

File name: invest_ni___trading_with_the_uk_webinar_-_anne (240p).mp4

Moderator questions in Bold, Respondents in Regular text.

KEY: Unable to decipher = (inaudible + timecode), **Phonetic spelling** (ph) + timecode), **Missed word** = (mw + timecode), **Talking over each other** = (talking over each other + timecode).

Anne Beggs: Well, good morning everyone, my name is Anne Beggs and I head up Invest NI's international and skills group, and I'd like to welcome you all to this webinar on trading with CUS this morning where we're going to talk through the recent and ongoing tariff changes that have been announced, and how these impact when exporting goods to and from and importing goods from the US. Before I introduce the speakers, I have a few pieces of, kind of, housekeeping to run through. So, just so you know, this webinar will be recorded and we will be uploading it onto our website to make it available for others to view after the live session this morning. All of the mics will be muted other than for speakers today. Cameras will also be off during the presentations to allow for the maximum screen size for the slides, so you can get all that detail. Our speakers will all be on camera during the Q&A session later, so you can put a face to a name then.

Questions can be typed into the chat function for this webinar. I will ask that you try to make your questions as general as you can, as it's difficult to answer company- or product-specific questions without having detailed information on company procedures, supply chains, etc. And where there are common themes across the questions coming in, we will group these as best we can to enable us to address as many questions as possible this morning. If we're unable to get through all of the questions, we will endeavour to have these answered by the panel after the event, and again, these will be posted on our website.

So, just by way of context, as undoubtedly you're all too aware, once again our manufacturing businesses are facing challenging times. Having navigated the COVID pandemic and Brexit, we now find ourselves in a situation where global trade is facing another period of disruption, so not that it's much, much, consolation, but we're not alone in this. But the difficulty is that there's no real line of sight to when this period of uncertainty will end and, indeed, what's coming next. So, just last Tuesday, we had the delaying of US country-specific reciprocal tariffs, an announcement and then a pause of EU countermeasures, and then an escalation of the trade conflict between China and the US. The US is Northern Ireland's second-largest export market, with manufacturing exports reaching almost £1.7 billion worth in 2024. Machinery and transport equipment make up almost 50%, with medicinal and pharma products making up a further 30%. We also, as a region, import just over £750 million worth of goods from the US, making it our third-largest market for imports after Ireland and China.

It's vital, therefore, that we understand the implications of the current range of tariffs already in play, those planned or those paused or delayed. They have implications for both our exports and our imports, and we now appear to have at least a little breathing space from the EU to consider-, whilst the EU considers its appropriate response, and we need to make best use, I guess, of this breathing space. We're, of course, part of the UK customs territory and therefore, from an export perspective, tariffs imposed on the UK will apply on our exported goods, and we'll hear shortly about US origin requirements which will be key in ensuring the correct tariff is paid. From an import perspective, the Windsor Framework will apply, so this brings the at-risk goods into play and the need for us to understand what countermeasures the EU may introduce on US imports, as they will apply here in Northern Ireland. But, whilst we may have that brief reprieve as the EU ponders its next steps, this is a vital time for us all to understand and navigate the rules of origin landscape. And given, indeed, the numbers we know are attending today's session and the feedback we've had from companies over the past number of days, it's clear that this is a very pressing matter for many businesses across Northern Ireland.

So, I'm delighted that we're joined this morning by two experts in international trade. We hear firstly this morning from Dr Anna Jerzewska, who's an old friend of Invest NI and has come through another period of uncertainty and worked with us in recent years as the UK and EU negotiated its post-Brexit trading arrangements and all of the outworkings of that for Northern Ireland. Anna is a globally recognised customs, trade facilitation and international trade advisor with over eighteen years of experience. She is the founder and director of Trade & Borders, and has worked extensively both in and with the private and public sectors. So, Anna will talk to us today on the current state of play with US tariffs and how these impact on exporting goods to the US, including the need to address non-preferential rules of origin.

Anna will be followed by Jonathan Walsh from Fortior Insight. Fortior is based in Downpatrick and Jonathan is similarly steeped in international trade, and in particular Northern Ireland's post-Brexit trading environment. Jonathan is also currently working with us as we develop our assets around promoting dual-market access, and will bring us up to speed this morning on both the UK and the EU's response to the US tariffs, and how they may impact when importing US goods into Northern Ireland. So, after Anna and Jonathan have presented, we'll then move into a Q&A session which will be chaired by Peter Curran. Peter is the head of our dual-market access unit, so please do submit your questions in the chat function and we will endeavour to get through as many of these as possible this morning. So, thank you again for joining us, I hope you get a lot out of the session this morning, and I will now hand over to Anna.

Captions by Verbit Go

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Anna Jerzewska: Good morning, everyone. I'll start by saying big thank-you to Invest NI for organising the webinar in these uncertain times, a very timely webinar, as Anne said, been working with the organisation during the last uncertainty moment, which was Brexit, and the Windsor Framework or the protocol for that. So, it's-, I'm very glad to be back, and also very happy to be doing this webinar with Jonathan, who is a good colleague, who I discuss these topics with, and check our, our understanding of, of what's going on. Jonathan is also someone I consider to be absolutely best in the business when it comes to applying the Windsor Framework, and whenever I have a client with a product moving in and out of Northern Ireland, I definitely always pass them to Jonathan, so very excited to hear his presentation as well. Right, can we move to the first slide, please? Thank you.

So, you will notice I didn't start with a tariff timeline, and there is a reason for that. I wanted to stress this point that Anne made at the beginning, around uncertainty, and how these are really unprecedented times. And you have here a graph from Bloomberg, but just to, kind of, give you an idea of, you know, if, if we look at trade policy, this really isn't what we're used to. And, you know, starting from applying tariffs on your closest allies to how these tariffs are applied, meaning, you know, announcing things on Truth Social, announcements that go into force the next day, the changes, the back-and-forth. You know, we thought that Brexit had a lot of U-turns, but this is-, this is making Brexit look like a very stable and, and thought-, thought-through process. So, if you are struggling with keeping up, in terms of these tariffs and developments, just, just know that, you know, this is absolutely normal. It's very hard at this point to keep up and understand what's happening, and the, the-, I mean, for companies, for logistics industry, it's, it's, it's just been a, a-, you know, a, a very difficult-, someone pointed that it's not even been 90 days. I think we've all aged substantially in the last 90 days since, since Trump was sworn in. So, I'll, I'll, I'll come back to the-, to the tariffs and, and the timeline, but just wanted to give you a bit of an illustration of how these tariffs-, what, what do they look like at the moment. Can we move to the next slide, please?

So, this is from the New York Times, this was posted on Saturday, and this just-, I just wanted to give you an illustration, again, we'll come back to what these tariffs are in a second, but just to give you an illustration of all the different tariffs we have. So, I'll start by, by, kind of, coming back to the original tariffs, because before Trump, we also had actual tariffs, normal tariffs, the, kind of, third-country tariffs that, that were in place. We also had some legacy tariffs from Trump's first presidency, some special tariffs, especially when it comes to China and, and certain products. Then, since January, we have a range of tariffs that have been applied, revoked, postponed, and so on, which is why, again, a, a timeline is quite difficult to make at this point, but just to give an overview, we had the Mexico and Canada 25% tariffs,

they were applied, they were postponed. Then, there was a clarification that goods under USMCA Comesa (ph 03.45), sorry, CUSMA, so the, the second NAFTA (ph 03.48), the, the trade agreement between Mexico, Canada, and the US, would still be-, if they qualify for the trade agreement and preferential treatment, will still be 0%. And if these additional tariffs are removed, they-, Canada and Mexico will still be subject to 12.5% tariffs if they don't qualify for the trade agreement.

We have the steel and aluminium and derivative products 25% tariffs, with some exemptions, and I'll come back to all this a bit later. The steel and aluminium tariffs are also the first ones to include US content calculations, so this is a, a clause that says that, if you have some US content in your derivative products, you can calculate this-, the, the amount of US content and subtract from the final value of the product, to lower your duty bill. In practice-, and again, we can come back to this later, but in practice, this is quite difficult, and a lot of companies ended up paying full tariffs instead of doing the calculations, because they didn't have the documents or they didn't know how to proceed with these calculations. We have another set of tariffs for cars and car parts. Part of this already went into force for cars, again with exemptions. Car parts, we-, the tariffs for that, we know, or we expect them to come-, or to be applied in May. We'll see whether this actually happens. And then we have the April 2 tariffs, the tariff day, also called liberation day, where we had 10% baseline for everyone and then reciprocal-, well, they were called reciprocal, there was nothing reciprocal about them, but additional punitive tariffs with, again, an annexe, too, listing all the goods that will not be subject to these tariffs, including all the goods subject to previous tariffs. And, also, US content calculations based on non-preferential origin, I'll come back to this in this-, later on, as well.

