



ACTION PLAN

# Bord Bia's **Brexit** **Barometer**

June 2019

*Bord Bia*  
Irish Food Board



GETTING  
IRELAND  
BREXIT  
READY



Rialtas na hÉireann  
Government of Ireland

2009  
BRE  
EXIT





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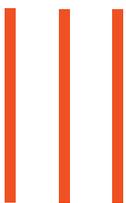
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Bord Bia's 2019 Brexit Barometer has played a vital role in enabling Irish food and drinks manufacturers to identify, assess and prepare for the challenges that Brexit has created. The Brexit Barometer consists of a risk diagnostic tool that focuses on six key risk areas related to Brexit: customer relationships, supply chain, customs and controls, financial resilience, market diversification and emerging risks. In addition to helping companies measure their exposure and preparedness, the Brexit Barometer outlines the support services that Bord Bia has created in response to the findings within the report.

This Action Plan provides practical information that Irish food and drink manufacturers can utilise in order to prepare for increased complexity in UK trade, and therefore mitigate the risks posed by Brexit. Bord Bia's support services, along with other State supports, can be found listed at the end of each section of this Action Plan. Each section of this Action Plan includes 'how to guidelines' accompanied by a check list to help guide companies through potential next steps and actions to consider.

# Summary Actions Table



The chart below highlights key actions that Irish food and drink manufacturers should consider. The Action Plan will cover each of these in detail.



### Customer Relationships

- Identify key customers
- Assess how Brexit developments may impact your business and ability to supply your customer
- Review customer contracts
- Schedule regular meetings with customers to discuss Brexit
- Understand and respond to customers' Brexit concerns
- Develop a Commercial marketing strategy for the UK market
- Understand your market position
- Assign a UK focused sales & marketing team
- Explore growth opportunities



### Supply Chain

- Map your supply chain
- Examine preparedness of logistics partners
- Manage use of the UK landbridge
- Consider groupage implications
- Examine supply chain costs
- Understand customer supply chain needs
- Consider the viability of stockholding
- Test business resilience regularly
- Conduct traceability deep dives
- Implement Strategic Purchasing
- Manage shelf life and lead times
- Create a business continuity management plan



### Customs & Controls

- Review possible changes to customs and tariff rules
- Apply for EU & UK EORI numbers
- Identify tariff classification codes for products
- Review financial and operational impact of customs and duties
- Assess whether supply chain partners are registered under the Trusted Trader/Authorised Economic Operator Scheme
- Decide on a Customs Agent or In-House Customs Management
- Apply for Comprehensive Guarantee and Special Procedures
- Identify Exposure to SPS Controls
- Register with Department of Agriculture, Food and the Marine
- Obtain a Health Certificate for export to non-EU countries



### Financial Resilience

- Understand the impact of currency exposures
- Mitigate currency exposure
- Consider hedging to protect against currency volatility
- Reduce business costs



### Market Diversification

- Expand knowledge of market growth opportunities
- Establish a market diversification strategy
- Identify markets for expansion
- Localise your product range
- Activate your market diversification strategy



### Emerging Risks

- Identify emerging risks
- Monitor effectiveness of preventative controls
- Escalate significant risks if necessary



# Customer Relationships

The following section focuses on key actions to help food and drinks manufacturers strengthen their customer relationships and unlock new growth opportunities. It provides useful guidance on developing commercial marketing strategies and understanding market position.

**Understanding and responding to customers' Brexit concerns**

In the Barometer, 85% of respondents informed us that Brexit is likely to have a medium to high impact on their business. In order to manage their way through this uncertain period, 72% of respondents stated that they have a Brexit champion or team in place within the business.

Staying informed on your customer's position and concerns in regards to Brexit should remain a key priority for Irish food and drink manufacturers. Initiating informed discussions with your customers will help clarify whether or how they are addressing Brexit related challenges. It is important to gain

insight into their contingency planning and to understand what role they expect their suppliers to play in formulating solutions to these challenges.

Effective commercial relationships can be maintained and strengthened by keeping close to customer during this Brexit journey. It is important that suppliers remain agile, so that they can respond to emerging developments when there is an opportunity to demonstrate forward planning and thought leadership on key strategic issues.

If customers indicate that Brexit is not something they wish to discuss, suppliers can instead focus on other priorities in regards to account management.

**The following steps can help guide Irish food and drinks manufacturers through Brexit related discussions and assist in managing customer relationships:**



Present a proactive and forward-thinking perspective to customers on how Brexit may impact your business and theirs. Issues of interest to UK customers as indicated from the Barometer include supply chain logistics, currency risks and customs compliance.



Initiate regular conversations with key customers to discuss any changes in requirements, as well as any opportunities that may have arisen. It is recommended these conversations are held on a monthly basis at a minimum where possible.



Discuss opportunities to work together on specific Brexit challenges e.g. sharing Brexit insights from Bord Bia and Irish Government resources, as well as sharing logistic insights.



Ensure you are engaging not only with the buyers of your key accounts, but also with assigned Brexit leads, Supply Chain managers and Technical and Product Development teams. Many UK retailers have supply chain portals to manage and measure suppliers' service levels and they actively encourage their suppliers to use them.



Ensure that any product and innovation strategy is informed by robust consumer insight. Bord Bia's Thinking House can assist with this.



Keep informed of UK market developments and consider the impact they may have on your business and your customers. Bord Bia's GB team offers Market Intelligence services for both the Retail and Foodservice channels, supporting members with daily, weekly and monthly updates and insights on market movements.



**Determining costs and risk.**

Where contracts are currently in place, it is vital to review these with your key customers in order to determine the terms of trade or Incoterm, which dictates the division of cost and risk between parties. Deliver Duty Paid (DDP) is a commonly used incoterm. This places the maximum obligation on the

seller and is the only Incoterm that requires the seller to take responsibility for import clearance and payment of taxes and/or import duty (tariff). The image below outlines the various terms of trade along the supply chain.

INCOTERM		EXPORT CUSTOM CLEARANCE	LOADING ON TRUCK	CARRIAGE TO PORT OF EXPORT	OFF TRUCK CHARGES AT PORT OF EXPORT	LOADING CHARGES AT PORT OF EXPORT
INCORPORATING						
Ex Work	EXW	BUYER	BUYER	BUYER	BUYER	BUYER
Ready to Leave	RTL	SELLER	SELLER	BUYER	BUYER	BUYER
Free Carrier	FCA	SELLER	SELLER	SELLER	BUYER	BUYER
Free Alongside Ship	FAS	SELLER	SELLER	SELLER	SELLER	BUYER
Free Onboard Vessel	FOB	SELLER	SELLER	SELLER	SELLER	SELLER
Cost & Freight	CFR	SELLER	SELLER	SELLER	SELLER	SELLER
Cost Insurance & Freight	CIF	SELLER	SELLER	SELLER	SELLER	SELLER
Delivered at Terminal	DAT	SELLER	SELLER	SELLER	SELLER	SELLER
Delivered at Place	DAP	SELLER	SELLER	SELLER	SELLER	SELLER
Carriage Paid to	CPT	SELLER	SELLER	SELLER	SELLER	SELLER
Carriage Insurance Paid to	CIP	SELLER	SELLER	SELLER	SELLER	SELLER
Delivered VAT Unpaid	DVU	SELLER	SELLER	SELLER	SELLER	SELLER
Delivered Duty Paid	DDP	SELLER	SELLER	SELLER	SELLER	SELLER

Source: Robert Hardy, 2019. [www.mybrexit.uk](http://www.mybrexit.uk)

FREIGHT TO PORT OF IMPORT	UNLOADING CHARGES AT PORT OF IMPORT	ON TRUCK CHARGES AT PORT OF IMPORT	CARRIAGE TO NAMED PLACE	INSURANCE	IMPORT CLEARANCE	IMPORT DUTIES	IMPORT VAT
							
BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER
BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER
BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER
BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER
BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER
BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER
SELLER	BUYER	BUYER	BUYER	SELLER	BUYER	BUYER	BUYER
SELLER	SELLER	BUYER	BUYER	SELLER	BUYER	BUYER	BUYER
SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER
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SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER
SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER

The following steps can help you through cost and risk:



Understand and identify incoterms.



Review your commercial contracts and consider the inclusion of Incoterms as a means of ensuring agreement on costs and obligations with your customers.



Regularly conduct financial scenario testing, e.g. what would happen if your business lost a key customer or account?

**Developing a commercial marketing strategy for the UK market**

In the Brexit Barometer, 45% of businesses have stated they do not have a commercial marketing strategy specifically developed or tailored to the UK Market. Establishing a commercial marketing strategy should always be the first step a business takes when considering entering a market

for the first time or when looking to grow business within an existing market. Understanding where the business is now and where it wants to get to is the foundation for all of the decisions and plans the business will need to make in order to successfully implement a commercial marketing strategy.



There are five key questions a business should ask in the development of their commercial marketing strategy:

**1. Where do I want to be?**

The starting point is to define and articulate a clear vision for the future – this requires being clear about the reason the business exists (it's purpose) and stating long term business goals (objectives).

**2. Where is my market heading?**

To stay ahead of the competition you need to look to the future and anticipate the implications of major trends across the marketplace and how you can leverage these.

**3. Where should I focus?**

This is about making choices about which category, customer segment, channel and country to prioritise.

**4. What is my value proposition?**

Determine what you want your business to stand for with consumers/customers and what value it will bring to your audience.

**5. How will I unlock my opportunities?**

Determine what levers you will pull to overcome the main barriers and unlock the priority opportunities for success.

Once a business has developed and validated their commercial marketing strategy, it is time to move into the commercial marketing planning and implementation phase.

This is where a business will make decisions about what to do within their target market and with their key customers in that market.

**There are three stages to developing a meaningful customer relationship plan:**



1. CREATE AN ANNUAL CUSTOMER ENGAGEMENT PLAN



2. DEVELOP A CUSTOMER CONTACT PLAN



3. DESIGN & DELIVER AN ANNUAL CUSTOMER COMMERCIAL PLAN

Investing in the skills to create and execute an effective marketing strategy will enhance your business and help ensure its continued success in the future. Developing and

executing a marketing strategy for your customers is an iterative process, which requires constant updating and editing to align with a shifting marketplace.



### Better understand your current market positioning

Like your marketing strategy, understanding your market positioning is an on-going process that requires regular revision.

#### Useful steps to follow in order to understand your market position include:



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Attend seminars or food and beverage thought leadership workshops.



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Use consumer, market and customer data and insight to inform decision making.



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Stay informed on UK market developments and insights from leading research providers (e.g. Bord Bia Food Alerts, Kantar, The Grocer, etc.), which are available via Bord Bia's Thinking House.



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Spend time in retail or foodservice outlets to help understand how your product is performing, positioned on shelf and what your competitive set is.



