



What to expect on day one of a no deal scenario: Businesses buying and selling timber or timber products in the EU[▲]

Currently, businesses buying and selling timber or timber products in the EU must ensure it is legal, complying with the EU Timber Regulation (EUTR) and Forest Law Enforcement Governance and Trade (FLEGT) Regulation.

Businesses placing timber on the EU and EEA market for the first time (operators) must carry out due diligence, both for imported and domestically-produced timber, to ensure it comes from legal sources.

Businesses trading products in the EU and EEA market that are already on the market (traders) must keep a record of who they buy it from and sell it to. Monitoring organisations can provide operators with a due diligence system and carry out due diligence for them. They must be recognised by the European Commission.

Timber imported from countries with a FLEGT licensing system under voluntary partnership agreements (VPAs) with the EU – currently only Indonesia – must be accompanied by a FLEGT licence. This confirms products comply fully with the relevant laws of that country and means the timber is considered to comply with EU requirements so importers do not need to do any further due diligence. Timber covered by a CITES permit is also considered to comply.

How processes will change

If the UK leaves the EU on 29 March 2019 without a deal, businesses importing and exporting timber will need to continue to demonstrate that the timber is legally sourced.

Importing timber from the EU and EEA to the UK: you would have to exercise due diligence to show you are importing legally-harvested timber. This would involve:

- gathering information on timber, including its species, quantity, supplier, country of harvest and compliance with applicable legislation
- assessing the risk of timber being illegal, applying criteria set out in the regulation
- mitigating any identified risk by obtaining additional information or taking further steps to verify legality.

This is what businesses currently have to do when they import timber from outside the EU, and what they have to do when placing timber produced within the UK on the UK market for the first time.

There would be no change for you if you are one of these businesses. As before, you would need to exercise due diligence to confirm the timber is legally harvested. FLEGT licences would continue to be recognised in the UK and to be verified by the Office for Product Safety and Standards.

Making importing easier from the EU

HMRC is introducing new [Transitional Simplified Procedures \(TSP\)](#), to make importing through roll-on, roll-off ports and the Channel Tunnel easier for the initial period after the UK leaves the EU, should there be no deal. We anticipate TSP will remain in place until traders are ready to use rest of the world processes and permanent arrangements are in place, which will take at least a year.

Sign up for HMRC's new **Transitional Simplified Procedures (TSP)**, online from 7 February, to make importing easier for you until at least April 2020.

Once you are registered for TSP you will be able to:

- transport most goods into the UK without having to make a full customs declaration at the port
- postpone paying your customs duties.

However, for controlled goods, such as animal products and most plants, or excise goods like alcohol or tobacco, you will have to provide some customs information before import.

We have published further **guidance on TSP** on GOV.UK, including the locations TSP applies to.

Exporting timber from the UK to the EU and EEA: EU and EEA businesses would need to apply due diligence to imports from the UK. As a result, it is likely that, if you are a UK-based exporter, you would need to provide relevant documentation about the source and legality of your timber exports to EU and EEA-based importers to enable your customers to meet their due diligence obligations. These systems would vary by business.

Trading timber within the UK: you would need to continue to keep a record of who you buy timber from and sell timber to.

Enforcement of the UK timber regulation: There would be no additional action for you to take at the border as a result of changes relating to the EUTR. The way it is enforced would stay the same as now and the Office for Product Safety and Standards would continue to check appropriate records are maintained by businesses.

Monitoring organisations: Those established in the UK would automatically continue to be recognised by the UK and remain able to carry out their function for the purposes of the UK timber regulation. Those established outside the UK would not automatically continue to be recognised by the UK. The EU has indicated it will no longer recognise monitoring organisations based in the UK in a no deal scenario.

Actions you should take now

1. Consider any changes you may need to make to adapt to new processes and systems.
2. Sign up for **Transitional Simplified Procedures (TSP)**, online from 7 February, if it's suitable for your business but you should note that:
 - you will need to use your EORI number to register
 - if you are importing controlled goods such as animal products and most plants, or excise goods like alcohol or tobacco, you will have to provide some customs information before you import
 - read further guidance on TSP on GOV.UK, including the locations TSP applies to.
3. The passport rules for travel to most countries in Europe will change if the UK leaves the EU on 29 March 2019 without a deal. Read the government's guidance on **Travelling to the EU with a UK passport if there's no Brexit deal** and, if relevant, ensure your employees and customers are aware of the potential changes.
4. Stay up-to-date with these changes by **registering for email alerts**. Follow the link, add your email address, select 'Submit', select 'Add subscription' and choose 'EU Exit' then select 'Submit'.