



December 18, 2020

## BREXIT IMPACT UPDATE

### Summary – What's changing?

The UK left the EU on 31 January 2020. Under the terms of UK-EU Withdrawal Agreement the UK entered into a Transition Period until 31 December 2020 whereby the UK essentially remains within the EU Customs Union and subject to EU customs legislation. From January 1 2021, there will be a customs border between the EU and Great Britain (“GB”) and goods including horses will be subject to custom duty and VAT obligations.

From January 1, horses will no longer be able to move freely between Ireland and Britain, and through Britain. There will be extra certification needed to move horses and these movements will take place through a Border Inspection Post at which, at a minimum, there will be documentary checks.

Officials from the Department of Agriculture, Food and the Marine (DAFM) will be hoping to do these electronically to ensure physical inspections will be rare.

In essence, this will inevitably mean extra cost to your business through increased veterinary costs for certifications, and the engaging of logistics companies to handle the international travel and Customs requirements.

If you plan to move horses for racing, sales, or breeding purposes, you should be registered with DAFM and Revenue. You should also be in communication with your private veterinary practitioner in relation to the extra certification that will be required, and you will also need to understand who will carry out the various roles in the transporting of your horses and the Customs duties that will be attached to it.

You need to engage now with your private vet to advise them you will require increased veterinary services in 2021 for horses moving to Great Britain. Those horses will require an export health certificate and your private vet will need to examine the horse before issuing that supplementary veterinary certificate which you will then present to the Department of Agriculture, Food and the Marine, who will issue a final export health certificate.

You need to contact your local Regional Veterinary Office, giving a minimum notice of five working days. Currently DAFM operate a minimum working notice of three working days for certificates to mainland Europe but because of the increase in volume anticipated, the request has been made for operators to give a minimum notice of five working days. You must submit to your Regional Veterinary Office the vet cert signed by the private vet and DAFM's RVO will be responsible for the signed and stamped certificate.

In addition you are required to give advance notice to Great Britain on their new import system, IPAFFS, which is a replacement for TRACES. It is important to note that you must have a UK-based agent to submit this notification because EU-based operators will not be able to register for this system.

This notification must be submitted a minimum 24 hours before your horse arrives in GB and within 30 days of arrival. Do this as soon as possible before each movement because that process will assign you the unique notification number that must be included in the export health certificate from Ireland, and you will need that number when you contact your local RVO.

The outcome of the negotiations on the future relationship between the UK and the EU will primarily determine whether import duties will be payable on horses/goods moving to Ireland and other EU countries from Britain and horses moving to Britain from EU countries.

Customs duty consideration will be a significant issue that will generate additional administrative requirements and potential costs that previously have not applied to the movement of horses to and from the UK. These matters should be considered in advance of the movement of a horse cross border. The customs duty and VAT implications are very much dependent on the specific facts of a transaction so for certainty on the treatment of any specific transaction we recommend that advice would be obtained in advance of the transaction.

There is also potentially significant issues which transporters should consider. If no agreement is reached, to transport equine animals to GB, a transporter will need to apply for a UK-issued Transporter Authorisation, a Certificate of Competence, and a Vehicle Approval Certificate. The relevant website links are all below in the Resources section. GB, including Northern Ireland, will not accept EU-issued versions of these documents.

## Export of horses from EU to GB

At the end of the Transition Period, on December 31, 2020, the current Tripartite Agreement between Ireland, France and UK will cease.

Northern Ireland will operate separately from the rest of GB and movement to and from there will be on the basis of EU rules.

DAFM is currently drafting a Bipartite Agreement, for consideration by Northern Ireland, to enable free movement of all horses on the island of Ireland. DAFM is also currently drafting a Bipartite Agreement, for consideration by France, to enable movement of high health status horses accompanied by DOCOM. This is at an advanced stage. The UK Government has indicated that a DOCOM will be accepted for transit movements.

The UK Government is due to issue details of the certification required to export equine animals from EU to GB.