## Customer Relationship Checklist

	REVIEWED 'BUSINESS AS USUAL'	DRAFTED A PLAN FOR IMPROVEMENT	IMPLEMENTED CHANGE FOR BREXIT- PROOFING
Identify your most critical customers, and periodically review this list. Use this exercise to understand the level of dependency your business has on each key customer.			
Review each customer contract to determine the terms of trade/ responsibility for import duties.			
Confirm if key customers would like to discuss Brexit in a formal capacity.			
Schedule regular contact with key customers. Ensure minutes of all meetings are recorded. Assign owners and deadlines to each action item identified.			
Assess what the impact of Brexit may be on your key customers' trading strategy.			
Assess how Brexit developments may impact on your own sourcing, business operations and supply chains. Note that both these points are ongoing activities.			
Think about the potential risks and opportunities to your customer and consumer plans, and prepare how you may mitigate them. List the potential impact if the risk materialised, identify the severity of the impact and the likelihood of it happening. For those with high / medium severity and likelihood it is very important to think about how you will mitigate the risk			
Establish a commercial marketing strategy specifically tailored to the UK, which captures your business's commercial objectives and that is developed using insight gathered on your customers and consumers. Consider the commercial levers that can be used to deliver the marketing objectives and put KPIs in place to track the progress of the strategy.			
Assign a UK-focused sales and marketing team, either in-house or managed by a third party			
Regularly explore sales growth opportunities through: <ul style="list-style-type: none"> <li>• Trade fair attendance</li> <li>• Market Research</li> <li>• New product development</li> <li>• Placing staff resources in market (where appropriate)</li> </ul>			



# Customer Relationship Supports

The following customer relationship supports are available

## Insights & Intelligence

### Bord Bia's The Thinking House

The Thinking House exists to help Bord Bia clients navigate today and shape tomorrow. It boasts a team of experienced and adaptable consultants servicing clients from the Irish food, drink and horticulture industry with compelling insight and future-facing strategy. By using consumer and market insights that make sense of the landscape and guide today's decisions, it helps to inspire clients to make decisions that will shape tomorrow's world. A few examples of the tools it uses include:

#### SuperBrands

A branding consultancy service exclusively for smaller (< €5 million turnover) Irish food and drinks manufacturers, providing access to world class research, insight and design to set up small brands for success in a landscape of larger, well-resourced players.

#### Bespoke Company Work

Collaboration with Bord Bia's highly experienced Brand Development and Commercial Marketing Strategy teams to develop a robust and commercially grounded brand strategy, whether creating brands from scratch or repositioning and extending brands to profit from the change that is happening in domestic and international markets. Also bespoke, one-on-one ideation and concept development workshops, generating ideas from retail and foodservice NPD to brand and communications.

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Bord Bia's GB team offers Market Intelligence services for both the Retail and Foodservice channels, supporting members with key daily, weekly, monthly and bespoke updates and insights on the UK market.

Contact [info@bordbia.ie](mailto:info@bordbia.ie) for further details.

#### Brand Forum

Brand Forum works with Irish food and drinks manufacturers to develop and grow their brands and their business. Quarterly 'best in class' brand case study events, bespoke workshops, annual brand health check, recipe video service and director's briefings are available to The Forum member network.

#### BI: TES – Better Ideas: Think Evaluate Select

BI: TES is Bord Bia's concept iteration and validation tool, which helps client companies quantitatively evaluate concepts with consumers to understand their feasibility, before investing further time or money in developing or launching the concept. BI: TES can be used to test innovation, proposition, products and packaging concepts with consumers, to support clients in bringing better ideas to the market. For more information, contact The Thinking House at [thethinkinghouse@bordbia.ie](mailto:thethinkinghouse@bordbia.ie).



## Capability Development

### Commercial Marketing Strategy Development

This service assists client companies in the development of a commercial marketing strategy for their business. It involves making choices around 'Where to Play' (which market, category, channel, customer etc.) and 'How to Win' (developing a value proposition and marketing objectives to deliver the strategy). The service is delivered through a mix of workshops, one-to-ones and online supports. Visit [www.plantogrow.ie](http://www.plantogrow.ie) for more details.

### Key Customer Management

This new service is designed to develop client capability in managing accounts with key trading customers (in Retail/FoodService/Manufacturing) to deliver sustainable, long term business growth. It will launch in Autumn 2019, for further information please contact your Sector Manager.

## Other State Supports

### The Agile Innovation Fund

The Agile Innovation Fund from Enterprise Ireland allows companies to access up to 50% in support of innovation projects with a total cost of up to €300,000. It has been developed to support product, service and process innovation to build competitive advantage. For details visit: [www.enterprise-ireland.com](http://www.enterprise-ireland.com)



The background of the page features a stack of shipping containers. Overlaid on the left side are the European Union flag (blue with yellow stars) and the United Kingdom flag (Union Jack). A white zigzag line is positioned on the right side of the container stack. The text 'Supply Chain' is centered in a white box.

# Supply Chain

The following section focuses on key actions that Irish food and drink manufacturers can take in order to gain a better understanding of the risk facing their supply chains. By identifying these risk, resilient supply chains can be developed. This section will include guidance and takeaway actions for client companies in regards to their supply chains.

# Supply Chain

## Supply chain mapping

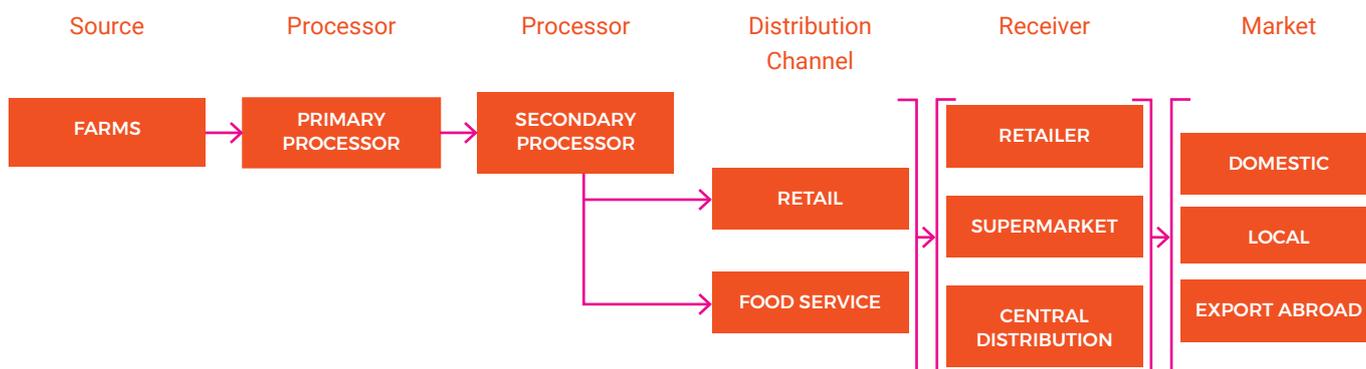
Supply chains have a multitude of interconnected processes and resources that start with the sourcing of raw material and end with the delivery of products. Due to the continued uncertainty of Brexit, there are still challenges surrounding how best to manage supply chains into and from the UK.

To prepare for a post-Brexit future, it is crucial that supply chains are mapped out in order to understand the importance of each supplier in the chain. It will also highlight potential risk exposures, as well as identifying areas of opportunities that can enhance or optimise the process from a cost or efficiency basis.

The benefits of mapping supply chains are:

- Clearer understanding of risks across the supply chain.
- Improved ability to easily identify points of vulnerability in the supply chain.
- Heightened awareness of where there may be a dependency on a critical supplier.
- Clear proof points to support financial calculations and scenario testing.
- Enhanced transparency and traceability across the business.

## Example of a generic supply chain map



If you have not mapped your supply chain yet, below are some useful steps to follow:



Undertake a risk assessment to recognise the current risks associated with each of the actors in the supply chain.



Understand the importance of each supplier and create a critical supplier list.



Identify where raw materials are produced and sourced from. Establish whether these could be sourced from alternative locations (e.g. within the EU instead of outside the EU, locations closer to ports, etc.).



Identify potential new distribution channels.

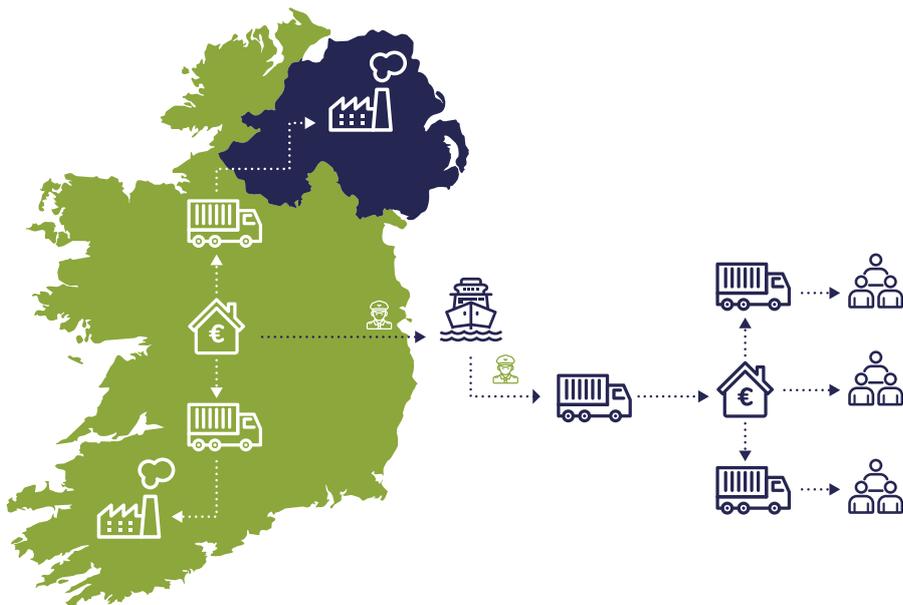
### Import Supply Chain Graphic

The following graphic demonstrates a high level map of an import value chain.



### Export Supply Chain Graphic

The following graphic demonstrates a high level map of an export value chain.



## Understanding the preparedness of logistics partners

The vast majority (89%) of food and drinks manufacturers have mapped their supply chains as part of their Brexit preparation. However, there is a level of discomfort around some supply chain partners. This highlights a concern among food and drink manufacturers that their ability to deliver goods on time and in full may be hindered by their partners.

This potential vulnerability in the supply chain is a key concern for the food and drinks sector. Manufacturers relying on groupage arrangements are particularly concerned by how potential complexities will be managed by their partners.

Prepared logistic partners, reported by food and drinks manufacturers, include hauliers and freight forwarders that are proactively offering Brexit easing solutions to their consigners, are testing their systems, are AEO certified, are adequately insured and are offering customs agent services.

## The following steps provide some questions to raise in conversations with logistic partners in order to ascertain their Brexit preparedness:



Can they provide an overview of their Brexit contingency plans in place?



Have they considered alternatives to using the UK landbridge and can they outline the costs associated?



Have they considered increasing capacity?



Have they considered potential delays at the port and the potential increased costs?



Have they pursued AEO (trusted trader) or other simplification registrations?



Are they open to negotiating fix-term agreements?

## Testing Business Resilience

Business continuity planning can help prepare for potential interruptions to your business. In the case of a major disturbance, this will provide a strategy to recover the critical infrastructure, cover the provision of alternative premises or other facilities, as well as setting out the communication statement.

Best practice business continuity planning components include:

1. Agree the scope of the continuity plan with all functions of the business.
2. Establish emergency responses to a logistics challenge.
3. Identify critical business processes that must be protected.
4. Create an Incident Management Team and allocate key responsibilities.
5. Ensure continued access to key customers and suppliers contact details.
6. Run a live scenario to create a simulation of a disruptive event. This will help to prepare staff on how best to respond to an event that could interrupt their business. It can also test whether the business continuity plan is fit for purpose or whether there are any adjustments needed to be made.

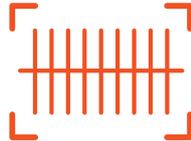
### Traceability Best Practice Elements

When ensuring traceability of ingredients, packaging and other inputs, the following steps are considered best practice across the sector:



#### Product identification

It is critical that products are uniquely identified with a product number and a batch number. This information should be shared between all distribution channels.



#### Original material tracing

When materials are combined, processed, reconfigured or repacked, there must be linkage between the new product and original material to ensure traceability is maintained. This can be achieved by capturing a lot number of the traceable inputs on the packaging, for example.



#### Information sharing

Ensure that the distribution channels collect, record, store and share necessary information regarding the traceability of the items.



### Reducing Supply Chain Costs

There are a range of methods to reduce the costs along the supply chain which will help ensure that efficiencies are being met:

1. Amend the design of the supply chain to improve sales and operation planning.
2. Identify areas of dual effort that could be streamlined.
3. Move processes to the optimal point in the supply chain.
4. Produce large batches that can cause idle time downstream.
5. Weigh up the cost of storage against increased delivery frequency and product shelf life.
6. Optimise package sizes to reduce the need to split orders further down the supply chain.
7. Consolidate transportation as much as possible.