And then we additional China fentanyl tariffs of 20%, and then additional punitive tariffs applied because China retaliated. So, it's just a very complex network of tariffs, some are added on top of the others, some are-, some are not. Can we move to the next slide, please? Again, this is-, this is tariffs on, on China, in this particular example. And this example-, the, the point here is to, to first of all go, again, back to this, how these tariffs applied, how they're-, how the list of exemptions-, how every single tariff is-, comes with its own exemptions, conditions, categories, and the different ways in which it's being applied. Some of them are cumulative, some are not, depending on what the executive order says. So, what ends up happening is that you have this matrix of products, and different tariffs that apply or do not apply to these products, and as a result, you know, I think it's quite interesting that, that things that we thought originally will be subject to the highest tariffs, for example, when the steel and aluminium tariffs were applied, ended up actually not being subject to, to the highest tariffs, and, and things that ended up being subject to the highest tariffs were not the ones that we initially thought would, would be the case. So, I just, yeah, think this is an, an interesting illustration of, of what's, what's going on, on at the moment. Can we move to the next slide, please?

Okay, so, as I said at the beginning, I think timelines are quite difficult at the moment, but I wanna use this as an example to, kind of, show you just how volatile this environment is, and how-, and, and why some of the things that I'm gonna be talking about in a second, when it comes to what companies can do

about these tariffs and how they can prepare, why, you know, why that is important. Because we really-, especially in the last week, we had-, well, pretty much since the 2nd of April, but last week in particular, the level of, of, of changes, you know, uncertainty, was just, you know, completely off the charts. So, I mentioned that we had this executive order and the, the-, or series of executive orders on the 2nd of April, introducing, introducing the baseline tariff for everyone, including some inhabited-, uninhabited islands, which caused a lot of confusion. And then we had the additional tariffs applied per country, and then, the same executive order talked about this calculation for-, of US versus non-US content, provided that the product had at least 20% of US content when, when compared to the final value of the product.

So, this was applied on-, or, this was announced on the 2nd of April, with the 10% going live on the 5th, and the reciprocal tariffs going live on the 9th. This executive order also included some other information, or some other announcement, and they'll be-, later-, they'll be mentioned later in this slide. Some of these things were not necessarily very clear, and I think this is, you know, this is one of the things we'll deal with at the moment, that the executive orders do not-, do not necessarily cover all the details, and before the US customs, so CBP customs and border protection department, is able to issue guidance and, and some clarification, some of these tariffs and some of these measures already go into force. Trade agreements that US has still apply, I'll come back to this later as well. Mexico and Canada were excluded from these April 2nd tariffs, and they're only subject to their own punitive tariffs that I mentioned, 25%, minus tariffs on energy, because they're subject to lower tariffs, that's-, and ingredients to make fertilisers, that's 10%. And, of course, if they qualify for preferential treatment, they can be duty-free.

That executive order also mentioned the end of de minimis for China and Hong Kong, and that will-, that's supposed to stop on 2nd, 2nd of May. De minimis is a special procedure for goods of low value, so that's, in the US, below \$800. They-, these goods are not subject to customs duty-, duties, or any traditional, full customs procedures. We can come back to this later as well, this is one of the-, one of the-, I wouldn't call it a loophole, because it's a trade facilitation measure, and a-, but it's one of the ways in which companies have been avoiding some of the tariffs, is sending them below that threshold. This will now be closed for, for China as of the 2nd of May, but we've also had an announcement that this will be closed for everyone else at a later date. So, at the moment, this is available. From the 2nd of May, this will not be available for China and Hong Kong, and then, later on, we don't know the date yet, it will stop being available for everyone. So, we also had annex two published couple days later, and this included a list of goods that will be exempt from these tariffs.

Then, a few days later, last week, the reciprocal tariffs were paused for 90 days, except for China. This was increased from 84% to-, well, depending how you calculate, to 125%, on goods that were subject to these tariffs, because China retaliated. And this pause in general, you know, one of the ways to look at it is that this was Trump's way of starting bilateral negotiations for, for deals. However, we are very unsure what these deals could be, because initially, several countries announced that they are happy to take down their tariffs to zero for the US, and then the US came back saying that this is-, this is not good enough, whether that's the case or not, we'll see. At the moment, what we're seeing is that, you know, we're

hearing something one day for, for this to be debunked, and said this is fake news, and then it happens the next day, like it-, we had with the 90-day pause. So, on Friday night, our Friday night, their, their-, I think, our Sunday-, Saturday morning, or-, given the time difference. Anyway, on-, from a US perspective, on the Friday night, a clarification was published to annex two, and the, the, kind of, the exemptions from, from those tariffs was, was, was announced. This was supposed to be just a clarification, however, whether this was, you know, done on purpose or not, it added additional products, including smartphones, computers, and so on. So, that clarification meant that there's-, a whole new set of products were exempt from these tariffs, and were, were, kind of, put in a different category.

It then-, what happened then was that there was a glitch, because, if you apply tariffs overnight, it, it will-, you know, it's very likely that the IT system will not be able to keep up. There was a glitch, meaning these, these exemptions were not applied, and this, this led to the fact that some companies paid the tariffs and now can get a refund from, from customs. So, this is all a week and a half. So, just to, kind of, give you a, kind of, a snapshot of just how much is, is, is happening and, and how quickly things are changing. Can we-, can we move to the next slide, please? So, this is just-, this is just a-, again, just to give you an, an idea of, of some of these-, some of these, kind of, comments that we're seeing. Some of these tariffs and the exemptions led to very-, and you can see, there's an example, this is from X, this is-, you can see, in the second example, that the exemptions basically do not necessarily follow what-, Trump's policies around bringing manufacturing back home. However, since then, this, this was-, this was posted on Saturday, since then we've also learned that semiconductors, which are-, which is what Trump calls all these products that were exempt, including smartphones and laptops, they will be subject to new tariffs shortly. So, this is already out of date, again, this was Saturday, that's already out of date. We already have investigation into semiconductors and we are expecting to hear something maybe even this week about new tariffs on semiconductors.

Okay, can we-, can we move to the next slide, please? Okay, so, what, what, what are we expecting, or what can we expect? The tariffs that are in place are likely to stay in place, so steel and aluminium tariffs and the calculations are likely to stay in place. Auto, auto-, so cars and car parts, the ones that are in place, so for cars, likely to stay-, car parts, likely to go into force, we'll see whether it's still beginning of May, or will the date change? We know that negotiations or conversations are going on for some of those additional tariffs, they have been paused for 90 days, but definitely expect them to come back, or expect this topic to come back. We know that there will be more sectoral tariffs, so, we know that semiconductors are probably the next tariff in line, we'll also have tariffs on pharma, which was excluded from those 2nd April announcements. Lumber, we have a couple of other industries that have been mentioned here and there, but these three are the most likely, we, we know that that's likely to happen soon.

What we're seeing, again, that this US, non-US content calculations are coming back in some of these tariffs, so again, this is something that is probably worth looking at and worth thinking about now, before we have more tariffs in place, because this is something that, that, you know, we've seen for the second

time, and the first one was with steel and aluminium, on a small, small scale, but with these April 2nd reciprocal tariffs, that would apply to everyone for all products, so that is definitely one to keep an eye out for and start thinking about how this would be done throughout the supply chain. As I mentioned, yeah, the, the special tariffs will come back, the topic will come back, and then, the last, kind of, point is the-, that, that, you know, at least in my view, this state of, kind of, constant firefighting, constant urgency, and constant, you know, state of crisis, that is something that is probably going to continue throughout Trump's second term. So, this is something that, you know, we, we will need to find a way to, to, kind of, manage, because it's unlikely that he will-, he will stop, although, if it will be as extreme as it has been, that remains to be seen.

At the bottom, here, you just have a screenshot from announcement that was made, and this is the-, in this investigation into semiconductors that started, I think, on Monday, and I think companies have-, or stakeholders have time, until Wednesday, to provide their views for, for these tariffs. Okay, can we move to the next slide, please? Okay, so, having, kind of, provided the broad picture of, of just how, yeah, volatile and, and, and difficult the environment is, what can companies do to prepare for, for what's coming next? Can we move to the next slide, please? Thank you. So, key steps, or key, kind of, points to bear in mind, and we'll, we'll drill down into the detail in just a second. So, first of all, I would suggest that you look at each of the tariffs slightly separately, because, when you actually read through the executive orders and the guidance, they are all slightly different in the way that they're applied, and they obviously are applied under different American legislation, so some are for national security, some are for state of emergency, the-, you hear this-, these, these terms mentioned, Section 232, AIPA (ph 18.49), and so on.