As per current EC TRACES certification process, private veterinary practitioners will be required to examine horses prior to movement, and provide supporting certification to enable DAFM issue final export certificate.

Equine operators should advise their private veterinary practitioners that certification and inspection of animals will be needed for all equine exports to GB from January 1, 2021.

Details of DAFM certification procedures will be finalised when we receive certificate details from UK Government which are due to issue shortly.

Equine live animal exports to GB must be notified to UK Government import system a minimum of 24 hours, and up to 30 days, in advance of import. This system is known as IPAFFS - Import of Products, Animals, Food and Feed System.

The most recent update from UK Government indicates that registration for IPAFFS is not available to EU-based operators – a UK agent will be required.

Regardless of whether a deal is agreed between the UK and EU, from 1 January 2021 GB will no longer be a part of the EU customs territory and Single Market and as such, will be classed as a ‘third country’ for customs purposes.

When goods are moved between the EU and a third country, EU customs legislation requires that customs formalities are completed in the form of a customs declaration made to the countries of export and import.

**Customs implications are as follows:**

<b>Movement</b>	<b>Customs Implications</b>	<b>VAT Implications</b>
Horses sent from Ireland to GB for breeding – temporary movement returned within 24 months	<ul style="list-style-type: none"> <li>▪ Pre-boarding notification (PBN) to Revenue and either:               <ol style="list-style-type: none"> <li>1. Use of Temporary Admission in GB and use of Returned Goods relief in Ireland</li> <li>2. Use of ATA Carnet and deposit / bank guarantee</li> </ol> </li> </ul>	The temporary movement of the horse should not be liable to Irish or UK VAT.
Horses sent from Ireland to GB for racing – temporary movement returned within 24 months	<ul style="list-style-type: none"> <li>▪ Pre-boarding notification (PBN) to Revenue and either:               <ol style="list-style-type: none"> <li>1. Use of Temporary Admission in GB and use of Returned Goods relief in Ireland</li> <li>2. Use of ATA Carnet and deposit / bank guarantee</li> </ol> </li> </ul>	The temporary movement of the horse should not be liable to Irish or UK VAT.
Sale of horses from Ireland to GB – permanent movement	<ul style="list-style-type: none"> <li>▪ Pre-boarding notification (PBN) to Revenue</li> <li>▪ Export declaration in Ireland</li> <li>▪ Import declaration in GB</li> <li>▪ Tariffs for pure-bred horses in GB (not geldings) – 0%</li> </ul>	There should be no VAT payable by the vendor on the sale of a horse that moves from Ireland to the UK. UK VAT would be payable on the importation of the horse into the UK.

**Note: Further detail on the ATA Carnet and some FAQ on the Carnet system is in the Resource section.**

## Horse Imports from GB to Ireland

Horses moving from GB to Ireland will be permitted to enter Ireland if UK is listed by EU Commission in the relevant legislation as a Third Country permitted to export equines to the EU.

If listed, requirements for moving equines from GB to Ireland will depend on the sanitary group (health status category) in which the EU lists the UK.

It is likely that, if listed, UK will be listed in Sanitary Group A, although this will only be confirmed closer to December 31, 2020.

Operators must register with DAFM in order to access the Imports portal to submit documentation for consignments being imported from a non-EU country, in this case GB.

When you register as Importer or Exporter with DAFM, TRACES registration will be initiated.

From January 1, 2021, horse travelling from GB must enter Ireland via a Border Control Post located in one of the following locations: Dublin Airport, Shannon Airport, Dublin Port or Rosslare Port.

GB-based operators will require an EU-based agent to notify the Border Control Post via TRACES, in advance of import.

From January 1, 2021, operators will use new Traces platform, TRACES NT, to pre-notify the Border Control Post (BCP) in Ireland by generating Common Health Entry Document (CHED).