### Shelf Life and Lead Times

Potential delays at borders could have an impact on the shelf life of products. Products that are particularly vulnerable are those that need to be chilled throughout the transportation

journey, such as meat and dairy products. These products have a short and finite shelf life, and so any disruptions or delays will could have a detrimental impact on them. There is a potential for food wastage resulting in increased costs, alongside possible health and safety issues if foods are not maintained at a safe temperature.

In order to prepare for potential delays, the following ideas could be considered:

#### Long Shelf Life Products

1. Consider finding additional warehouse capacity.
2. Ship goods well in advance to allow for potential delays at the border. However, there may be increased cost associated with this.

#### Short Shelf Life Products

1. Consider, if technically possible, to increase the length of shelf life through investing in research and development. This will have associated costs and may take time to implement.
2. Consider product diversification, e.g. fresh produce to frozen. A well-developed commercial marketing strategy based on insight will also assist in validating this opportunity.

### Improved purchasing

Considering a strategic approach to purchasing is an important way to ensure efficiencies and profitability within your business. To gain a more informed position, the following approaches could be considered:

1. Periodically review the basics of purchasing, including the procurement cycle.
2. Compare or benchmark costs of supply chain elements with similar companies. The rates for distribution and transport tasks tend to be independent of product, but a function of volume, temperature and location.
3. Build long term supplier relationships and work collaboratively with suppliers to identify opportunities to synchronise planning, improve visibility and reduce costs.

4. Seek to reduce the number of suppliers in order to gain economies of scale and reduce time needed to procure.
5. Attempt to convert as many fixed costs to variable ones.
6. Use a centralised purchasing approach whereby the decisions are made by one department. This will allow for more control and minimal waste.

### Contingency Stockholding

There is risk that supply chains will be disrupted because of Brexit. This will inevitably impact the ability to provide goods to customers. Therefore, careful consideration should be given to holding stock. Stock can be held at strategically located warehouses on mainland Europe. Each warehouse could serve a number of country markets.



### The benefits of stockholding are:



Greater control and protection against order delays.



Quicker response time to execute customers' orders.



Increased ability to meet customer demand and satisfaction.



Maintain brand and reputation through customer fulfilment.

- Greater ability to meet contractual obligations.
- Ability to serve several mainland country market through a single warehouse.



The following recommendations could be considered:

1. Consider alternative locations for holding stock to ensure close proximity to customers.
2. Consider what warehouse providers are available and capacity options.
3. Examine whether there is potential to share storage space with similar sector companies.
4. Undertake a cost benefit analysis to understand which option is most suitable for the company.

Some examples of warehouse locations would include:

 INTERMEDIATE WAREHOUSE LOCATIONS	 POTENTIAL COUNTRY MARKETS
Rotterdam, Zeebrugge	Netherlands, Germany, Poland, Nordic Countries
Dunkirk, Calais, Boulogne	France, Belgium, Spain, Portugal

### Groupage

Groupage can be defined as the transportation of combined shipments. The following check list provides insight into the steps to take when considering opting for groupage transportation:



Choose the appropriate form of transport for your business. This is crucial to ensure your import or export operation is cost-effective and adequate.



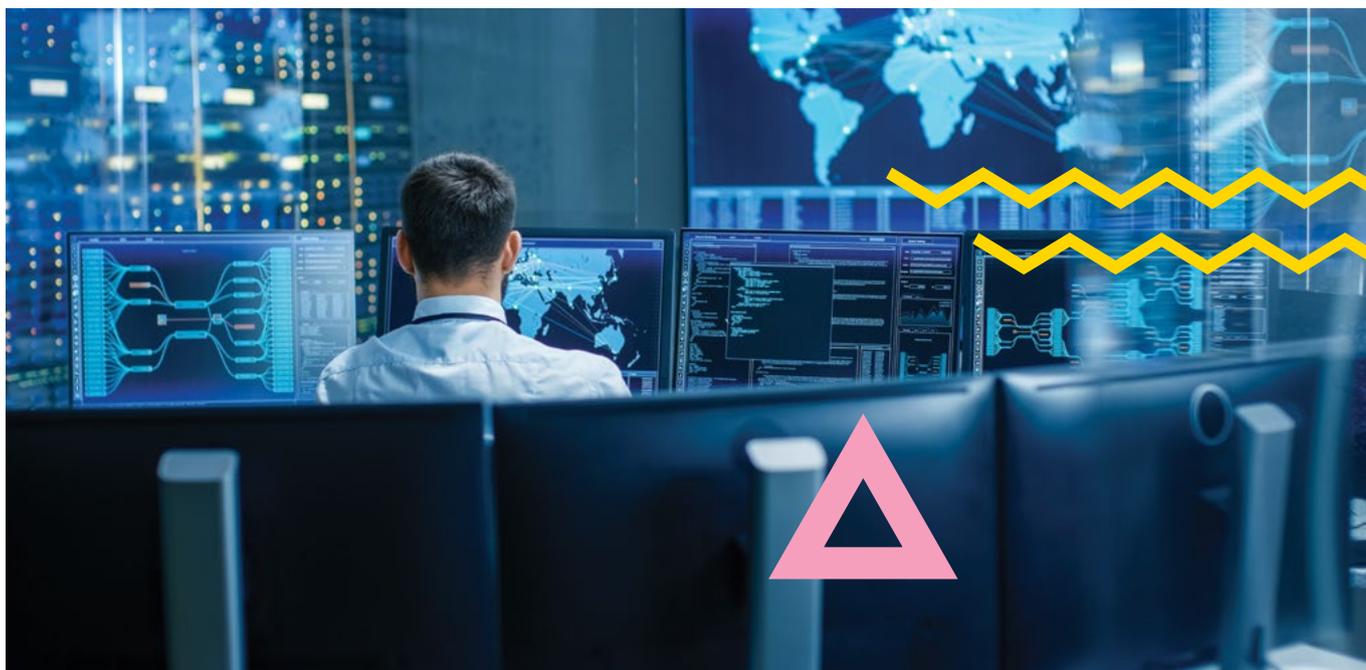
Assess your transport needs for the type of trading made, considering element such as weight, size, lifespan and costs associated. It is important to ensure that supply chain partners are grouping similar goods together.



Consider the different transportation options:

- Full Truckload (FTL)
- Less Than Truckload (LTI) Single Vehicle Direct
- Less Than Truckload (LTI) Single Operator Groupage
- Less Than Truckload (LTI) Pallet Network Groupage
- Parcel/ Carrier services

For more information on groupage, see [Bord Bia's Food & Drinks Supply Chain Logistic Report](#)



### UK landbridge dependency

The UK landbridge is favoured by business that trade in high value or time sensitive goods. This is due to the significantly faster transit times from Ireland to the continent compared to shipping. Exporting or importing goods via sea routes could take up to twice the time of the landbridge<sup>2</sup>. In the Brexit context, if the route to Europe using the UK landbridge becomes a source of delay and increased costs, there are alternative options that should be considered:

1. Undertake a cost benefit analysis regarding alternatives to using the UK landbridge.
2. Consider whether avoiding the UK landbridge is a feasible option for your business and assess alternative sea routes to Europe. For example, routes from Rosslare to Le Havre or Cherbourg, or from Dublin to Rotterdam

and Zeebrugge may provide solutions. This is subject to products holding a longer shelf life. However, it is worth noting that there is limited capacity on routes from Ireland to mainland Europe, so if more companies choose to avoid the landbridge option, then it is likely freight costs will increase.

3. Consider holding stock in the local markets. This may be particularly relevant if customers have 'just in time' delivery requirements.
4. Consider air freight to selected markets if cost effective for high value, short shelf life products.

As of May 2019, the current ferry crossings from Ireland are outlined below:

FROM PORT	TO PORT	TRANSIT TIME	FERRY COMPANY	MAY 2019 FREQUENCY	MIX OF TYPE	COMMENTS
Dublin	Holyhead, UK	3hrs 30mins	Irish Ferries	Up to 6 per day all year round	Passengers & Freight	More accompanied
Dublin	Holyhead, UK	3hrs 30mins	Stena Line	4 per day all year round	Passengers & Freight	More accompanied
Dublin	Liverpool, UK	8hrs	P&O Irish Sea	2 per day all year round	Passengers & Freight	More accompanied
Dublin	Liverpool, UK	8hrs	Seatruck	10 per week all year round	Freight	Unaccompanied
Dublin	Heysham, UK	8hrs	Seatruck	7 per week all year round	Freight	Unaccompanied
Dublin	Cherbourg, France	19hrs	Irish Ferries	Up to 4 per week all year round	Passengers & Freight	
Dublin	Zeebrugge, Belgium	1day 12hrs	CLdN	2 per week subject to change	Freight	
Dublin	Rotterdam, NL	2days 1hr	CLdN	4 per week subject to change	Freight	ConRo, containers
Dublin	Hirtshals, Denmark	4days 1hr	CLdN	1 per week all year round	Freight	
Dublin	Gotenburg, Sweden	3days 9hrs	CLdN	2 per week subject to change	Freight	
Dublin	Esbjerg, Denmark	3days 9hrs	CLdN	1 per week all year round	Freight	
Dublin	Leixoes, Portugal	2days 12hrs	CLdN	3 per week all year round	Freight	



FROM PORT	TO PORT	TRANSIT TIME	FERRY COMPANY	MAY 2019 FREQUENCY	MIX OF TYPE	COMMENTS
Rosslare	Cherbourg, France	18hrs 30mins	Irish Ferries	Not Timetabled 2019 (see Dublin-Cherbourg)	Passengers & Freight	
Rosslare	Cherbourg, France	18hrs 30mins	Stena Line	3 per week all year round	Passengers & Freight	
Rosslare	Pembroke, UK	4hrs	Irish Ferries	2 per day all year round	Passengers & Freight	
Rosslare	Fishguard, UK	3hrs 15mins	Stena Line	14 per week all year round	Passengers & Freight	
Rosslare	Roscoff, France	16hrs 30mins	Irish Ferries	Not Timetabled 2019 (see Dublin-Cherbourg)	Passengers & Freight	
Cork	Roscoff, France	14hrs	Brittany Ferries	2 per week Mar - Oct Only	Passengers & Freight	
Cork	Santander, Spain	26hrs	Brittany Ferries	2 per week Mar - Nov Only	Passengers & Freight	
Belfast	Liverpool, UK	8hrs	Stena Line	18 per week all year round	Passengers & Freight	More accompanied
Belfast	Heysham, UK	8hrs	Stena Line	11 - 12 per week all year round	Freight	
Belfast	Cairnryan, UK	2hrs 22mins	Stena Line	40 per week all year round	Passengers & Freight	More accompanied
Warrenpoint	Heysham, UK	8hrs	Seatruck	11 per week all year round	Freight	Unaccompanied (12 berths only)
Larne	Cairnryan, UK	1hr 45 mins	P&O Irish Sea	Up to 7 per day all year round	Passengers & Freight	

Source: Model Logic, May 2019

### Supply chain insurance

Insurance is another way to mitigate potential damage and protect your business against financial losses following a supply chain disruption incident. Businesses can seek insurance cover for business interruption (BI) and contingent business interruption (CBI) as part of their property insurance.

### Supply Chain Check List

The following supply chain self-assessment check list provides prioritized guidance on how to take proactive measures to protect your supply chain.

	REVIEWED 'BUSINESS AS USUAL'	DRAFTED A PLAN FOR IMPROVEMENT	IMPLEMENTED CHANGE FOR BREXIT-PROOFING
Map your supply chain and the associated risks.			
Gain an understanding of your customers supply chain needs through regular conversations and information sharing.			
Examine the preparedness of your logistic partners.			
Do regular business resilience testing.			
Conduct a traceability deep dive study to understand how effective the process is.			
Explore areas to ensure efficiencies and reduce costs across the supply chain.			
Consider the shelf life and lead times of your products and consider whether changes can be made here.			
Create a business continuity management plan to ensure that the appropriate contingency planning is being considered.			
Implement a strategic approach to purchasing to ensure efficiencies and profitability within your business.			
Examine whether stockholding is a viable option for your business.			
If appropriate, review the use of groupage transportation for your products.			
Assess your business' dependency on the UK landbridge and Consider alternative options.			
Seek insurance cover against supply chain disruptions.			