So-, but what it means in practice, or what is important for companies exporting to the US, is that they will have different provisions, different timelines, so when they're applied, they will have, for example-, and each executive order will have a section that tells you if the goods are already in transit, so if the goods already left, what is the time-, what is the deadline that they have to be loaded into-, onto a container, onto a ship, in a port, for them to still be considered tariff-free, and which points the tariffs start to apply. So, that is in every single executive order. Treatment of free zones, so warehouses, drawback, de minimis, all this is in every single executive order, and they can differ. Some of the-, some of the executive orders mention free zones, some of them do not, so, again, each of them is applied in a slightly different way. And then, of course, they all have the, the special codes that is provided in the customs guidance.

Related to this, second point, unfortunately, because of this, we all need to at least read or, or, you know, get, get familiar with reading executive orders, proclamations, and CBP guidance, and also clarification. So, the US IT system for customs is called ACE, and then the CBP, so, the US customs team, has a-, has a system where they-, cargo system management service, CSMS, you don't have to worry about this, but it's, it's good to subscribe to those notifications, so you get the latest information. Again, we normally wouldn't be suggesting companies to follow customs guidance of a-, of a company of export, but again,

with the-, with how quickly things change, this really is one of the only ways to stay on top of things. Point number three, not all guidance will be provided. This is just to say that, because things are happening and changing so quickly, some of these-, some of these executive orders, some of the guidance, will not have all the information you need. So, an example of this was that, when the-, when, on the April 2nd, when tariffs were announced, one thing that we weren't necessarily clear on-, so, one of the things that was-, that, that was not in any of the documents provided, was the treatment of trade agreements, so, US has a number of trade agreements, and if you have these additional tariffs on, on countries like South Korea or Australia, what does it mean for trade agreements? And, again, this wasn't mentioned in any of the guidance, wasn't clarified. The way I actually figured this out was to call a customs broker in the US and ask them whether they can still put this through the customs system that I mentioned, ACE.

So, in, in-, this is to say that those relationships that you have with your clients will be important, and sometimes, you know, you will be relying for the-, on the, kind of, communication with your-, with your clients throughout the supply chain, to try to figure some of these things out, because, in certain cases, again, if things are applied so quickly, the only way to find the information is to speak to someone on the ground, and that means building these relationships and having these contacts so you can ask questions when you need to. Point number four, check who you're getting guidance from. If you remember Brexit, around Brexit time, everyone was an expert in customs, this is exactly what-, what's happening now. Make sure you're getting guidance from a reliable source, especially if it's paid guidance. Make sure you, you-, you know, you check that, LinkedIn might not be the best source for, for information. There's a lot of-, I wouldn't even say misinformation, just, just a lot of confusion, so even with the best intentions, sometimes it's difficult to provide good information. And also, if you provide something, you know, one hour, the next hour it can already change. So, be, be careful with that.

Point number four, and-, oh, sorry, five, and we'll come back to this in just a second, because these are US tariffs, everything that we talk about, and I am gonna mention in just a second, is based on US laws. So, these tariffs are applied based on US laws and US legislation and US rules. So, when we, in a second, come back and talk about origin, classification, valuation, special procedures, ways to minimise duty, that is all based on the US version of these provisions. So, when we talk about classification, this is not how we would classify things in EU or, or the UK. This is how they would classify things in the US. So, those, those differences between how we do things and how they do things in the US will be important, and again, this is why you, kind of-, if you speak to someone, make sure that they are providing information based on the interpretation in the US. Point number six, again, just to review contracts and incoterms just to make sure who is the importer into the US. Is it you, as an exporter, depending on the incoterms and contract? Who's got that liability? Again, this, this, kind of, these relationships throughout supply chain will be very important. And, point seven, review the customs basics, and this is where we will focus on now, is just those little things that you can do to either avoid some of these tariffs or minimise them in certain-, in certain cases. Can we move to the next slide? Yes, next one, please, thank you.

Okay, so, classification, we all know, more or less, you know, how classification works. Classification will still be important for sectoral tariffs, and for any kind of exemptions that we have in, in those broader tariffs. So it-, you know, it-, origin is definitely the star of the-, of the show, but classification is still important. If you can re-classify your products from, from what it-, from, from a good that is subject to sectoral tariffs into something that's not, that will definitely help. Again, and this-, I cannot stress this enough, it refers to the classification at the point of import, as always, so classification based on US tariff and US interpretation of the tariff. You have a link to the tariff, this will be provided, so you have the link to the US tariff. If you're not familiar with it, again, either get someone to help you with this or just start having a look at this. The way we have, in the UK and the EU, we have classification rulings, in the US they also have classification rulings, and that can be-, reading some of these rulings can be a way to familiarise yourself with the way US customs thinks about classification, and how they do things slightly differently than, than what we do. Can we move to the next slide? Thank you.

I've, I've left this slide in just in case there's anyone, I think you're all familiar with the difference between non-preferential and preferential origin, but just wanted to mention this very quickly, just in case there is anyone who's, who's not familiar with the difference between the two. Preferential origin is the one that we use for trade agreements, so this is the one we would use under the TCA, the trading corporation agreement, between the UK and the EU. This is the one we would use for any, kind of, other trade agreement the UK has, or the EU has. So, so this is the one that's written into the, the actual trade agreement. However, whether you have a trade agreement or not, there's the second type of origin, non-preferential origin, that's applied at all cases, so every good traded, whether there's agreement or not, has to have non-preferential origin. And in most cases, this is not particularly relevant unless there are things like quotas, anti-dumping duties, safeguard duties, and so on, countervailing measures, and so on. So, unless there's a reason for this to be important, traditionally it has not been very important. Now, with those tariffs, especially if we have a difference between tariffs applied to the UK and the EU, like we had on 2nd of April, where UK had 10% and EU had 20%, that would be incredibly important for Northern Ireland, because that would mean, you know, a difference of 10%, depending on how you determine this non-preferential origin. It's also becoming very important for sustainability in the EU, but that's another topic. But just to, kind of, mention, so these are these two, so when I refer to preferential, non-preferential, you'll see where these are. Can we move to the next slide, please?

So, preferential origin, again, traditionally the most important one, but here it's, it's taking a bit of back seat. It's still relevant for those countries where the US has a trade agreement, so I mentioned South Korea, I mentioned Japan, Australia. But, it only offers the discount on this basic most favourite nation, so third-country tariff rate. So, if you have-, I forgot what the reciprocal ones were for South Korea or Australia, but if you had 25%, 35% additional tariff, and you get a discount on those basic tariffs, and the, the basic tariff, let's say it's 6%, you know, it's, it's not a lot, but it's-, it, it can help a little bit. So, for, for those supply chains that still move under some of those trade agreements between the US and a third party, you may be able to use-, well, you, you should be able to use preferential origin to, to lower your duty bill slightly. But that, again, is the US and the-, and the, kind of, third-party trade agreement, so this would need to be, be checked. This is not going to help for the UK or the EU, because we don't have-, neither of the countries has an agreement with the US. Okay, can we move to the next slide, please?

So, here, we're moving to non-preferential origin, and this is-, again, this-, when we had those reciprocal tariffs on the 2nd of April, with differences, so every country got their own rate of tariffs, some were incredibly high, especially for developing and least developed countries. Here, the (mw 29.28) non-preferential origin determination would be crucial. Now this has been paused, and everyone has the 10%, it, it still can be important in some cases. The most important one is whether the goods are Chinese or not Chinese, so, China is up to 143%, depending on which product. So, of course, you know, the difference between a Chinese product and a Vietnamese product, at this point, is, is substantial. When-, and this is a bit of a-, of a side point, but during Trump's first term, when we had additional tariffs on China, the first round of additional tariffs on China, a lot of countries diversified and moved to Cambodia, Vietnam, and so on, and these countries ended up being the biggest winners from, from, kind of, Trump's first term, in terms of investment and, and production. At the moment, for the next 90 days at least, these supply chains still work. If these countries get hit by additional punitive tariffs, this will need to be revisioned and, and, you know, a big shift in supply chains might, might be necessary.