DAFM has contacted users registered in current TRACES system re. sign up to TRACES NT, but equine operators using TRACES who wish to confirm if registered on TRACES NT should contact: [LiveAnimalandProductImp@agriculture.gov.ie](mailto:LiveAnimalandProductImp@agriculture.gov.ie). CHED-A to be submitted a minimum of 24 hours in advance of arrival in Ireland.

### **Customs requirements are summarised below:**

<b><u>Movement</u></b>	<b><u>Customs Implications</u></b>	<b><u>VAT Implications</u></b>
Horses sent from GB to Ireland for breeding – temporary movement return within 24 months	<ul style="list-style-type: none"><li>▪ Pre-boarding notification (PBN) to Revenue and either:<ol style="list-style-type: none"><li>1. Use of Temporary Admission in Ireland and use of Returned Goods relief in UK</li></ol></li></ul>	The temporary movement of the horse should not be liable to Irish or UK VAT.

	2. Use of ATA Carnet with deposit / bank guarantee	
Horses sent from GB to Ireland for racing – temporary movement return within 24 months	<ul style="list-style-type: none"> <li>▪ Pre-boarding notification (PBN) to Revenue and either: <ol style="list-style-type: none"> <li>1. Use of Temporary Admission in Ireland and use of Returned Goods relief in UK</li> <li>2. Use of ATA Carnet with deposit / bank guarantee</li> </ol> </li> </ul>	The temporary movement of the horse should not be liable to Irish or UK VAT.
Sale of horses from GB to Ireland – permanent movement	<ul style="list-style-type: none"> <li>▪ Pre-boarding notification (PBN) to Revenue</li> <li>▪ Safety and security declaration (ENS)</li> <li>▪ Export declaration in GB</li> <li>▪ Import declaration in Ireland (pre-lodged)</li> <li>▪ Tariffs for pure-bred horses in Ireland (not geldings) – 0%</li> </ul>	<p>No UK VAT should be chargeable on the purchase of the horse.</p> <p>Irish VAT will be payable on the import of the horse into Ireland at the 13.5% rate or 4.8% if the purchaser is a farmer</p>

## Landbridge Movements

A comprehensive update from the Irish Government on landbridge movements can be found at: <https://www.gov.ie/en/publication/dc456-using-the-uk-landbridge-1/>

This publication includes Transit Procedures - Customs & Notification Procedures.

These procedures cover all goods (not equine-specific), and we await clarification from UK Government re. management of equine animal transit movements.

You will find links embedded in the publication, including details of key operations (e.g. Customs Transit Procedure/Financial Guarantee/EU ports - Calais/Rotterdam/Zeebrugge/Dover/Holyhead), and the UK Government Border Operating Model.

Horse Racing Ireland has welcomed the confirmation from our colleagues at the Department of Agriculture Food and the Marine colleagues that a bipartite agreement between Ireland and France is at an advanced stage and in tandem with this, authorities in Britain have agreed to accept DOCOMs for movement of animals across the British land bridge.

This means that from January 1 it looks likely horses will be able to use a DOCOM to move to France – both directly and through the land bridge, which is very welcome and timely news. Furthermore, operators will not be required to separately notify the UK import system and, in order to safeguard animal welfare, Irish operators will not be required to seal vehicles for export of horses to and through Britain. UK Government officials have announced plans for a stopover facility in Britain.

There are a number of other key points worth noting.

Operators must be Customs-compliant for movement to, and through, GB. Compliance includes registration with Revenue for an IE Economic Operator Registration and Identification (EORI) number and financial guarantee must be in place for transit movements, to underpin customs duties that may arise.

This financial guarantee may be called upon in the event that goods do not arrive at destination or if the transit movement not completed on EU Transit System (NCTS).

The publication also details new transit procedures from January 1 2021. Depending on model used by operators to manage transit (e.g. in-house or via a customs agent), there is flexibility as to who completes each step. Those involved in transit chain (e.g. traders, transporters, customs agents, hauliers) must agree in advance who is responsible for each step, to avoid delays, including not being given permission to enter Ports or board ships.