# Supply Chain Supports

The following supply chain supports are available:

## Insights & Intelligence

Information on all of the Bord Bia supports listed below is available on our website [www.bordbia.ie/brexit](http://www.bordbia.ie/brexit)

### Food & Drinks Supply Chain Logistics – Strategies for Success

The strategy guide assists Irish food and drink manufacturers to identify operations partners, establish more efficient distribution channels or routes and identify possible strategies for reducing supply chain costs. This is available at [www.bordbia.ie/brexit](http://www.bordbia.ie/brexit)

### Logistics Service Providers Database

Bord Bia's Logistic Partner Database enables Irish companies to identify logistics service providers operating both in-market (national) and internationally. Simply select a supplier type from the drop-down menu below to begin. Your search can be customized by company name, country or product category such as ambient, chill or frozen and also by service type such as transport or warehousing. This is available at [www.bordbia.ie/brexit](http://www.bordbia.ie/brexit)

## Capability Development

### Supply Chain Mentoring Programme

Bord Bia's Supply Chain Mentoring Programme helps clients to identify and address the key challenges currently facing their supply chain, and drive efficiencies relating to customs and health controls, third party logistics partners, customer relationships and overall supply chain management. To receive further information on this programme, please contact [info@bordbia.ie](mailto:info@bordbia.ie) or contact your [Sector Manager](#).

### Supply Chain Optimisation Workshops 2019

Bord Bia's Supply Chain Optimisation Workshops focus on the key issues identified in the Brexit Barometer, addressing areas such as building resilience to supply chain partner dependency, implementing best practice among supply chain partners, understanding incoterms and assessing use of the UK landbridge. Further details are available at [www.bordbia.ie/brexit](http://www.bordbia.ie/brexit)



## Other State Supports

### Enterprise Ireland's Brexit Advisory Clinics

The core objective of the Enterprise Ireland Advisory Clinics is to provide information and support to companies all around the country in taking immediate action to address their exposure to Brexit. Enterprise Ireland is encouraging companies to develop their capabilities in three specific operational areas:

1. Financial and Currency Management
2. Strategic Sourcing
3. Customs and Logistics

Further details are available at:  
[www.enterprise-ireland.com](http://www.enterprise-ireland.com)

### Local Enterprise Offices (LEOs)

Brexit supports from LEOs in every county include:

- LEO Brexit Mentor Programme: supporting Owner/Managers identify key Brexit exposures and develop robust strategies to address issues and maximise potential opportunities.
- Technical Assistance for Micro-Exporters Grant (TAME): financial assistance to explore and develop new export market opportunities.
- Lean for Micro: helping businesses adopt LEAN business practices to increase competitiveness.
- LEO Innovation and Investment Fund (LIIF): support for innovative development plans.

Further details are available at  
[www.localenterprise.ie](http://www.localenterprise.ie)



# Customs and Controls

The following section focuses on key actions to help Irish food and drink manufacturers prepare for customs and Sanitary & Phytosanitary (SPS) compliance, and to mitigate potential delays or cost increases associated with these. The improvements areas in this section are closely linked to managing supply chain logistics as outlined in the previous section.

# Customs and Controls



## Applying for an Economic Operators' Registration and Identification (EORI) Number

### EORI Number – Irish Revenue

Individuals and organisations that are based in the EU and trading goods with countries outside the EU on a commercial basis need an EORI number (Economic Operators Registration and Identification number). It is mandatory for exporting to non-EU countries and it is also mandatory to be EORI registered in order to import goods into the EU from non-EU countries. Providing an EORI number to customs authorities will allow them to quickly identify your company, which will help to reduce potential delays and checks at customs. Without it, customs can and do take possession of a consignment until an EORI number is produced, which can create a further hold-up in transit.

This can be obtained from the Irish Revenue Commissioners at the following link: <http://www.revenue.ie/en/online-services/services/common/register-for-an-eori-number.aspx>

### EORI Number – UK Revenue

If the UK leaves the EU without a deal, many Irish businesses will need a UK EORI number to trade goods into and out of the UK. UK Government advice on this is evolving as Brexit negotiations continue. Current guidance from HMRC suggests that Irish manufacturers will need a UK EORI number if they are listed as the importer of record in their commercial contracts with UK customers, or if they have UK legal entities within their business. Some companies with many legal entities in their structure have found that each entity needs its own EORI number.

If you are acting as the Importer of Record or trading on Delivery Duty Paid (DDP) terms with your UK customers, you will need to apply for a UK EORI number from HMRC here: <http://www.gov.uk/eori>

## Simplified Customs Procedures and Comprehensive Guarantee

Simplified Customs Procedures can mitigate the impact of inspections, customs duties and import VAT. Food and drinks manufacturers should examine the procedures listed below and apply for the use of the relevant procedures through the Irish Revenue Commissioner's Customs Decision System (CDS).

A comprehensive guarantee is required in order to avail of the below simplified customs procedures. One comprehensive guarantee authorisation can cover several different special customs procedures and application should be made to the Irish Revenue Commissioners.

You can find more information on and learn how to apply for a comprehensive guarantee at the following link: <https://www.revenue.ie/en/customs-traders-and-agents/customs-electronic-systems/customs-decisions-system/index.aspx>

- **Deferred Payment:** This authorisation allows for the payment of customs duty, import VAT, and excise duty to be deferred to the following month as opposed to being charged at the point of import when importing into Ireland. This provides cash flow benefits. If you export goods to the UK, a deferred payment authorisation should be requested from HM Revenue and Customs (HMRC).

You can find more information on deferred payments and apply for deferred payment at the following link: <https://www.revenue.ie/en/customs-traders-and-agents/customs-electronic-systems/aep/payment-methods/index.aspx>

- **Transit:** This procedure can be used to avoid paying customs duties and import VAT when using the UK landbridge. It is advised to apply to become an authorised consigner, as this will allow for transit operations to be carried out without the need to



present the goods at the customs office of departure. Similarly, an authorised consignee will be able to accept the goods at their premises without having to present the goods at the customs office of destination.

You can apply for transit with the UK government at the following link: <https://www.gov.uk/government/publications/import-and-export-apply-for-comprehensive-guarantee-and-other-simplifications-c1343>

- **Outward Processing:** This provides duty relief on imports of goods from third countries, which have been produced from previously exported EU goods. An example of this would be a beverage manufacturer temporarily sending their product outside of the EU to be bottled and then re-imported back into the EU.

Find more information and how to apply for outward processing at the following link: <https://www.revenue.ie/en/customs-traders-and-agents/processing-goods-enduse-and-warehousing/outward-processing.aspx>

- **Inward Processing:** This allows businesses to obtain relief from customs duties and import VAT on goods that are temporarily imported from outside the EU to be processed and re-exported outside the EU again. It can also be used to suspend customs duties on goods that are imported for processing and placed in free circulation.

Find more information and how to apply for inward processing at the following link: <https://www.revenue.ie/en/customs-traders-and-agents/processing-goods-enduse-and-warehousing/inward-processing.aspx>

- **Customs Warehousing:** This allows businesses to store non-EU goods with duty or import VAT payments suspended. Once goods leave the warehouse, duty must be paid unless they are moving to another customs procedure or are re-exported. Authorisation from Irish Revenue is necessary to run a customs warehouse.

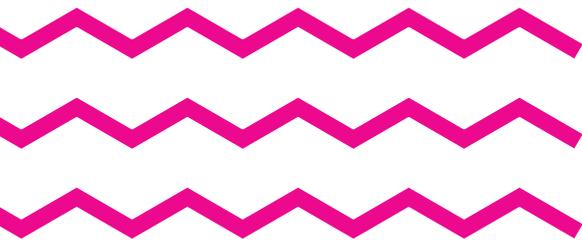
You can find more information and see how to apply for Irish Revenue authority to set up a custom warehouse at the following link: <https://www.revenue.ie/en/customs-traders-and-agents/processing-goods-enduse-and-warehousing/warehousing.aspx>

### Decide on a Customs Agent or In-House Customs Management Software

Irish food and drinks manufacturers should conduct a cost analysis on whether it is more cost effect to use a customs agent or managing customs procedures in-house using specialised software.

Customs agents can be assigned to represent the exporter/importer in their dealings with customs authorities. The customs agent will make the necessary customs declarations for each shipment, the cost of this service can vary and can be a significant added cost to your business.

Alternatively, a business can manage customs declarations in house. This requires specialised software and upskilling staff/assigning resources to manage this process. Details on this software can be shared by Bord Bia with any interested manufacturers. For more information on this, please email: [Brexit@BordBia.ie](mailto:Brexit@BordBia.ie)



## Cost implications of customs and tariffs

The Brexit Barometer highlights that Irish food and drink manufacturers need to better understand the cost implications of customs compliance. The steps below highlight measures that can be taken to mitigate potential customs and tariffs cost increases:



Develop a clear understanding of supply chain and product portfolio traceability.



Consider co-operation and adopt a collaborative approach to managing the difficulties at customs.



Develop regional strategies to shift production to a local source to reduce potential issue with international or European trade.



Explore alternative supply chain options and pricing.



Consider how much costs your business and / or your supplier can absorb.

## Preparing for cash flow implications on VAT

The system for transactions with the UK, particularly invoicing and reporting, will change following Brexit. This may result in cash flow impacts, as well as increased administration costs for manufacturers selling to UK customers.

HMRC's no-deal plans currently include postponed accounting to avoid the cash flow burden of paying import VAT on goods at the time of arrival into the UK from Ireland and the EU. Likewise, Irish Revenue have opened applications for a deferment account for payment of VAT on UK imports, so that the payment of VAT and duty can be deferred to the 15th day of the following the month.

**However, Irish food and drinks manufacturers should continue preparations for changes to the UK's VAT system in the case of a number of scenarios.**

This is less of an issue for companies who are in a VAT receivable position, as often they only pay VAT on packaging. However, it remains a concern that a third of companies in the Barometer have not considered the cash flow implications of VAT in a hard Brexit scenario. It is important for Irish businesses to keep focused on any changes in tax rules that emerge as Brexit negotiations evolve.

## Tariff Classifications: Understanding product classifications

If you import or export goods into or out of the European Union, you are required to assign commodity code to your goods. The commodity code will need to be displayed on the customs declaration in order to allow customs' authorities to determine the tariff rate due on the goods. If the goods are classified by the incorrect commodity code, you will be penalised by customs authorities.

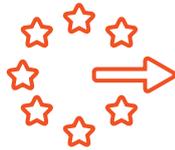
There are a number of steps that Irish food and drinks manufacturers can take to ensure that their goods have the correct commodity code:



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**Identify existing EU codes for imports from third countries.**

These are outlined on [the EU's TARIC website](#).



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**Identify your product's UK commodity code**

which can be found at the following link: <https://www.trade-tariff.service.gov.uk/sections>.

If the UK leaves the EU with no deal, you may need to pay different rates of customs duty. This tariff schedule was released by the UK government in March 2019 and is intended to only be applied on a temporary basis of up to 12 months, if the UK leaves the EU with no deal.

Once you know the commodity codes for your goods, you can check the different rates at the following link: <https://www.gov.uk/guidance/check-temporary-rates-of-customs-duty-on-imports-after-eu-exit>



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**Consider applying for Binding Tariff Information (BTI).**

BTI decisions are classification decisions issued by the customs administrations in EU Member states and are legally binding through the EU. BTI offers legal certainty regarding tariff classification decision and therefore can be useful for companies that import and export composite products that have complicated tariff lines assigned to them.