Non-preferential origin, just like classification, is also based on, on the US understanding of this, I'll come back to this in a second. Non-preferential origin will also be important for those US, non-US content calculations. Again, here, the executive orders and the guidance will give you a formula or understanding of how this needs to be calculated on a high level. So, for the steel and aluminium, we had a sentence that said that it's the non-preferential origin based on substantial transformation of the non-US part versus the full value of the product. This is high-level, but it gives you some-, something to go-, to go with, and I'll come back to this in a second. Non-preferential rules traditionally have always been less defined than preferential rules, because, as I mentioned, unless there's a reason for them, they don't matter as much. There, there are some international conventions, and some international guidelines, but each country can define these rules in a different way, so we have two main principles, which you might also know from, from the other type of origin. Wholly obtained, so this is for products that come from one country in, in their entirety, and it's, it's-, you know, it's difficult to dispute the product, if a cow was born and raised in, in, in one country, you know, it's wholly obtained, at least in general for, for Northern Ireland, this was always the example we used for Brexit, because if a cow also walks across the border several times a day, that, that makes things a little bit more complex.

And then we have substantial transformation, which is the, the key term for non-preferential origin. Let's move to the next slide. Thank you. So, I mentioned this already, non-preferential rules will be the ones that matter for those tariffs. What we do in the EU and the UK, if we want to say something under non-preferential origin, I mean, we always sell under non-preferential origin, because it's required on the customs declaration, but if we want to get a certificate or confirmation, for example, if we export to Vietnam, we are going to ask for a certificate of non-preferential origin from a local chamber of commerce. In the US, they look at this differently, so an important point here that any certificate of non-preferential origin you get from the UK or the EU will not matter. A good colleague of mine, a Canadian origin expert, Brian Staples, has worked a lot with Vietnam, you-, some of you might have heard of him, and he's, he's, kind of, seen it first-hand, where the Vietnamese customs were providing certificates of non-

preferential origin, in Vietnam they're called phone B (ph 33.42), and US customs were, were just, basically, rejecting them and saying that they do not approve, or they do not take into consideration non-preferential origin certificates from a country of export. US customs applies their own rules and decides how non-preferential origin will be interpreted.

In the EU, we have quite detailed guidance and legislation around non-preferential origin. We have product-specific rules, we have list rules, we have quite a lot of information to base our determination on. In the US, you don't have a lot. It's, it's really just high-level stuff. You have a Congress document which outlines the main principles, you have a link to that. You have CBP guidance that I'll-, there's-, I think there's a screenshot on the next slide, I'll come back to this in a second. And that guidance, again, is very high-level, and they have a case law which, in this case, is customs rulings that-, again, I mentioned the classification rulings. We also have origin rulings in the US, and this is, kind of, the body of the-, of the case law, and, and US interpretation and, as they say themselves, it's inherently subjective. We can move to the next slide. So, this is a quote from the Congress document, and again, it's, it's-, it says, very clearly, that it's based to CBP, so the US customs interpretation of facts, and it is subjective. Next slide, please. Thank you. So, this is a-, an element from the guidance on substantial transformation from the CBP website, and it talks here about substantial transformation, so, changing the product, the product that's imported into the US, in order to be considered-, let's say, if you manufacture something in China, then you send it to the UK, and you process further in the UK. For this product to be considered of UK origin when it is imported into the US, it has to, in the UK, undergo a fundamental change in form, appearance, nature, or character, which is resulting as a result of processing or manufacturing.

So, this is a very high-level definition, and the interpretation of it has been quite-, a subject of quite a lot of discussions. It's, it's-, you know, it cannot be a simple transformation, cannot be simple assembly. You-, at the beginning, you know, a couple years ago, for example, we, we were discussing things like, 'Okay, if you need special tools for the assembly, then perhaps this, this is enough to, to make this a substantial transformation.' As time went by, with the additional tariffs, the interpretation from US customs got quite-, got a bit more strict, and now we're seeing that you really need to change the product into something, something different, for substantial transformation to, to apply, or to be approved by US, US customs. You also need to-, when you-, when you apply for this exemption at import, you need to provide a, a-, some information in its CBP checks. You need to provide detailed description of why you think is substantial transformation. Just to give you a couple of examples, and we can come back to this in the questions, because I-, I'm running out of time, but just to give you a couple of examples, one example that I find incredibly interesting, that's on the CBP's website itself, is an example of frozen mix of vegetables. So, if you bring vegetables, fresh vegetables, from different countries into, let's say, the UK, and you transform these vegetables into a frozen mix of vegetables, that process, from a carrot to a carrot that's in a frozen mix of vegetables, is not considered sufficient for-, from the US customs perspective.

And again, I-, you know, it's, it's sometimes counter-intuitive, it-, there's definitely a, kind of, push for making this, this-, making-, ensuring that the product that, that ends up as the result of the

transinformation is-, has a completely different character, has a completely different use, and is different than the, the parts and, and components. And, again, we can come back to some examples and, and more detailed definition in, in questions. The implications of that for, for-, and I, again, when we have-, if we have differences in terms of tariffs between UK and, and the EU, it's gonna be incredibly difficult to determine non-preferential origin for some of these products. I think this is something that CBP has not even considered yet, and probably, you know, something that will need further clarification. Can we move to the next slide, please? I'm just gonna briefly mention a couple more points. Again, we can come back to non-preferential, origin during questions and answers. On valuation, I mentioned the de minimis, this threshold of \$800. If you send anything below, it still works for the time being. There have been some more creative ways of reducing your, your tariff bill proposed by, by some accounting firms. You have here, also, a headline from the FT. One of them is around excluding royalties, which, which can work in, in some cases, and the other one is around first sale for export.

So, first sale is a process whereby, if you have a manufacturer and a company's, kind of, a middleman in, in between, and then you have the final importer in the US, in some cases, you can use the first sale before the, the middleman as the basis for customs valuation. Lower customs value means lower tariffs, lower duty, because duty is calculated as a percentage of the value. Both of these have been advertised as ways to minimise your bill, but again, it will only work in certain cases. I think there's a tendency, now, for different, kind of, consulting companies or accountants to, to advertise ways of minimising the bill, but you have to be quite careful with these procedures, because they don't always work. Speaking to US-based customs lawyers, for first sale for export, the majority of these claims end up failing and end up being rejected, so if anyone is offering you a way out of these tariffs, again, be very careful, because these methods only apply to a very selected number of examples, and it's on a case-by-case basis. Can we move to the next slide? Yeah, next slide, thank you.

So, just to finish off very quickly, there are other exemptions, and again, it-, these are very small and narrow cases in which-, which can work in certain supply chains, but this needs to be assessed and reviewed on a case-by-case basis. If you had goods, goods that are returned or repaired, there are ways to minimise your duty bills if that-, if your product fits that description. Personal items, and so on, there's a whole list of exemptions in chapter 98 of US tariffs. They are being used, and I know, for example, Canadian lawyers are working quite hard to fit some of the supply chains in those very narrow terms, but again, be very careful with that, because unless-, you know, it-, it's very difficult to, to, to, to push some of the supply chain into these small categories, and you risk this being rejected. And then, can we move to the final slide, please?

Okay, so, just a summary, very quickly. This is just the beginning, in terms of the chaos we're likely to see for the next three and-, well, almost four years. Please remember that all the US tariffs are applied on US rules, so what we know about classification, origin, and so on, we need to look at this from the US perspective and the way US interprets things. In the US, the importer has the duty of care, as, as that's being referred to. This is similar in, in the UK and the EU as well, but in the US, what that means is that,

you know, you do need to, as the importer, show that you've really looked at these rules. You can get an opinion from a US-based customs lawyer, and you can get a, a ruling on origin or classification from the US customs authorities, and if you follow these steps, you know, that, that will be considered, that the duty of care was fulfilled. Compliance, like in, in the UK and the EU, is determined after importation, so just because the goods got through, doesn't mean that they won't be assessed later, so also be prepared for that, that CBP might be doing audits later on, and might be checking these non-preferential origin determinations and so on. Please make sure you check the US guidance and legislation.

Another point is that US customs, because there are so many things happening at the same time, might be overstretched, so compliance is very likely to be low. We've also seen that some brokers, and I have even had a case of this yesterday, that some brokers told me that-, about this, offered to help by declaring incorrect origin or classification, and so on. This is still non-compliance, even though CBP probably doesn't have time to look at this now, this is still non-compliance, so if you're taking risk-, risks, please be aware of potential consequences. And then, the final point is, ensure you work closely with your US clients and-, throughout the supply chain, cause that level of uncertainty really needs to be managed by the entire supply chain, and there are some things that only the importer can influence. So, I'll stop here, and I'll-, more than happy to come back to some of this in, in questions, as you can imagine, there's, there's a lot to cover, and a lot of things happening very, very quickly. Thank you so much.