To access UK Customs systems, a GB EORI is required. A link to the relevant UK Government website is below in Resources, and operators should note that applications take up to five days to process.

**Customs requirements using the landbridge from Ireland to the EU are as follows:**

Movement	Customs implications	VAT implications
Horses from Ireland to the EU via GB for breeding – temporary movement return within 24 months	<ul style="list-style-type: none"> <li>▪ Pre-boarding notification (PBN) to Revenue and either:               <ol style="list-style-type: none"> <li>1. Use of Transit procedure – guarantee required</li> <li>2. Customs declarations at each border crossing                   <ul style="list-style-type: none"> <li>○ Ireland – GB</li> <li>○ GB – EU</li> <li>○ EU – GB</li> <li>○ GB – Ireland</li> </ul> </li> </ol> </li> </ul>	The temporary movement of the horse should not be liable to Irish, UK or EU VAT.
Horses sent from Ireland to the EU via GB for racing – temporary movement return within 24 months	<ul style="list-style-type: none"> <li>▪ Pre-boarding notification (PBN) to Revenue and either:               <ol style="list-style-type: none"> <li>1. Use of Transit procedure – guarantee required</li> <li>2. Customs declarations at each border crossing                   <ul style="list-style-type: none"> <li>○ Ireland – GB</li> <li>○ GB – EU</li> <li>○ EU – GB</li> <li>○ GB - Ireland</li> </ul> </li> </ol> </li> </ul>	The temporary movement of the horse should not be liable to Irish, UK or EU VAT.

Sale of horses from Ireland to EU – shipped via GB – permanent movement	<ul style="list-style-type: none"> <li>▪ Pre-boarding notification (PBN) to Revenue and either:             <ol style="list-style-type: none"> <li>1. Use of Transit procedure</li> <li>2. Customs declarations at each border crossing                 <ul style="list-style-type: none"> <li>○ Ireland – GB</li> <li>○ GB – EU</li> </ul> </li> </ol> </li> </ul>	The sale of a horse by a VAT registered person in the course of a business, which would not include racing, would be liable to Irish VAT. The 0% rate should apply where the customer is VAT registered
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Horses sent from the EU to Ireland via GB for racing – temporary movement return within 24 months	<ul style="list-style-type: none"> <li>▪ Pre-boarding notification (PBN) to Revenue and either             <ol style="list-style-type: none"> <li>1. Use of Transit procedure – guarantee required</li> <li>2. Customs declarations at each border crossing                 <ul style="list-style-type: none"> <li>○ EU – GB</li> <li>○ GB – Ireland</li> <li>○ Ireland – GB</li> <li>○ GB – EU</li> </ul> </li> </ol> </li> </ul>	No Irish, UK or EU VAT including import VAT should be payable on the temporary movement of the horse.
Sale of horses from the EU to Ireland – shipped via GB – permanent movement	<ul style="list-style-type: none"> <li>▪ Pre-boarding notification (PBN) to Revenue and either:             <ol style="list-style-type: none"> <li>1. Use of transit procedure – guarantee required</li> <li>2. Customs declarations at each border crossing                 <ul style="list-style-type: none"> <li>○ EU – GB</li> <li>○ GB – Ireland</li> </ul> </li> </ol> </li> </ul>	As the sale is between two EU countries ordinary VAT rules apply.

## Transporter Authorisation – Horse Transport between Ireland and GB

The UK Government current position re. transport from EU to GB remains as per details published by DAFM in the September Brexit Notice on equines.

To transport equine animals to GB, transporter will need to apply for UK-issued: Transporter Authorisation, issued by UK Animal and Plant Health Association (APHA); a Certificate of Competence (DEFRA list organisations that assess and award certificates); and a Vehicle Approval Certificate, issued by DEFRA. GB will not accept EU-issued versions of these documents though EU versions will be accepted in NI.