More information on BTI and how to apply for BTI can be found at the following link: <https://www.revenue.ie/en/customs-traders-and-agents/importing-and-exporting/binding-tariff-information-bti/index.aspx>



## Trusted Trader/Authorised Economic Operator Registration

Authorised Economic Operator (AEO) certification can provide a number of benefits to companies trading internationally. Holding AEO status certifies that a business has met certain standards, such as safety and security, compliance with customs and financial solvency. AEO is a trade facilitation measure and could reduce delays at customs and borders.

The benefits of AEO could include :

- Recognition worldwide as safe, secure and compliant business partners in international trade.
- Lower risk scores in risk analysis systems when profiling.
- Priority treatment if physical customs controls are conducted.
- Mutual recognition of AEO programmes under joint customs cooperation agreements which could result in faster movement of goods through third country borders.
- Reduced data sets for entry and exit summary declarations (this only applies to AEO safety and security).
- Easier access to simplified procedures.
- Reduction or waiver of comprehensive guarantees.

There are two types of authorisation. A business can apply for both types of AEO status and no charges are made for the processing of applications or the issue of authorisations. The two types are:

- **Security and safety (AEOS):** Holders of AEOS status could benefit from a lower risk score, which is used to decide how often customs carry out physical and documentary checks. It could also enable consignments to be fast-tracked through customs control and reduce requirement for the mandatory Entry and Exit Summary Declarations. It offers reciprocal arrangements and mutual recognition with countries outside the EU, such as the USA.
- **Customs simplifications (AEOC):** Holders of AEOC status could benefit from faster application process for customs implications and authorisations, as well as a reduction or waiver of comprehensive guarantees.

Irish food and drinks manufacturers should note that AEO only provides benefits when dealing with customs authorities. AEO status does not provide any benefits in dealings with SPS or relevant food safety authorities.

At a minimum, manufacturers should check if their supply chain partners are AEO certified or in process of completing the registration process. This can be a useful indicator as to whether your supply chain partner is taking steps to prepare for Brexit.

## Sanitary and Phytosanitary Controls

Importers and exporters of the following products to or from non-EU countries, are subject to increased controls and veterinary inspections:

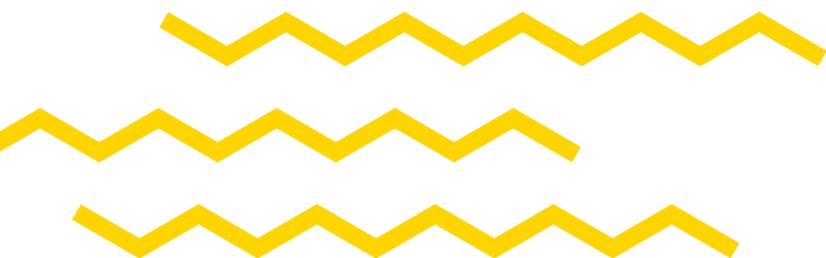
- Live animals (such as cattle, sheep or horses),
- Animal products (such as meat, dairy products or fishery products)
- Plants (such as trees, flowers or vegetables)
- Certain plant products (such as fruit, foliage or timber)

Should the UK leave the EU Single Market and Customs Union without a deal, Irish food and drinks manufacturers will be subject to these checks on their imports and/or exports.

The European Commission sets out the list of products subject to controls when importing into the EU. The Department of Agriculture, Food and the Marine (DAFM), in line with EU regulation, conducts documentary, identity and physical checks on imports of animals, plants, and products of animal and plant origin from non-EU countries. DAFM conducts documentary and identity checks on 100% of these consignments. In terms of physical checks, DAFM conducts inspections on 100% of products of plant origin. In terms of products of animal origin, the frequency of physical checks depends on the risk profile of the individual product.

A guide to the frequency of physical checks can be found in the table below:

   <b>FREQUENCY OF PHYSICAL CHECKS ON IMPORTS OF PRODUCTS ON ANIMAL ORIGIN</b>		
1-10%	20%	50%
Semen	Fresh meat - beef, sheep meat, horse meat, goat meat, pork	Poultry and poultry products
Embryos	Fresh and frozen fish	Milk and milk products for human consumption
Milk and milk products not for human consumption	Whole eggs	Egg products
Hay & Straw		Honey
Processed pet food		
Blood products for technical use		



## Registering with the Department of Agriculture, Food and the Marine (DAFM)

If your product is subject to SPS controls you must take the following steps:



For products of animal origin: export certificates may be requested by the UK in a Hard Brexit scenario. The Department of Agriculture, Food and the Marine is awaiting requirements from the UK. For any queries, contact DAFM by emailing [AnimalProductImports@agriculture.gov.ie](mailto:AnimalProductImports@agriculture.gov.ie)



For plants and plant products, a phytosanitary certificate will be required. To register for this, visit: <https://www.agriculture.gov.ie/brexit/preparingforbrexit/registration/>



For fish products, an IUU Certificate is required for imports from non-EU countries. To receive this, visit: <https://www.agriculture.gov.ie/brexit/preparingforbrexit/registration/>



Once you have received an approval number from DAFM, register with EU TRACES system, quoting the approval number from DAFM, in order to continue trading with the UK post-Brexit. You can register for TRACES at the following link: <https://www.agriculture.gov.ie/brexit/preparingforbrexit/registration/>



When importing products of animal origin into Ireland from a non-EU country, the party responsible, usually the customs agent, must provide pre-notification to DAFM 24-hours before the goods arrive at the border control point of import.



If you are using a customs agent to handle the import procedure, ensure they are registered with DAFM and TRACES.



The pre-notification is made through TRACES using a Common Veterinary Entry Document (CVED). The CVED must be lodged along with the necessary supporting documents for the shipment, which are Health Certificate, Invoice, Packing List and Bill of Lading. Pre-notification with the HSE may also be required and importers should confirm this by visiting: <https://www.hse.ie/eng/services/publications/environmentalhealth/how-to-apply-for-an-export-certificate.pdf>

It is important to ensure that these documents are filed correctly as incorrect documentation will cause shipments to be rejected and delayed.

### Obtaining a Health Certificate and an Export Certificate to Export to Non-EU Countries

Should the UK leave the EU with no deal, the UK will become a Third Country and controls on importing and exporting may apply, subject to future trade arrangements. In this instance,

to export animals and products of animal origin to a non-EU country, the exporter will need to:

1. Obtain an export health certificate from DAFM.
2. For exporting fish and fish products to non-EU countries, an IUU Certificate from the Sea-Fisheries Protection Authority (SFPA) will be required.

In order to export food of non-animal origin, such as Prepared Consumer Foods, an export certificate from the Health Service Executive (HSE) may need to be obtained. More information and guidance on how to obtain an export certificate can be found at the following link: <https://www.hse.ie/eng/services/publications/environmentalhealth/how-to-apply-for-an-export-certificate.pdf>



## Customs and Controls Self-Assessment Check List

The customs and controls self-assessment check list will help provide manufacturers with prioritised steps to ensure a better understanding of their position with cost and compliance implications.

	REVIEWED 'BUSINESS AS USUAL'	DRAFTED A PLAN FOR IMPROVEMENT	IMPLEMENTED CHANGE FOR BREXIT- PROOFING
Apply for an EU EORI Number.			
Apply for a UK EORI Number.			
Review available material to understand possible customs and tariffs rules for trade with the UK.			
Review and model financial and operational impact of changes to customs and duties.			
Identify tariff classification codes for your product(s) and consider apply for Binding Tariff Information (BTI).			
Assess whether your product(s) is subject to tariff rate quotas, identify the tariff line and model the cost of duties.			
Apply for a Comprehensive Guarantee through Revenue and create a Deferred Payment Account with your bank for paying customs duties.			
Apply for customs simplification procedures, such as transit, inward/outward processing relief where appropriate.			
Register with DAFM and TRACES if goods are subject to SPS controls.			
Apply for relevant certification from DAFM, HSE and the FSAI if importing or exporting products from non-EU countries.			
Understand the impact of VAT changes to cash flow and profitability.			
Identify part time or full time expert resources to help manage Customs and Tariffs.			
Assess current AEO status and apply where appropriate.			

# Customs and Controls Supports

The following customs and tariffs supports are available:

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## Capability Development

Information on all of the Bord Bia supports listed below is available on our website [www.bordbia.ie/brexit](http://www.bordbia.ie/brexit)

### **Bord Bia's new Customs & Controls Readiness Programme**

This Bord Bia training programme aims to provide practical training to companies on the basic principles and requirements of customs, tariffs and non-EU trade.

This will help companies prepare for market diversification and will support current and new business development. Participation is free of charge and the selection process is competitive. Further details are available at [www.bordbia.ie/brexit](http://www.bordbia.ie/brexit)

### **Bord Bia's Customs & Controls Webinars**

Bord Bia is facilitating a series of Customs Webinars focusing on specific issues in the area of Customs as identified by the Brexit Barometer. The topics covered over the series will include special procedures, such as inward and outward processing, and incoterms/Importer of Record preparation with a Q&A following each session. Further details are available at [www.bordbia.ie/brexit](http://www.bordbia.ie/brexit)

### **Bord Bia's new SPS Training Programme**

Bord Bia's SPS (Sanitary and Phytosanitary) Training Programme focuses on preparing clients to import and export products of animal, plant and seafood origin from non-European Countries. The training informs clients on the necessary registrations, processes and paperwork required to trade with non-European countries. To register your interest, please contact [brexit@bordbia.ie](mailto:brexit@bordbia.ie).



## Other State Supports

### DAFM Brexit Preparedness Hub

The Department of Agriculture, Food and the Marine (DAFM) has a Brexit Preparedness Hub which outlines the information required by food, drink and horticulture companies to import and export with non-EU countries. This can be reached at: <https://www.agriculture.gov.ie/brexit/preparingforbrexit/>

In addition, you can contact DAFM's dedicated Brexit email address: [brexitcall@agriculture.gov.ie](mailto:brexitcall@agriculture.gov.ie)

or contact its dedicated Brexit Call Centre: 076 1064443 Monday to Friday 9:30am to 5:00pm.

### Enterprise Ireland's Customs Insights Course

This online Customs Insights Course helps businesses understand the key customs concepts, documentation and processes required to move goods from, to and through the UK. The course will provide learners with a firm understanding of the customs implications for their business and the options from Revenue to make this process more efficient.

Further details are available at: [www.enterprise-ireland.com](http://www.enterprise-ireland.com)

### InterTrade Ireland Customs Online Course

This course is designed to provide a simple guide to Customs. This information will help companies to plan for Brexit and beyond. <https://brexitandbeyond.intertradeireland.com/course/>

### InterTrade Ireland's Brexit 'Start to Plan' Vouchers

ITI provides a Brexit Advisory Service to help businesses with practical advice, support and information on Brexit related issues. ITI also provides vouchers to enable companies to get professional advice on Brexit, including issues such as likely tariffs, currency management, regulatory and customs issues and movement of labour, good and services.





# Financial Resilience

The following section focuses on key actions to help manufacturers to understand how to improve their resilience from a financial lens.

# Financial Resilience

## Understanding impact of currency exposures

The Brexit deadline has shifted for a second time to October 31, 2019. In the lead up to the new exit date, the pound sterling to euro exchange rate will continue to experience volatility.

The below are a number of actions that should be considered in regards to currency exposure:



### Understand the link between Foreign Exchange (FX) rates and their commercial impact:

- Where does the FX rate impact (setting a sales or purchase price)?
- Does the relevant employee have the correct rate when setting that price?
- How/when does that person communicate same to the Finance function who will hedge the FX risk?



### Engage the sales/procurement function in the management of FX risk. The function needs to understand:

- What role they have to play.
- What information they should provide and when (e.g. updated UK sales forecasts at the end of each month).
- The impact of good and bad communication of FX exposures and associated risk Management on the financial results of the Group.