Captions by Verbit Go

File name: invest_ni___trading_with_the_uk_webinar_-_jonathan (240p).mp4

Moderator questions in Bold, Respondents in Regular text.

KEY: Unable to decipher = (inaudible + timecode), **Phonetic spelling** (ph) + timecode), **Missed word** = (mw + timecode), **Talking over each other** = (talking over each other + timecode).

Jonathan Walsh: Good morning, everybody. Hopefully, you can hear me. Thank you very, very much to Anna for a very well put together, interesting, sobering presentation. I have had the pleasure of working with Anna for a while now, and I have no doubts about her, her knowledge in these areas and, you know, as Anna has said previously, she is definitely the person I would call upon when I need support for my clients in areas that are outside my own knowledge space, and I tend to stay in my lane, because I find that it's less crowded and you've less risk of crashing when you-, when you do that. Okay, we've, we've had a lot discussed so far, and I have no doubt that everybody's head are fried, at this point, but I'm gonna try and, like Anna, to focus in on the real-time implications to companies, and look at the practical steps that companies can take, and my focus is very much going to be around the imports coming into Northern Ireland, as opposed to the area that Anna covered, which were exports, and I, I never thought I would say this, but having listened to the presentation and, and having worked in these areas for the last number of weeks, I, kind of, find that Northern Ireland rules and procedures aren't now as complicated as I first thought they were, and that, you know, what? In reality, once we get to grips with that, we probably can find that we can work through them and work closely with our, our contacts in government, in HMRC and DBT and all the other departments.

I was looking at the-, at delegate lists, beforehand, in terms of size, company size, and the, the-, if they were defined as exporters, importers, and both, and I've seen that for those who had included or, or provided this information, 54% of the delegates today are exporters only. 42% are both exporters and importers, and then, we had about 2.5%-3% that indicated that they were importers only, albeit that I think that if we consider indirect movements of US goods, we would find that that figure, that percentage would rise. So, if you can go to my next slide. This is just the hands up, at the very beginning. As Anna has already stated, a lot of this is very, very fluid. It doesn't matter if you are dealing with this on a, a full-time basis, like myself and Anna are, there is things that we will miss. There's updates that will happen that we may not have found about. I, I was doing an event with Invest NI, a briefing meeting on Monday, in-house, and I was given some information by one of the attendees, and thank you for that, Claire, with regards to changes on the de minimis allowance, and how that is calculated, and the period it was calculated, which I was able to then go back and confirm with my contacts in HMRC, but I had missed it, because we can only have our eyes on, you know, one or two things at the same time. So, that's my disclaimer. It's very, very fluid, at the moment, and I just want to ensure that everybody knows that we are trying to provide as up-to-date information as we can, albeit that things change very, very quickly. Next slide, please.

So, today, I'm gonna talk about, as I said, the counter-measures announced by the UK and the EU, and why that is important. You know, okay, we're all talking about what President Trump and the US administration have done, in terms of imports into the United States, but there is a potential for counter-measures, and that impacts businesses. So, if we go to the next slide, please. First one we're gonna look at is the EU counter-measures. So, first thing to say is that there is no EU counter-measures, at the moment, albeit that a-, on Monday of this week, the EU produced a, a- adopted some arrangements which were immediately then paused until 14th July 2025. So, 90 days exactly from the date that they were announced, and that was to be able to provide some time and space for the European Union and the US administration to, you know, negotiate some sort of creative agreement. I read yesterday that Sefcovic has been out now three times in the last six weeks, to the US. So, it's clear that they are negotiating and working with that. Other things that were noticeable in the documentation that was published, in the last few days, is that there is now a maximum tariff being applied under these measures, these measures that have been currently paused or 90 days, of 25%, and I know that the slides will be shared afterwards, and the highlighted areas have links directly through

to, to the relevant documentation. Can we go the next slide, please. The UK counter-measures, the UK have taken a, a more restrained and pragmatic approach, at they moment, albeit that on 3rd April they produced a document which had an indicative product of US products that they may, you know, open up to counter-measures against the US, as in US origin goods. That read to 400-odd pages, if I recall correctly, and that has gone out to industry for their comments and their review. They also announced on Monday of this week, or Monday, Sunday-Monday of this week, that they were suspending import tariffs on a range of products to lower cost for businesses. Now, why is that relevant? It's not a huge list, it's about 99 or so commodity codes are in that, but-, and, and that suspension is not just in terms of US imports, but all imports of products into the UK. So, that is a suspension of the tariffs until July 2027, on UK global tariff schedule, and that has a relevance for Northern Ireland, and I will come back to that later on in my slides, in, in what relevance it has. Can we move to the next slide, please? Apologies, I only set my timer now, so, I, I'm gonna try and stick to it. So, look, I've, I've talked about UK counter-measures, I've talked about EU counter-measures. You know, what? That's really, really confusing for everybody. Why am I talking about EU counter-measures, when we're in Northern Ireland? We're part of the United Kingdom.

So, the reason I'm talking about it, if we go it the next slide, please, is that whilst the whole of the United Kingdom left the European Union on 1st January 2021, including Northern Ireland, and if we look at the next slide, please, under the arrangements that were negotiated as part of the withdrawal agreement and under the Ireland, Northern Ireland protocol, a.k.a. The Windsor framework, Northern Ireland continues to retain access to the European Union for goods, if we can move to the next slide, please, and that means that e have dual market access. So, that's dual market access for goods. Dual market access for goods means that we do not, unlike the rest of the United Kingdom, when goods move between Northern Ireland and the European Union, there is no requirement to complete customs declarations, there's no requirements around preferential origin and rules origin, if you're looking to get preferential rates under the UK-EU trading cooperation agreement, and because Articles 30 and 110 of the, the undertaking-, to pay undertaking the protection of the European Union continued to apply in the United Kingdom, in

respect of Northern Ireland, there is no payment of tariffs on those goods, and that required regulatory alignment in, in specific areas around goods, and that means that there is requirements placed on us.

So, the flip-side of continuing to get access to a market of 455 million combined with our, our dual market access with our own internal UK market, giving us access to a market of about 580 million people, a market, a single market, the largest in the world, incidentally, and a single market which is larger than the US and Japan combined, there is some conditions placed on it, and the conditions are that, when goods come in from Great Britain to Northern Ireland, if they are at risk of entering the EU, that there is a requirement to complete customs declarations. That changes from 1st May, under the simplified process for internal market movements, for not at risk movements, and then, if the goods are coming in from the rest of the world into Northern Ireland, if those goods are deemed to be at risk of entering the European Union, EU tariffs apply, third country tariffs erga omnes most favoured nation tariffs apply, rather than UK tariffs. Next slide, please. So, what does this actually mean?

So, the, the, the exports from Northern Ireland to the USA, this is a very, very quick high-level recap of what Anna said earlier on. We go to the next slide, please? Due to the fact-, well, as stated clearly in Article 4 of the-, of the Northern Ireland protocol, Northern Ireland remains part of the customs territory of the United Kingdom and as such, as a part of the United Kingdom, our goods are deemed to be UK origin on export, and therefore, when our goods enter, be it the US market or any other market, if there is a free trade agreement, our goods can benefit from that, and if we meet the requirements, as Anna has spoke about around non-preferential origin, our goods can be declared as UK origin, with the caveat around substantial transformation, and all of those areas that Anna spoke about earlier. Next slide, please. This is just very quickly putting this up here, it's a plug for the NI Business Info. This has got the most up-to-date information around US trade tariffs and what is happening, in terms of tariffs being applied across sectors, reciprocal tariffs being applied, baseline tariffs, updates on any news around semiconductors, farmers, exemptions, and so forth. Next slide, please. So, as I said, the focus that I am going to have on my presentation today is around direct and indirect imports of US products into Northern Ireland, and the indirect element is as important as the direct element, because there are implications when it comes to Northern Ireland. Next slide, please.