To obtain Transporter Authorisation issued in GB applicants must be established (e.g. living in GB) or represented in GB by a GB-based agent, transporter, business or individual.

Operators will need to bring vehicles to GB to be inspected. However, due to EU regulations, EU-based transporters will have to wait until after December 31, 2020 to apply for GB Transporter Authorisation/Vehicle Approval.

It's a similar situation for transporters from the GB to EU. As per current UK Government advice, UK-issued Transporter Authorisation, Certificate of Competence and Vehicle Approval Certificate will not be valid in EU after December 31, 2020.

Transporters will need to submit applications to, and be represented in, EU Member State. UK-based transporters should seek legal advice and contact the Member State to which they intend exporting equine animals, to determine requirements. Vehicles may need to be brought to the Member State for inspection. Due to EU regulations, UK-based transporters will have to wait until after December 31<sup>st</sup>, 2020 to apply for EU Transporter Authorisation/Vehicle Approval. Transporters are advised to seek legal advice re. whether setting up a separate corporate in a Member State would enable earlier Authorisation.

## RESOURCES

### **TRACES system**

[TRACES home page](#) or email [BrexitRegistration@agriculture.gov.ie](mailto:BrexitRegistration@agriculture.gov.ie) for assistance.

### **Irish Government advice on movement between Ireland and the UK (Sep 2020)**

<https://www.gov.ie/en/publication/f8290-movement-of-equines-between-ireland-and-the-uk-after-the-transition-period-ends/>

### **Details of export certification process for exporting live animals from GB to EU**

<https://www.gov.uk/guidance/get-an-export-health-certificate>

This site includes information re. Official Veterinarians authorised to provide export certification.

### **UK Government advice on import of equine animals from EU to GB from January 1, 2021**

<https://www.gov.uk/guidance/import-horses-and-ponies-from-1-january-2021>

This UK guidance includes information on IPAFFS registration, equine identification, pre-import requirements, customs declarations and animal transport.

### **UK Government guidance on exports from GB to EU from January 1, 2021**

<https://www.gov.uk/guidance/exporting-animals-and-animal-products-to-the-eu-from-1-january-2021>

Department of Agriculture, Food and the Marine (DAFM) Brexit webinars on importing live animals

[Imports Portal](#)

Department of Agriculture, Food and the Marine (DAFM) guidelines on registering for imports and exports and trading in animals

<https://www.revenue.ie/en/customs-traders-and-agents/customs-electronic-systems/ncts.aspx>

Getting an EORI number in UK

Link: <https://www.gov.uk/eori>

Using the UK landbridge

<https://www.gov.ie/en/publication/dc456-using-the-uk-landbridge-1/>.

UK Government contact for further queries on transport authorisation

[CITCarlisle@apha.gov.uk](mailto:CITCarlisle@apha.gov.uk)

Irish Government contact for further queries on transport authorisation

[animalwelfaretransport@agriculture.gov.ie](mailto:animalwelfaretransport@agriculture.gov.ie)

## ATA Carnet

An ATA Carnet is a document used for temporary importation and exportation of certain goods. The use of the ATA carnet is limited to importations of:

- Professional equipment
- Goods for display or use at an exhibition, fairs or meetings
- Commercial samples

Horses can be imported and exported under an ATA carnet document. This would remove the requirement to complete import or export customs declarations and pay any applicable duty and VAT on temporary movements of horses. An ATA carnet is issued by Dublin Chamber of Commerce and is valid for 1 year.

### ATA CARNET FEES AND SECURITY DEPOSIT

There is a fee for obtaining an ATA Carnet in Ireland which ranges from €147.60 - €393.60 depending on whether the applicant is a Member of the Chamber and the service required:

#### Member Fees

2-3 day service	€120.00 + VAT = €147.60
Next working day	€180.00 + VAT = €221.40
Same day service	€240.00 + VAT = €295.20

#### **Non-Member Fees**

2-3 day service	€200.00 + VAT = €246.00
Next working day	€260.00 + VAT = €319.80
Same day service	€320.00 + VAT = €393.60

A security deposit or bank guarantee is required for an ATA Carnet. The deposit depends on the type of goods and the country or countries to which the goods are moving. The deposit is refundable when the carnet is returned to Dublin Chamber properly stamped.