### Understand the difference between bank and non-bank providers of FX services:

- Technically, there is credit risk to these and while banks have a credit rating, non-bank providers do not. But the latter category is also more likely to provide services as banks tend also to be lenders and, as a result, usually have some element of security that extends to the provision of FX facilities.

## Mitigating Currency Exposure

To mitigate currency exposures, it is important to measure the potential financial consequences of:

- Weakened sterling impact on your cross-border transactions.
- The impact price inflation and tariff changes will have on your cost base and ability to mitigate exposure,
- The impact of import VAT on your cash flow.
- The slowed production impact on UK stock and sales, caused by tariff control bottlenecks.

It is also important to draft and manage a FX policy. This FX policy will vary depending on a number of issues, including the types of exposures being hedged, certainty around quantum and timing of exposures, the ability to pass on adverse FX movements and the company's appetite for risk.

The table below provides insight to areas that should be covered in a standard FX policy:

CURRENCY EXPOSURES	IDENTIFY CURRENCY PAIRINGS E.G. EUR/GBP
Source of currency exposure and ability to net exposures:	Sales, Purchases? Both?
Percentage of certainty surrounding forecasts:	100% certainty makes hedging easier. 60% certainty may result in 60% of forecast amounts being hedged
Quantum:	What is total amount of currency exposure?
Exposure timeframe:	6 months? 12 months?
Underlying price certainty:	As the exposure is a combination of price and quantity, is the foreign currency price agreed or is this also a variable?
Counterparty knowledge of FX movements and implications of same:	Are they aware of ability of FX movements to impact on price charged to them? Will they seek the benefit of favourable moves but resist the cost of adverse moves? Will they assume a sharing of the FX risk?
Hedging lines:	Do you have sufficient hedging lines in place (for both the quantum to be hedged and the period for which hedging is desirable?)
Hedging instruments:	Which Instruments are permitted to be used?
Authorised personnel:	Who can enter into FX transactions on behalf of the company?
Hedging counterparties:	Who to use for the provision of currency and why?
Attitude of lenders to FX management:	Does your loan agreement restrict you to using lenders only? Impact of FX on wider financial metrics (including ability to service debt)?
Intercompany loans:	Who takes the currency risk when loans are in a non-local currency and who is responsible for hedging this risk?
Reporting:	Types and frequency of reports to manage currency exposures on an ongoing basis.

Source: Treasury Solutions, 2019

## Hedging

Currency hedging is the act of entering into a financial contract in order to protect against currency volatility and protect underlying business margins. The main benefits are protection and cash flow certainty. If a business generates revenues or cost in different currencies, it is exposed to Foreign Exchange (FX) risk whereby currency movements can affect the margin a business earns. To mitigate this, many companies choose to hedge their exposure.

Hedging can:

- Provide certainty of exchange rates.
- Act as a defence against adverse movements in foreign exchange rates.
- Help with accurate forecasting and budgeting.
- Reduce the shock and impact to business, especially where cash flow or margins are tight.
- Improve bottom line performance.

The downside of hedging is that it results in a set exchange rate over a fixed time, which reduces flexibility and negates any benefits from positive rate changes.



## Hedging Definitions

### Option Contracts

An option contract is the most commonly used derivative, which provides the right to buy or sell a stock at a specified price within a time frame.

### Forward contract

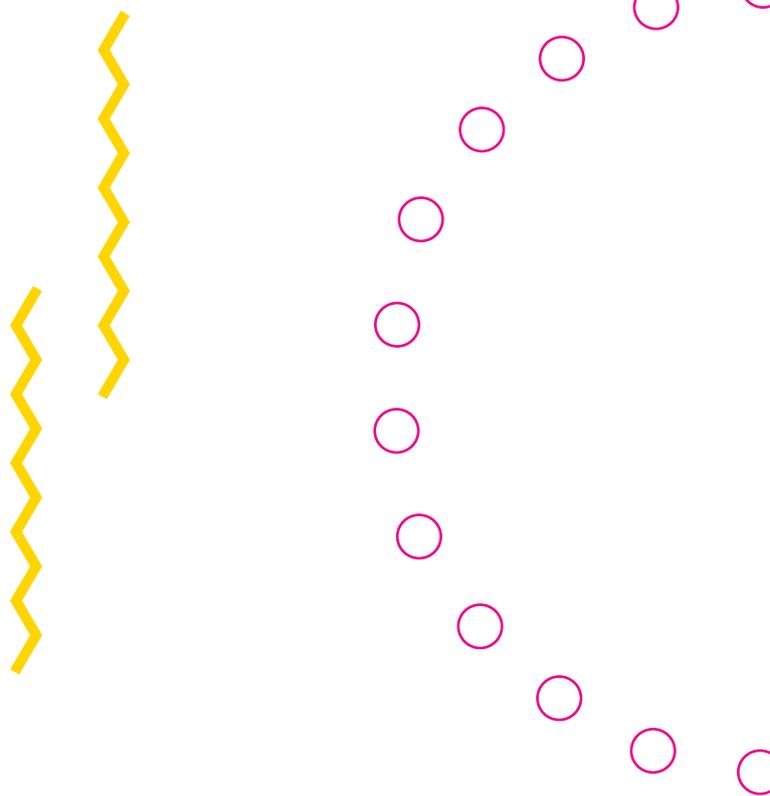
A forward contract is a customisable agreement to accommodate the parties involved in the buying and selling of a given asset.

### Natural Hedging

A natural hedge is the reduction in risk that can arise from an institution's normal operating procedures. Typically, a company with significant sales in one country is already holding a natural hedge on the currency risks, if this is also accompanied with expenses in that currency.

### Spot Payments

A spot contract locks in a currency rate in anticipation of an increase in a period of time going forward.



### Key Tips

The five steps below outline the approach that should be considered when developing a hedging strategy:



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#### Identify your foreign exchange exposure.

Understand the total payments costs, timeline for payments and the currency used across the business value chain.



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#### Decide what outcome you want from the strategy.

There are different approaches to implement depending on the outcome to be achieved. Therefore, it is important to decide whether your sole objective is to protect yourself from currency risk or to manage the impact of currency fluctuations on your business.



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#### Consider which hedging strategy is the most applicable.

It is worth considering all the hedging options. The reliable options include option contracts, forward contracts, natural hedging or spot payments.



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#### Implement your hedging strategy

It is important to seek financial advice when discussing hedging options, either from the bank or a financial advisor.



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#### Monitor and review the hedging strategy.

The strategy should be reviewed monthly to match the volatility of the currency markets. Continue reassessment will ensure that the best outcomes of the business are met.

### Reducing Business costs

It is important to continuously monitor the current cost base across your business. This will ensure a clearer understanding of where potential improvements can be made going forward. The following areas should be reviewed regularly:

- **Reserves:** Maintain reserve levels in order to ensure that if there is an unplanned use of them, they do not drop below an appropriate level.
- **Borrowing:** Reduce borrowings and reliance on funding

to free up cash. Debit-to-income ratio should also be monitored.

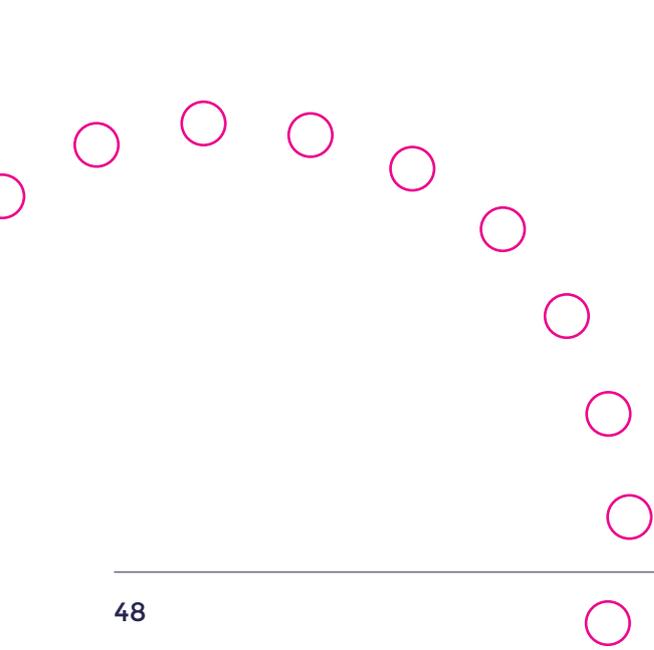
- **Pensions:** Monitor pension costs and ensure there are no deficits.
- **Budgets:** Have a flexible budget to manage adverse situations.
- **Risk tolerance:** Understand risk tolerance, so you are aware how much your business can afford to bear.



### Financial Resilience Check List

The financial resilience self-assessment check list will help provide manufacturers with prioritised guidance to take proactive measures to ensure manufactures are resilient to Brexit related risks.

CHECK-LIST	REVIEWED 'BUSINESS AS USUAL'	DRAFTED A PLAN FOR IMPROVEMENT	IMPLEMENTED CHANGE FOR BREXIT-PROOFING
Review current finances and identify the pinch points.			
Undertake 'what if' scenario modelling on the potential impact of currency fluctuations.			
Consider approaches to hedging that may be suitable.			
Identify mechanism to improve financial resilience and consider the cost versus reward.			
Identify areas where there is potential for operational efficiencies.			



# Financial Risk Supports

The following financial resilience supports are available:

## Capability Development

### Currency Risk Management Training

This Bord Bia training programme aims to provide practical training to companies on addressing currency risks and improving competitiveness. This will help companies prepare for buyer meetings, tendering and negotiations and will support current and new business development. Participation is free of charge and the selection process is competitive. Further details are available at [www.bordbia.ie/brexit](http://www.bordbia.ie/brexit)

### Currency Risk Support - Video and Q&As

Bord Bia's video FAQ series on currency risk addresses key aspects a business needs to consider when dealing with foreign exchanges, including basic principles and requirements of currency risk management. These videos include tips on when to buy, dealing with banks, invoicing in euro or sterling and if a company needs a UK bank account. Further details are available at [www.bordbia.ie/brexit](http://www.bordbia.ie/brexit)

## Other State Supports

### Enterprise Ireland's Be Prepared Grant

The Be Prepared Grant offers up to €5,000 to assist in the cost of developing a strategic response to Brexit. The grant is intended to provide support to clients to use external resources to undertake a short assignment to determine how the company could respond to the threats and opportunities of Brexit. The grant can be used to cover consultant's fees, travel and expenses for both domestic and international employee travel.

### Government of Ireland's €300m Brexit Loan Scheme

In March 2018, the Government of Ireland launched a new Brexit Loan Scheme for eligible businesses with up to 499 employees. Loan amounts range from €25,000 up to €1.5m, for terms of up to three years and a maximum interest rate of 4%.

This scheme will provide affordable, flexible financing to Irish businesses impacted by Brexit. Given the agri-food sector's unique exposure to the UK market, the Department of Agriculture Food and the Marine's funding for this scheme ensures that at least 40% of the fund will be available to food businesses.





# Market Diversification

The following section focuses on key actions to guide Irish food and drink manufacturers on developing a strategy for expanding into new geographies.

# Market Diversification

## Market Selection Considerations

The following details should be taken into account when considering and prioritising markets for exports:



### Market Projection

- Population
- Income per capita
- Import demand
- Currency trends



### Market size and trends

- Size of middle class
- Urbanisation
- Rate of growth in the food market
- Consumer market trends
- Wider market trends



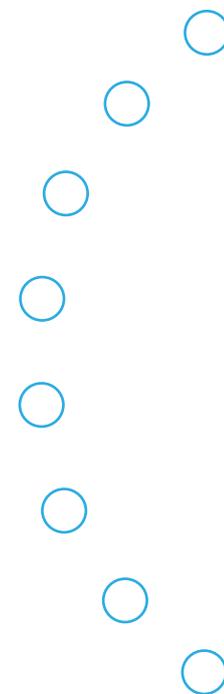
### Ease of doing business

- Ease of doing business ranking
- Ease of logistical access
- Market access status



### Imports

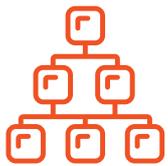
- Import levels by category/sub category
- Import price levels
- Import Duties and VAT



## Expanding into new markets

Expansion into new geographic regions requires analysis and planning. A comprehensive market strategy provides a clear set of criteria and targets to help organisations make the required change as efficiently as possible.