So, I spoke very briefly there about the difference of goods moving into Northern Ireland being declared as at risk or not at risk. This is unique in the world of trade, in terms of how goods are categorised. So, what does that actually mean, and, and what-, how does it differentiate the way that goods moving into Northern Ireland from-, movement of goods from Great Britain to Northern Ireland, and then, the import of goods from the rest of the world, i.e. outside of Great Britain and the European Union into Northern Ireland? So, next slide, please. In terms of not at risk imports, good that are not at risk of entering the European Union that have been classified as being not at risk of entering the European Union, meet the prerequisite requirements of being not at risk of entering the European Union, if they're coming from Great Britain into Northern Ireland, they will already be in free circulation within the internal United Kingdom market, and therefore, no tariffs will be applied, and from 1st May, no requirement to complete

import declarations, including supplementary declarations. Those will be replaced instead with IMMIs, internal market movement information requirements. If they're moving from outside of the, the EU and the UK, UK tariffs will apply on those goods and we can benefit from UK free trade agreements, if they're not deemed as being at risk, and if they had moved in transit via the, the GB land bridge into Northern Ireland, they would be traded as being-, they will-, sorry, they will be treated as a UK import, and therefore, UK rules and-, in terms of rates and all, will apply. Next slide, please.

At risk imports, they're treated differently. As already mentioned, at risk goods will be charged the applicable EU rate of duty, and this includes any additional country-specific tariffs, I'm talking about trade remedies there, in terms of any anti-dumping duty that we have with Chinese origin goods, impacting a lot of my clients currently, and if those counter-measures that were published on Monday of this week by the European Union come into play, and we have rebalancing tariffs applied against the US, those will apply as well, when the imports come into Northern Ireland. Next slide, please. For the last, well, we've had 2021, '22, '23, '24, and we're into '25 now, it has been a real area of controversy around the definition of at risk and not at risk goods, and how you differentiate between both, and again, if we go back to the Northern Ireland protocol, the Northern Ireland protocol stated that there would be a risk test carried out, but at the time that that protocol was published, the second element of it had been undefined, and they had indicated that goods would be considered at risk, all goods would be considered at risk, if they were commercially processed in Northern Ireland. In fact, as recently as July 2020, the EU-, the EU, at that stage, had, had indicated that all goods moving into Northern Ireland, be that from GB or rest of world, would be declared or, or defined as being at risk, but then we had the negotiations that took place between Sefcovic and Gold, back in December 2020, and then, we got some exemptions, and some other thresholds in that. So, next slide, please.

This is a quote that I've your-, used often. It's directly from correspondence that I had with the Traders Support Service team, and HMRC, I understand, were involved in, in this response that was provided to me, and essentially, what it's saying is, you cannot declare goods as not at risk of entering the European Union, if you do not know, at the time of import, in its entirety, where those goods are going to go and where they're going to, to remain, i.e. within the internal UK market, and that you will be able to hold, for a period of, of five years, evidence to support that claim, that they are not at risk. If you are bringing in goods that you do not know, at the point of import, that where the final destination, the final customer for those goods are, you cannot declare them as not at risk. You can, if you have some goods-, if you're bringing in goods and you have some of those goods that have already been sold to a customer, you may have the potential to separate those in item lines and declare those goods as not at risk, if you meet all other prerequisite requirements for eligibility requirements around UKIMS, but you cannot declare. It doesn't matter if, if they are 1% of your sales are in the European Union or 99% of your sales in the European Union. In fact, if, if you just make your goods available for sale in the European Union, that makes them considered as at risk. Next slide, please. As I mentioned, there's a prerequisite requirement to be able to declare goods as not at risk, and that prerequisite requirement is that you are signed off the UK Internal Market Scheme. Next slide, please.

UK Internal Market Scheme replaced the UK Traders Scheme, and from 1st May, the, the, the addition, additional benefit of UKIMS for those traders who do trade entirely, wholly, purely within the internal United Kingdom market is that they will no longer have to complete supplementary declarations, import declarations on GB-NI movements, but UKIMS also require-, UKIMS registration is also required, to be able to benefit from paying UK tariffs, UK global tariffs on goods being imported into Northern Ireland from outside of the UK and the European Union. Next slide, please. I looked at the list of industry (ph 20.40), or the industries, not specific companies, that are involved in this today, and we have a lot of manufacturing companies, and I am no doubt they will be well aware that a UKIM certification has additional requirements for commercial processors, on top of that requirement that your goods will only be sold and are for consumer end use within the internal United Kingdom market. For commercial processors, there is an additional requirement. Next slide, please, and you can actually move on two slides to the next slide. There is additional requirements, and the main one is this threshold of two million turnover, if your company is not involved in one of those exempt trade sectors and your turnover in the last financial year was more than two million. Even if you only sell your goods within the internal United Kingdom market, you cannot declare your goods as not at risk under the UK internal market scheme.

This has been going back and forth, there has been a number of companies that I'm aware of that have tried to get a dispensation around this in terms of being able to show-, set out a legal agreement, a legal contract that they will only sell their goods within the United Kingdom. But, that two million threshold was set for some reason within the Windsor framework, FYI, it was previously 500,000 under the original Northern Ireland Protocol Arrangement. There is some exemptions, however, where the two million threshold doesn't come into play, and those are around construction, food for sale to end consumers in the UK, healthcare where the products that are being manufactured-, oh, sorry. Healthcare goods moving in for healthcare, non-profit industry, where those goods that are being manufactured are not then for sale, and then animal feed, be that the importer or one further entity there after. Next slide, please. This is the part that's most important, I had to put the context in because I, I've no doubt I would've had questions, but there is good that it will be automatically deemed at risk of entering the European Union when they come in, and there's two areas that I wanted to highlight here when it comes to automatically. I referred earlier to the fact that the UK government announced in the last couple of days, published a list of duty suspensions to come into effect until 2027 for 99 or so commodity codes, and I got this confirmed yesterday.

Where the suspended rate, which is now zero on those goods, is 3% or higher, 3%-, how get my words right. If the EU tariff is 3% or higher than that 0% tariff, those goods are now deemed to be automatically at risk of entering the European Union when they move from the rest of the world into Northern Ireland. If they're coming from GB and they've already been cleared into free circulation in GB before moving to Northern Ireland, that requirement doesn't come into play, but for the rest of the world to Northern Ireland movements, because if that rate with the suspended rate of 0, if the EU rate is 3% or higher, they are automatically deemed at risk, and, therefore, cannot be declared under, as not at risk. The countermeasures that are currently suspended by the European Union mean that if they come into operation in 90 days' time, or even beforehand, if they come into operation, those counterbalancing, or rebalancing, or trade remedies applied by the European Union against US goods, make those goods

automatically at risk. That means that they cannot be declared as not at risk, and therefore the companies that are bringing them in will find that they have to be declared as at risk, and, either waive the tariffs which we're going to talk about, or pay the tariffs and then try and reclaim it through the duty reimbursement scheme.

So, next slide, please. We're going to look at mitigating risk, and how companies can take practical steps, again, I'm really reemphasising some of the points already made by Anna in her presentation earlier. Next slide, please. A recommendation that I make to companies all the time, it doesn't matter if it was post the US tariff announcement, or pre US tariff announcement, it's in fact it's the first thing I do in any onboarding call with any new client, is we look at their supply chain and trade flows. So, we're looking at where their suppliers are located in Northern Ireland, in Great Britain, in Ireland or elsewhere in continental Europe, and the rest of the world. We're looking at the type of movements that they bring in, we're looking at the size and value of those, those movements, and as Anna said, mentioned earlier on, we're looking at the income terms (ph 26.27) for those movements that require customs to be carried out. Be that GB to NI movements, or rest of world, i.e., non-UK, non-EU movements, who is responsible for completing the import customs paperwork? Who is responsible for paying any associated tariffs?

Who is responsible in terms of any licensing regulatory requirements and ensuring that those are met, and the undertakings, etc., have been met? Next slide, please. Sorry, next slide. Okay, thank you. So, when you are dealing with your suppliers, what information are you getting from them? Are you getting Incoterms, are you getting commodity codes, the correct harmonised code nomenclature code for your goods? So, are you getting an eight-digit code, are you getting a ten-digit code? Have you checked that code? If you ever have a compliance review, the areas that always come up in a HR compliance review are around the use of the correct HS code commodity code, correct country of origin for the goods, correct customers valuation for the goods, and have you included all the correct rates in that, be that transport costs if they were separate and so forth? Information and regulatory compliance, dealing with a company over the last couple of weeks, bringing in goods that had undertaking requirements because of the type of products. Who holds those registrations and undertakings? If you don't hold them and you are the importer record, you are taking responsibility, you are leaving yourself open, then, for challenge be that by HMRC, be that by compliance officers, environmental compliance officers, or anybody else through the councils and so forth, whoever polices those things. Next slide, please.