#### **RESPONSIBILITIES OF THE ATA CARNET HOLDER**

The ATA Carnet Holder is required to produce the carnet at any relevant customs point in order to get the Carnet stamped on entry into and exit from a destined country.

It should be noted that duties and taxes may be demanded on the goods being imported into a country if the Carnet is not stamped correctly by customs.

The customs authorities have ONE YEAR after the expiry of the Carnet to raise a query and in turn to demand payment of duties if the carnet has not been stamped.

These payments are the responsibility of the Carnet Holder.

Deposits and guarantees are held by Dublin Chamber of Commerce until the carnet is returned correctly stamped and are then returned on request.

Carnet deposits not claimed by the holder after 3 years from the expiry of carnet will cease to be refundable

#### **SPLITTING OF CONSIGNMENTS**

If horses are covered under an ATA Carnet, you do not have to import or export them in one consignment.

A separate importation voucher must be completed for each consignment imported.

Similarly, each time all or part of an import consignment is re-exported, a re-exportation voucher must be completed. This re-exportation voucher should cross reference to the relative import counterfoil number.

When only some of the items listed on the relative import counterfoil are being re-exported, you must indicate when or if the remaining goods will be re-exported.

## CUSTOMS PROCEDURES

The following procedures are required when importing or exporting horses into or out of Ireland using an ATA Carnet.

### PROCEDURE AT IMPORTATION

The importer should complete the itemised lists on the reverse of the importation voucher. The horse(s) which are being imported should be clearly shown. The importer must present the horses to Revenue for examination and clearance.

### PROCEDURE AT RE-EXPORTATION

The Carnet holder must declare details of the goods being exported on the reverse of the re-exportation voucher.

The same identifying number should be shown as the importation voucher on which they were imported. The goods and Carnet must be presented to Revenue for examination and clearance.

The appropriate import charges must be paid immediately on demand if:

- the imported goods are not re-exported within the specified time and in the correct manner  
**OR**
- the goods are used in Ireland for a purpose other than that authorised

## RELEVANT QUESTIONS:

**Q: Is there a limit to the number of horses that are shown on an ATA Carnet?**

**A:** *No, there is no limit on the number of horses that can be shown on an ATA Carnet however you should consider how the Carnet is going to be used.*

*For example, if you move 2 horses together on the same Carnet and one horse returns, the Carnet is required to move with the horse that is returning.*

*If the second horse subsequently returns, the Carnet would have to be sent back to GB in order to be moved with the second horse*

**Q: Do all the horses on the ATA Carnet have to have the same owner?**

**A:** *No, ownership is not relevant for the purposes of issuing a Carnet.*

**Q: How will the horses be identified on the ATA Carnet?**

**A:** *The ATA Carnet will be completed with an itemised list of all the horses covered under the ATA Carnet. The horses will be identified by means of a description and the passport number*

**Q: Who stamps the carnet and where does this take place in Ireland?**

*A: The Carnet is stamped by Revenue at Dublin port. In order to avoid delays at the port, it may be possible for Revenue to stamp the ATA Carnet at the stables however this would need to be agreed in advance.*

*In GB, there is currently no facility at Holyhead for the stamping of ATA Carnets. The proposed site for stamping of ATA Carnets is Warrington however this has not yet been confirmed.*

**Q: Is there a limit to the number of movements under the ATA Carnet in the one year period?**

*A: The ATA Carnet is issued with 10 vouchers and when these are used up, you can apply for more.*

**Q: What does the security deposit or bank guarantee cover – how the guarantee limit determined?**

*A: The security is required to cover the potential duty and VAT on the horses should they not return to Ireland.*