The steps below highlight some of the key activities to consider:



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### Category:

- Have you clearly defined the category that you are operating in and the role of your product within the category?
- Do you have latest data on the category you are targeting?
- Is your proposed pricing competitive within the category?
- Do you know who the main competitors are and how they are performing?
- Are you clear on how your offer adds value to the category and what your product uniquely brings?



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### Consumer:

- Have you visited the market to familiarise yourself with it and the consumer?



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### Geographies:

- Are you aware of local VAT, duties, taxes and quotas for your product in the market?
- What exchange rate effects would you need to take into consideration in this market?
- Does your labelling, ingredients list, nutritional declaration and shelf life meet the market requirements?
- How would you need to resource this market in order to succeed? E.g. current sales team based in Dublin, dedicated resource based in Ireland or UK, Bord Bia Fellow, agent/distributor or other.
- Would you need a quality/technical manager who speaks the language of the market?
- What is your delivery lead time/time to market?
- What marketing/promotional support would customers expect?
- What is your target customer's margin expectation? Does your pricing structure enable you to meet this?
- How does your target customer view your competition?
- What is the value of listing your range to the customer in comparison to current listings in this category? Are you familiar with the different store formats that exist in this market?

**Channel and customer:**

- Have you recently visited this market, the relevant channels and likely target customer stores, in order to experience it for yourself?
- Do you need any particular industry certifications to be able to access key channels or customers in this market? (E.g. BRC, ISO standards).
- What are the target customer's margin expectations in this market? What MLOR (minimum life on receipt) is expected by the customer in this market and what type of distribution partner would you need to achieve this?
- What systems do the customer use to plan, list products, book promotions, etc., and how do you get trained on them?

**Brands and products:**

- Will you need to customize your products for this market?
- Do you know standard pack sizes for the category? Will your existing packing fit on the shelves?
- What is your USP (unique selling proposition) and how do you differ from your competition? Do you have the necessary accreditations? I.e. BRC global standards, SALSA (safe and local supplier approval), organic certification, IFS, USDA, halal or other ISO's. Does your labelling, ingredients list, nutritional declaration and shelf life meet the local market requirements?
- What MLOR (minimum life on receipt) can you guarantee to the retailer?

- What are your minimum order quantities for an existing SKU? Or for a SKU that needs recipe and packaging localisation for an export market?
- Do you have the desire and capability to modify your products based on local market preferences?
- What is your GLN (global location number)/factory code?
- Do you outsource your production? What are your three priority commitments/targets under Origin Green? Will these deliver a competitive advantage? Will they deliver a consumer benefit and/or USP?

Prior to entering a new market (or channel or customer) a robust commercial marketing strategy must be developed. The above checklist was developed by Bord Bia's Commercial Marketing Strategy Team. For further information and assistance on market diversification please contact: [info@BordBia.ie](mailto:info@BordBia.ie)



### Localising your product range

There are a number of practical factors such as the local regulatory environment, language and general market nuances which will play a vital role in shaping your success overseas. You therefore need to take time to consider what needs to be done so that your product range is fit for entry into the market that you have identified.



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#### Brand

Is your brand name understood by consumers in the new market? Does the brand name have the same meaning? If not, do you need to adapt your brand or develop an export or channel specific brand? You will also need to consider how to protect your brand name (and logos) in this market and check you are not infringing on another brand's intellectual property.



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#### Range

Consider how many SKUs or product variants you are going to include in your range. Assess the taste and texture which consumers prefer in your category and adapt your range to meet local preferences. Research the product specifications which customers in your target channel prefer. Bord Bia's Thinking House can provide valuable insight in this area.



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#### Pack Size

There can also be nuances in preferred pack size in different markets and it is important that you take these into consideration. Answer questions such as: What size should your product be to appeal to consumers and customers' needs in the new market? How many servings does the shopper or operator need to get out of the pack? These details are key to designing a product range that can succeed in the new market.



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#### Labelling

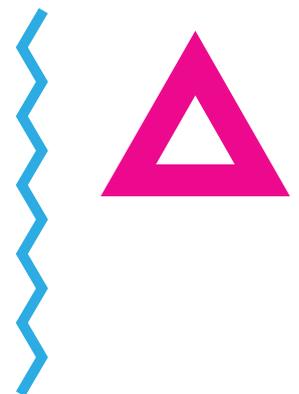
Product labelling laws and regulations can differ from country to country. In Europe, EU food regulations cover all the directives that you need to follow to stay on the right side of the law. However, some European countries may have laws that go even further than the EU regulations, ensure you check for any additional regulations in your target market.



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#### Language

From a regulatory perspective, what elements of your packaging must be in the local language? In terms of understanding, what you are offering and how it answers their needs, what do consumers need to be able to understand from your packaging to brand name and description?



For a full guide on localizing your product, visit [www.plantogrow.ie](http://www.plantogrow.ie)

### Activating your Market Diversification Plans

The detail around your product range, pricing, promotions and communications will be some of the key components of your market diversification plans. Following on from that, deciding on which activities to prioritise in your market diversification plan will be a next step. Bord Bia has designed an Engagement Activity Prioritisation Tool to help you decide which are the best opportunities to include in your consumer/customer plans, helping you in identifying the activities you are capable

of delivering and are most closely aligned to your objectives. This is available online [here](#).

### Market Diversification Check List

The market diversification self-assessment check list will help provide manufacturers with prioritised guidance to identify opportunities in potential markets for growth.

CHECK-LIST	REVIEWED 'BUSINESS AS USUAL'	DRAFTED A PLAN FOR IMPROVEMENT	IMPLEMENTED CHANGE FOR BREXIT-PROOFING
<p>Carry out extensive market research in order to identify where the opportunity lies and which market should be selected for expansion. The selection process should examine:</p> <ul style="list-style-type: none"> <li>• Population</li> <li>• Market size</li> <li>• Market Trends</li> <li>• Ease of doing business</li> <li>• Import</li> </ul>			
<p>Establish a comprehensive market diversification strategy that takes the following criteria into consideration:</p> <ul style="list-style-type: none"> <li>• Category</li> <li>• Consumer</li> <li>• Geography</li> <li>• Channel &amp; customer</li> <li>• Brands and products</li> </ul>			
<p>Localising you product range to the market selected for expansion. Take into consideration the following points:</p> <ul style="list-style-type: none"> <li>• Brand</li> <li>• Range</li> <li>• Pack size</li> <li>• Labelling</li> <li>• Language</li> </ul>			
<p>Utilise Bord Bia's Engagement Activity Prioritisation Tool in order to activate your market diversification strategy.</p>			

# Market Diversification Supports

The following market diversification supports are available:

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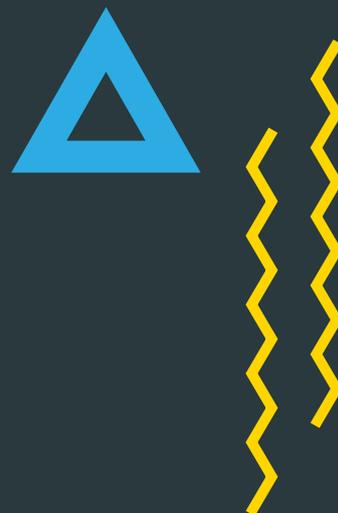
## Insights & Intelligence

### **Prioritising Markets: Opportunities for Growth**

Bord Bia, commissioned by the Department of Agriculture, Food and the Marine, has undertaken an in depth [Market Prioritisation](#) exercise. This focusses on identifying relatively newer markets likely to present growth opportunities over the next 5 – 10 years and assess these against the capability of Ireland to supply the market. For this reason, strongly established markets have been excluded from the analysis. A funnel approach was adopted for the project with an initial screening of over 180 markets. Macro-economic and sector specific criteria was assessed and weighted for each category. This formed the basis of the market prioritisation tool.

The output from the tool was a list of the top 30 markets for each category. Through ongoing consultation with industry, Bord Bia has identified 15 priority markets for meat, dairy, prepared consumer foods, beverages and seafood. 75 summary reports have been published for each market and sector, outlining the scale of the opportunity, level of competition and any barriers likely to face Irish exporters.

Building on from the market prioritization exercise, each sector has developed a three year strategy for 2019-2021 in line with Bord Bia's Statement of Strategy. Each strategy was informed through extensive stakeholder engagement with the sector and is a live document that will be revisited annually, to ensure that Bord Bia is meeting the needs of our stakeholders. The strategies inform our sector focus and the key priority markets, and therefore our plans over the next three years (2019 – 2021). Please contact your relevant sector manger to discuss further.



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## Capability Development

### Commercial Marketing Strategy Development

This service assists client companies in the development of a commercial marketing strategy for their business. This involves making choices around Where to Play (which market, category, channel, customer etc.) and How to Win (developing a value proposition and marketing objectives to deliver the strategy). The service is delivered through a mix of workshops, one-to-ones and online supports. Visit [www.plantogrow.ie](http://www.plantogrow.ie) for more details.

### Think Digital

Think Digital aims to boost the digital capabilities of Irish Food and Drink manufacturers and raise awareness of the possibilities that digital can add to their Commercial Marketing Strategy. This service can support companies that are looking to enter new markets where digital activity is a necessary or integral factor in business growth.

There are a number of upcoming workshops, webinars and direct support planned. For more information contact: [adam.baker@bordbia.ie](mailto:adam.baker@bordbia.ie)

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## Lead Generation & Market Activation

### Trade Fairs

Every year Bord Bia attends a number of international trade fairs covering a wide range of sectors, with the goal of driving business opportunities for clients and raising the awareness of Brand Ireland. For further information on how to join these trade fairs, please contact your Sector Manager or go to the designated Trade Fair page on the Bord Bia website: <https://www.bordbia.ie/news-events/trade-fairs/>

### Trade Missions

Bord Bia works with industry to prioritise high potential markets and organizes Trade Missions with the Department of Agriculture, Food and the Marine. A Trade Mission will typically have sectoral priorities and common key business objectives and outputs. These focus on market access, raising awareness of Brand Ireland and driving business opportunities for Irish food and drink manufacturers. For further information on how to join these Trade Missions, please contact your Sector Manager.





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# Emerging Risks

The following section focuses on key actions to help manufacturers deepen their understanding on how to identify and monitor emerging risk. It also highlights the tools available to manage risk more effectively.

# Emerging Risks

## Key tips

To ensure manufacturers are staying on top of emerging risks they can consider the following actions:

- Understand your evolving risk profile through considering the existing internal risks and horizon scanning for emerging risks in the external environment.
- Gain greater insights into industry risks and the changing landscape by attending thought leadership seminars or workshops. Attending such events can help to broaden your understanding of future risks that might affect your organisation.
- Take the opportunity to attend Bord Bia events to help deepen your insight and understanding of the industry.

## Top three Brexit related risks



**Economic  
Performance**



**Competitiveness**



**UK**



### Economic performance/risk of recession

In a weakening economic environment, companies are more sensitive to volatility, particularly from unforeseen emerging risks, which may become challenging to manage. In such instances, the impact of poor economic performance has a knock-on effect to consumer confidence.

### Competitiveness

The impact of Brexit could result in a change to the competitive landscape, whereby Ireland may lose its competitive position due to external markets becoming more viable. The impact of an increased competitive market could cause more damage to the smaller companies, as increase in labour costs and production costs will erode their profit.

### UK consumer confidence

With the uncertainty surrounding Brexit and fears about the stability of the UK economy, consumer confidence has slumped to a five-year low. The impact of low consumer confidence means people are more conscious about spending their disposable income.

