• Keeps data on when a registered vehicle passes a Border Crossing Point.
• In some limited cases in specific conditions, reduce time taken to scan a consignment.
• Enable link up with other systems and sources of data.

What it requires

• Pre-registration of operators and commercial travellers.
• Full customs declarations to be made; full data disclosed by all relevant parties.
• Efficient operating software for submitting and receiving declarations.
• Physical hardware at the border crossing to match the vehicle to the declaration/permit. Ideally more than one means of verification [e.g. ANPR, e-tag, mobile phone ID].
• Built infrastructure at Border Crossing Points OR Inland Clearance Depots with capacity for inspecting freight [e.g. offices, HGV parking, refrigerated warehouses].
• The capacity to follow-up on alerts about high-risk goods or false declarations and catch non-declarations.
• Sufficient time for development and roll-out.
• Full training of officers, support staff, operators.
• Border surveillance at ‘approved’ and ‘unapproved’ crossings.
• ‘Single window’ facilities for multiple agencies [e.g. police, veterinary] & Border Inspection Posts for certain agricultural goods.
• Technical agreement between customs forces.
<table>
<thead>
<tr>
<th>UK/EU BORDER SCENARIOS</th>
<th>NI/GB border</th>
<th>NI/ROI border</th>
<th>GB/EU borders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UK in a Customs Union with the EU</strong></td>
<td>No change.</td>
<td>Regulatory divergence a barrier to trade. Movement of services, workers subject to negotiation. Barriers to continuing shared provision, cooperation in certain areas (e.g. energy, agriculture, transport).</td>
<td>Regulatory divergence a barrier to trade. Movement of services, workers subject to negotiation. Difficulty for cooperation in certain areas.</td>
</tr>
<tr>
<td><strong>UK/EU FTA (Scenario 1 of UK/EU Joint Report)</strong></td>
<td>Minimal change.</td>
<td>All the above PLUS customs controls (i.e. Rules of Origin checks; tariffs, quotas on 3rd country goods; VAT due at point of import).</td>
<td>All the above PLUS Customs controls [see column to left].</td>
</tr>
<tr>
<td><strong>UK/EU FTA with specific arrangements for NI (Scenario 2, to be proposed by UK)</strong></td>
<td>Some divergence in regulatory areas essential to North/South [N/S] cooperation but this need not mean new regulatory barriers, nor affect movement of goods, services.</td>
<td>Depends on scope of the FTA. [Any stretch to minimise need for customs controls &amp; maintain FOM here would have implications for GB/NI border]. Space for flexibility for sectors key to N/S cooperation, need not affect east/west.</td>
<td>As above.</td>
</tr>
<tr>
<td><strong>Full alignment of all-UK with rules of SM and CU (Scenario 3, expansive view)</strong></td>
<td>Minimal change.</td>
<td>Minimal change (no customs border, effective continuation of SM).</td>
<td>Minimal change (although would have to negotiate agricultural produce &amp; agree application of Common External Tariff).</td>
</tr>
<tr>
<td><strong>NI/IRL protocol of draft Withdrawal Agreement (‘Backstop’; narrow view of Scenario 3, i.e. of ‘those rules which, now or in the future, support North-South cooperation, the all-island economy &amp; the protection of the 1998 Agreement’)</strong></td>
<td>No new regulatory barriers. Detail depends on UK/EU FTA (the more ambitious the FTA, the less friction in this border). A customs border would mean Rules of Origin checks needed on goods entering NI from GB.</td>
<td>No customs barrier to movement. Free movement of NI- and EU-origin goods. Continued cross-border service provision and cooperation in specific areas. No automatic free movement of services, workers.</td>
<td>Depends on the scope of UK/EU FTA but there will be customs controls for 3rd party country goods.</td>
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