In that commodity code review, are you using the correct commodity code classification for your goods, and has your customer or your supplier-, but, we're going to focus here on imports in. So, how have you checked the commodity code that has been provided to you? Is it worth considering here in Northern Ireland making an application to HMRC for a binding tariff information decision, a BTI? For the rest of the UK, GB, it's an advance ruling. Here we have BTIs, my understanding is that there is no charge for applying for a BTI, the charges would only apply if there is any testing required for the products that you bring in, but that will give you some comfort and confidence that you are using the correct code for the products that you bring in. This has come up many times in recent weeks around products that had

associated anti-dumping duty, I know it was very, very specific on the products that that anti-dumping duty applied. Anti-dumping duty in some cases of 46, 47%, where the previous rate had been maybe 0%, as in the standard base rate, or most favoured nation rate for those products. Have a look at those and review those, as Anna said, in terms of the US, but equally important when you're bringing goods into Northern Ireland. Have you considered all associated tariffs and potential future rebalancing tariffs?

I recall back in June 2021, working with a company that was bringing in US products, and under President Trump's first period of US president, there was measures, counterbalance, rebalancing measures applied by the European Union on goods at that point of around 25%. The good that they brought in was a high-value good. So were about £40,000-£50,000 in value, significant for them, a finished product. The standard tariff on those goods was two point something per cent, however, they ended up having to account for 25% rebalancing tariff that had been applied by the European Union. If they hadn't been able to use their waiver on that they would've been-, they would've sold the product for less than what it cost them. So, be aware of all associated tariffs, check them regularly, look at your products, make sure that you're declaring the correct country of origin, or, sorry, your supplier's providing you with the country of origin for the goods. The importer of record will be responsible, as I mentioned, ensure that the correct valuation of these goods has been provided as well. Next slide, please. Contract review, is there a chance now to declare force majeure, is there a time now to look at additional costs in your contracts?

I worked in the commodities industry for many, many years, I was involved in importing multiple million dollar cargos in and force majeure we had to use on a number of occasions, review of quality specifications had to be used on many occasions, we reviewed our letters of credit to ensure that payments were not released until the terms of the contract were reviewed. So, this is very, very important, and this is a really good time to sit back and look at your contracts, look at the terms that you had previously, and look at what you need to add in light of the potential additional costs that could be applied on your imports going forward. Next slide, please. So, we're down to my last two slides, and apologies if I've ran over a little bit here. I know that there has been questions asked previously, pre the webinar today around the duty reimbursement scheme. The duty reimbursement scheme, it has a repayment turnaround period which is up to 100 days. It was mentioned last week in the event of the webinar by Anne and Stuart for Northern Ireland Chamber, that HMRC have now managed to get that down to 16 days. I spoke then on Friday with my contacts in HMRC to reconfirm this, and that was confirmed that they are confident that even if the EU do introduce countermeasures impacting US imports coming into Northern Ireland, that they will be able to deal with legitimate eligible claim within 16 days.

The duty reimbursement scheme have additional requirements in terms of notification to your supply-, customers around where trade remedies are being charged on goods. There is additional requirements for commercial processors, and how the evidence that you must provide to them to show that your goods have either remained within the United Kingdom, or they were sold into the rest of the world, and this is all around documentation, ensuring that you have the correct documentation. These schemes are fantastic on paper, as Anna has already said, it's ensuring that you get them to work in practice for you, and you do

that by preparing, by putting the right information and processes in place, by liaising with HMRC and others to ensure that you are doing things right, and that you can be successful with your claim. The waiver is a much easier way to mitigate against these additional costs. The waiver allows you at the point of declaring the goods is at risk to use the Northern Ireland additional and information code (mw 34.58), to waive the associated duty on those goods including any rebalancing tariffs, counter measures, that may be introduced by the EU in 90 days' time in the back end of July, this year.

You then do not have to hold any evidence of where those sales went into, however, announcement earlier on or made at the end of last week, was that instead of it being a £300,000 allowance covering the current financial year which started on the 6th April, and the previous two financial years, which would've meant that you were looking at any de minimis state aid that you received between the 6th April, 2023, and, the 5th April, 2026. We've now been-, it has now been confirmed that it's working on a rolling 36 month period, and this is not a benefit, in fact, I know of many of my client companies who were waiting to move product until after the 6th April when any of the de minimis state aid that they had received between the 6th April 2022, and the 5th April, 2023, would've dropped off their undertaking. Unfortunately, it's now a rolling 36 month period. So, you need to be very aware of that. Do also consider special customers procedures, such as inward processing relief which suspends, does not remove, suspends at the point of import the duty payment on the goods brought into Northern Ireland, and then depending on where those goods, the final product is sold, and based on your application, is the tariffs that will be applied is either on the, the component parts or on the final product if that is lower, and that will be outlined in your application.

If the goods were sold in the UK, you will pay UK appropriate tariffs or applicable tariffs, if they were sold into the EU you will pay applicable tariffs for those goods, and then, for the rest of the world no tariffs will be applied at all, however, obviously, the, the importer in those countries will have to pay their country specific tariffs. Look at things like the duty deferment account. Duty deferment account requires here in Northern Ireland and the general guarantee account require a guarantee, a comprehensive guarantee from your bank or your insurance company. So, look into that, it is a complicated process, again, just be very aware and not always HMRC will be as up to speed with it, and a unique differential between Great Britain and Northern Ireland, and those requirements for comprehensive guarantee account which doesn't apply up to £10,000 in Great Britain. Final slide, please. Quick recap. Do you know the key components that make up your finished product? Have you assessed and looked at it? We are at a bit of a disadvantage here in Northern Ireland that where the rest of the UK-, sorry, I'll just look, go back and say that. We're at a disadvantage in that we haven't had to worry about rules of origin when selling into the European Union like our counterparts in Great Britain have, and they have been assessing and looking how they met preferential rules of origin requirements, whilst we didn't have to. So, look at what components go into your product, look at where each of those components come from, the country of origin, the value element of it, look at the value-add element of it.

Review, as Anna said, with regards to exports, but equally, in terms of imports, rules of origin

requirements when you're bringing the goods in, do they meet preferential origin, if they meet here in Northern Ireland, preferential origin is UK origin, but de facto having access into the European Union, either the statement on the invoice or the certificate of origin. Whilst, this is not US specific, look at speaking to-, would be advantageous to speak, sorry, the slide lost the last-, speaking to Northern Ireland Chamber, would be advantageous to speak to them about their export documentation services, you know, for any of those markets that you sell into, and then, as well as your dual market access which gives us access to 515 million people, a market which isn't-, includes the 27 member states of the EU, the EEA members, and, obviously, our internal United Kingdom market. Anne, would undoubtedly point out that the UK have access to 39 free trade agreements, and Northern Ireland has access to these free trade agreements. So, look at what other market opportunities there are for you, and work with Invest NI and others around support. I've gone over the line, sorry, a bit my time limit, my apologies, hopefully that was useful, albeit it was a very whistlestop, you know, run through of it, and thanks to Anne, and thanks to Invest NI.

Captions by Verbit Go

File name: invest_ni___trading_with_the_uk_webinar_-_q&a (240p).mp4

Moderator questions in Bold, Respondents in Regular text.

KEY: Unable to decipher = (inaudible + timecode), **Phonetic spelling** (ph) + timecode), **Missed word** = (mw + timecode), **Talking over each other** = (talking over each other + timecode).

Moderator: Thank you, Jonathan and Anna, for what were comprehensive and detailed presentations and really just give an indication of the complexity of the trading environment that we're all in now with, with what's going on. I have to say, I never thought I-, that I would see the day or-, when I would hear Brexit referred to as a stable and thought-through process, Anna, so love the humour and, and also, Jonathan, that Northern Ireland rules are not a-, as complicated as first thought, so thank you for those. Thank you to those companies who submitted questions initially during the registration process and we're gonna just work our way through those first of all, before we get, get onto some of the questions that have come through the chat function and we're gonna start, first and foremost, with rules of origin. So, question here from Logistics UK, how will rules of origin work for Northern Ireland and will there be divergence in tariffs between the UK and EU and for NI on US tariffs? I'm assuming, Anna, maybe that's probably best going to yourself?

Anna: Sure, hope you can hear me okay. So, Jonathan, kinda, covered this already, in his presentation, of how products are treated for the purpose of exports from Northern Ireland. I mentioned the fact that it's gonna be quite difficult to track some of these products moving between EU and Northern Ireland, in terms of documentation, given that we do not have a, a formal import/export procedure. It will be-, it will be-, it will be tricky, I won't lie, it will be quite tricky. At the moment, as we know, we do not have the differentiation, what's going to happen in the next 90 days is literally anyone's guess at this point but if there is a differentiation, if we end up with the 10% for the UK and 20% for the EU, it's going to be quite tricky to, to determine where-, you know, when or provide documentation, maybe less to determine but to provide documentation to support whether the product's manufactured using parts from Ireland, in Northern Ireland, you know, that, that there's been a, kind of, substantial transformation of these products.