### Risk Management

The main principle of risk management is that it provides value to the organisation, with the aim of reducing the volatility of undesired outcomes. A key part of risk management is improved organisational decision making through evaluating, controlling and monitoring risks. In our current landscape, risks are unavoidable, and each company needs to consider appropriate actions to manage it in a way that it can justify.

This is dependent on the nature, size and complexity of the organisation, which will impact the response to managing risks.

**Understanding your risk profile**

The first step is to understand the risks facing your organisation. One approach would be to bring together key stakeholders from different functions and discuss the significant risks affecting the organisation.

To understand your risk profile, the following steps can be followed:



Identify key risks that the organisation faces with a group of key stakeholders.



Vote on the likelihood of the risk occurring and impact if the risk was to materialise.



Utilise a risk register to capture risk information which captures the likelihood and impact (see diagram).



Assign 'owners' to monitor the risk going forward.



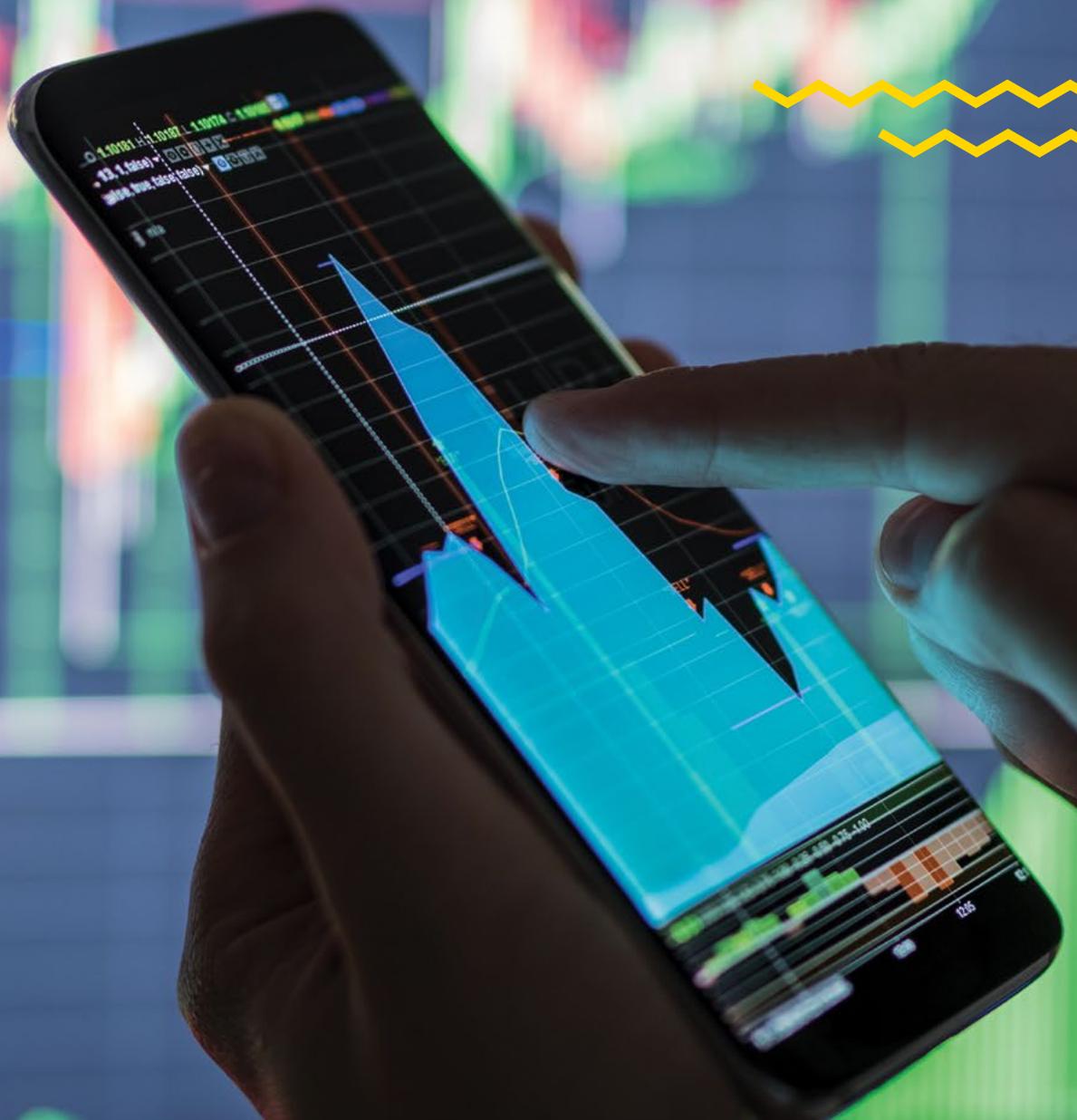
Update the risk register on a regular basis and monitor the movement of risks.



Capture the current controls and future controls to be implement for each risk.

**Example of a Risk Register**

IDENTIFIERS		RISK INFORMATION	INHERENT RISK ASSESSMENT SCORES				CONTROLS		
UNIQUE RISK ID	RISK DESCRIPTION	RISK OWNER	LIKELIHOOD	IMPACT	RISK	DATE	DESCRIPTION OF EXISTING CONTROLS	EFFECTIVENESS ASSESSMENT	IMPROVEMENT POTENTIAL



### Risk Control

Following on from the first step, the second step is to understand the controls in place. These will aim to reduce the likelihood of the risk occurring.

To understand the control environment, the following steps can be followed:



Evaluate the risks to assess whether they can be treated as an opportunity, or if they are unacceptable to manage and therefore need an action plan.



Map current controls against your risks, and highlight which controls need to be executed.



Determine whether the controls to implement should be preventative or corrective.



Focus on mitigation strategies for strategic, operational and compliance risks.



Ensure that the risk register is on the agenda to review during stakeholder meetings to build alignment on areas of focus.



Regularly assess the quality and effectiveness of the controls

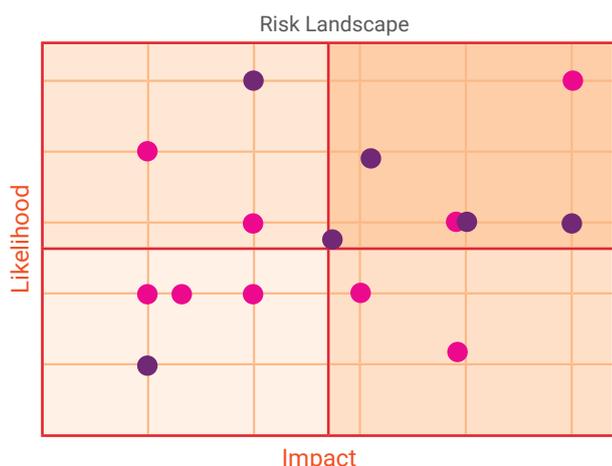
### Risk Response

The third step is to consider the risk response. Depending on the position of the risks mapped in the risk heat map, it will provide an indication of the likely response strategy to that risk. The range of responses available can be described as the 4Ts: tolerate, treat, transfer and terminate, as demonstrated in the graphic below.



TERMINATE	Avoid the risks by terminating the activity
TRANSFER	Pay a third party to take the risk e.g. insurance
TREAT	Contain the risk to an acceptable level
TOLERATE	Retain the risk and take no further action

To mitigate risks, it is important to identify an appropriate strategy for each individual risk. For example, critical risks such as numbers 1,2,6,8 and 10 shown in the heat map below would fall into the category of ‘terminate.’ These risks are categorised as high likelihood and high impact, which could cause major disruption to the organisation. The mitigation strategy for such risks should be to stop the process or introduce an alternative activity.



### Risk Governance

The risk information captured in the previous steps should be reported up to a suitable level of management. By escalating the information to the Board or CEO, it builds awareness of strategic and operational risks facing the organisation. These risks should be linked to the strategic objectives of the organisation, to ensure that if any those risks have a negative impact on the strategy, they can be managed in an appropriate manner.

By putting the recommendations outlined in the previous steps into action, it demonstrates accountability and good corporate governance. Over time this will increase stakeholder confidence in the organisations ability to manage and control their risks, and ultimately will increase shareholder value.

### Emerging Risks Check List

The following emerging risk self-assessment check list will help provide manufacturers with prioritise guidance to take proactive measures to ensure risks are identified and managed in an appropriate manner.

	REVIEWED 'BUSINESS AS USUAL'	DRAFTED A PLAN FOR IMPROVEMENT	IMPLEMENTED CHANGE FOR BREXIT-PROOFING
Understand your key risks, rank the risks and assign controls			
Assessing suitable risk transfer strategies to mitigate the risk exposure			
Regularly monitoring to determine the progress and effectiveness of the preventative controls			
Escalate the significant risks to the board or suitable level of management			

**Glossary**

The following terms and definitions are outlined below

TERM	DEFINITION
Groupage	Groupage is a situation in which several companies transport their goods together in a single container.
EU EORI number	EORI number is a European Union registration and identification number for businesses that undertake the import or export of goods into or out of the EU.
UK HMRC	HM Revenue & Customs is the UK's tax, payments and customs authority.
Cost of customs processes	Compliance, duties, tariffs, changes to systems & reporting.
Binding Tariff Information (BTI)	BTI decisions are classification decisions issued by Revenue. They are legally binding and free of charge to apply for. They are optional but provide legal certainty regarding tariff classification decisions.
Deferred payment account	An account for a loan arrangement in which the borrower can start making payments at some specified time in the future.
International Commercial Terms (Incoterms)	The Incoterms or International Commercial Terms are a series of pre-defined commercial terms published by the International Chamber of Commerce (ICC) relating to international commercial law. They are widely used in international commercial transactions or procurement processes. The Incoterms rules are accepted by governments, legal authorities and practitioners worldwide for the interpretation of most commonly used terms in international trade. They are intended to reduce, or remove altogether, uncertainties arising from differing interpretation of the rules in various countries. As such they are regularly incorporated into sales contracts worldwide.





TERM	DEFINITION
Importer of Record	Company legally considered to be the importer.
Authorised Economic Operator (AEO) / trusted trader status	<p>Revenue definition of AEO status is a certified standard authorisation issued by customs administrations in the European Union (EU). AEO is primarily a trade facilitation measure that recognises reliable operators and encourages best practice in the international supply chain. It certifies that a business has met certain standards in relation to:</p> <ul style="list-style-type: none"> <li>• Safety and security</li> <li>• Systems to manage commercial records</li> <li>• Compliance with customs rules</li> <li>• Financial solvency</li> <li>• Practical standards of competence or professional qualifications.</li> </ul>
Inward / outward processing relief	<p>Inward processing is a procedure to obtain relief from Customs Duty and Value-Added Tax (VAT). It applies to:</p> <ul style="list-style-type: none"> <li>• Goods imported from outside the European Union (EU) to be processed. A process can be anything from repacking/sorting goods to the most complicated manufacturing.</li> <li>• Finished products released for free circulation in the EU or re-export them outside the EU.</li> </ul> <p>Under the outward processing procedure, European Union goods may be temporarily for processing or repair in a non-EU country. Full or partial relief may be claimed from import charges when these goods are re-imported and released for free circulation in the EU.</p>
EU TRACES system	TRACES is the European Commission's multilingual online management tool for all sanitary requirements on intra-EU trade and importation of animals, semen and embryo, food, feed and plants.
ISPM15 pallets	ISPM 15 is a measure developed that addresses the need to treat wood materials of a thickness greater than 6 mm, used to ship products between countries.

2019  
BREXIT  
EXIT



### **BREXIT ANALYSIS & PLANNING DOCUMENT**

Please note this document is part of ongoing Brexit analysis and scenario planning for input into larger Government deliberative processes. Unless explicitly referenced by Government decision, any proposal contained in this document does not represent Government policy and should not be represented as such