Moderator: And now, just in terms of the substantial transformation and determining origin, can we include or can companies include intangible inputs to products? You know, things like design time or R&D activities that have led to the development of the product. Is that included in the origin calculation?

Anna: So, it's not-, it is for preferential origin, to a certain extent, when you're looking at value added, for non-preferential origin on the US side, sorry, I'm speaking slowly 'cause you just have to put these things in, in, in order in your head first, so for the US side, for non-preferential origin, that does not matter because you have this test of whether the good is transformed into a different product with different

characteristics. However, when you look at the calculation for US/non-US content for some of these discounts, so I talked about this, that was for steel and aluminium derivative product and was also announced for the reciprocal tariffs for that products where at least 20% is of US origin. For those calculations, if you look at the formula and you have the total value of the product and you subtract non-originating, non-preferential, non-originating content from the US content, you look at the final price of the product and that, of course, includes intangible stuff like the mark-up and the, the additional services. So, it, it is indirectly in those US versus non-US content but for the actual, substantial transformation itself, it is not and apologies, that is complicated but this is probably the simplest way I can try to explain it.

Moderator: Thank you. How will the US view an end product with a mix of components manufactured in the UK along with EU-purchased components?

Anna: Yeah, so this is-, again, this will be this substantial transformation test and if it's-, if these components, you know, this-, some of these rulings are so subjective, we had another ruling recently where there was a, a, a-, well, a type of a boat or ship and it was sent from one country and, and a, kind of, substantial component was added in another country but because, you know, the, the, the initial product had a form of the ship and the final product had a form of a ship, the US customs decided that it's, it's not substantial transformation. So, this will be the same, if you have products from different countries, the best, kind of, way to think about this is whether the products from-, that you import from different countries, are they-, do they have the same, kind of, type and, and character as the final product? If they do, it might be tricky to call them UK or EU-origin products.

Moderator: Okay, just moving now to the Duty Reimbursement Scheme, a question here, how quickly does the Duty Reimbursement Scheme refund against not-at-risk goods? Now, I'm assuming that might be goods that were determined, initially, that were at risk but ultimately, ended up in the UK-, remaining in the UK internal market. And also, will the Duty Reimbursement Scheme be able to accommodate US tariffs? Jonathan, maybe for you? You're on mute, Jonathan, I think, maybe?

Jonathan: Sorry, Peter. Sorry, Anna. Thanks, Peter. Yeah, so HMRC, when I spoke to them on Friday last, they reconfirmed what Stuart Anderson had already indicated, that they are, on average, providing a turnaround of sixteen days at the moment on successful duty reimbursement claims for not-at-risk goods. They are confident that they will be able to maintain that turnaround of just over two weeks' reimbursement if the EU do, do start to implement, within 90 days time or whatever, the counterbalancing tariffs against US products. I would just say, you know, for the, like, like, the, the caveat that I always put there is these schemes are, are there, don't assume that you will make a successful claim, especially with the manufacturing end of it. We went through different scenarios when I spoke with them on Friday and for larger parts, be that components, like chips, within a laptop or something like that, where you have serial numbers and bar codes and the ability to identify the whole way through the process, those claims will be easier than for other components where it is harder for you to trace but yeah, turnaround, at the moment, they've indicated sixteen days.

Moderator: Okay. Do tariffs apply to intangible goods such as software licences? Anna, do you want to maybe take that one?

Anna: Yeah, so it is, is similar to the-, to the question we had at the beginning, around what, what is calculated. So, the tariff-, tariffs apply to, to goods, physical goods but if you're looking in this calculations, in certain cases, you're looking at the final price of the product, then, indirectly, it may or may not affect.

Moderator: Thank you. Moving on now to the designation of Irish whiskey and under a Northern Ireland business of or distillery, where does that sit in terms of the application of US tariffs? And probably just worth addressing, you know, whiskey that is distilled in Northern Ireland, there will also be those blended whiskeys that may bring in whiskey from other parts of Ireland and also, those distilleries that maybe have whiskey sitting in casks that isn't quite ready for the market yet and have also brought in whiskey from Ireland. So, Jonathan, one for you?

Jonathan: Yeah, I, I think it's probably more so for Anna, to be honest with you, in the export element of it, the UK origin element of it will come down to, you know, that substantial transformation, the characteristics of the product, you know, are the products manufactured, processed here in Northern Ireland or, you know, what, what is actually-, what part of that definition of that-, the final-, that final product happened here in Northern Ireland? The raw materials, you know, thinking off-hand on a number of the different local whiskeys here, you know, distilled in, in Northern Ireland, we are UK-origin when it comes to how we're-, are defined, you know, when we-, when we go out in-, into the export markets and at the moment, that rate applies the same for the north of the border and the south of the border. If the UK is successful in negotiating this free trade agreement that they are in the process of doing with the US at the moment, how that will work down the line or if the EU apply these countermeasures and, and there's different rates because of the 20% reciprocal tariff applying on EU imports into the US, there is obviously risks of circumvention and product being routed via Northern Ireland into the US but I, I would-, I would be back to the points that Anna mentioned, I think it's more an area that she could provide some clarity on. Sorry, Anna.

Anna: No, you're totally spot on, I will just add one point that I missed in my presentation, is that when you're trying to go for UK origin, let's say, in this particular example, what helps is if you provide a very good and detailed description of the processing done in the country that-, of, of, you know, the origin you're trying to paint. We had an example with US customs, where a company submitted a request for origin ruling with a brief description of the processing being done in the country where they wanted to get the origin and that was rejected, they resubmitted it with proper description and detailed description and it was overruled. So, if you're trying to, to make sure that your product is of UK origin versus EU origin when it comes to the, you know-, when there's a difference in tariffs, make sure you, you really describe the processing done in the UK and you-, you know, you provide-, don't assume that US customs knows how, for example, whiskey's made but provide a description in, in detail.

Moderator: And just whilst we're on the subject of alcohol, I do see a question that comes in through the chat function here, from a manufacturer of gin but whilst the gin is distilled in Northern Ireland, it's sent down to the Republic of Ireland for bottling it and labelling. Where would that sit in terms of origin? Is it still the substantial transformation has occurred in Northern Ireland?

Anna: So, these, kind of, questions, you know, I, I can give a high-level answer but we really need to look at, at-, and, and, you know, more than happy to discuss this, after the presentation, with, with the companies that have further questions but it's really so country-specific. If you look at the rulings that US customs, sorry, case-specific not country-specific, if you look at the rulings that US customs issues, the tiniest detail, the tiniest difference in processing can determine the, kind of, preferential/non-preferential origin. In this case, my initial answer would be that it would not be of-, if it's sent to the Republic, that it would not be of NI origin but again, I would need to understand the supply chain, understanding the processing, the sequencing of the processing. So, apologies, we cannot give-, I mean, we can but it's not reliable if we give you an answer based on the very first question. In order to give you a proper answer, we would really need to look at, at details and, and understand that better.

Moderator: Okay, thank you and a company which is selling hardware into the USA but could potentially change its business model to a rental or a service equipment agreement, would that avoid tariffs?

Anna: So, the short answer is no, when you-, when you move something under rental agreement, it's still an import. It does impact valuation, especially if you send it back and forth, it's a bit time-consuming to do the paperwork, I had a client who's importing or is-, well, importing/exporting goods for lease and repair to the-, between the UK and the EU and the valuation component is quite difficult, it will not avoid tariffs, it can, in certain circumstances, lower the valuation which means lower baseline for duties but it will not avoid tariffs. Anything that crosses a border is an import, unless there was some other meaning to that question but if you're moving this into the US, whether it's a lease or, or rental, it's still an import.

Jonathan: Yeah, just, just not, not on a US basis but I've dealt with this recently in terms of product moving from IE into GB and, you know, there was imports and then there-, sorry, there was sales of product and then there was product that was sent and rented to a company for a period of time and there was-, there was different elements and Anna will correct me where I'm wrong, if there's different elements, in terms of temporary export, from when it left the, the Ireland side of it but when it-, in, in terms of the UK, when it entered the UK, it was an import, the importer then was the company who owned the product, which was the, the company in Ireland. And then they had implications for them but I, I agree with what Anna's saying, I can't see that being-, I can't see the temporary admission, in that case of temporary admission, it was out of their control because it went-, it wasn't them bringing in a product that they were going to use themselves, they had no control of it, it was-, it was out on a-, on a company site (ph 16.12). So, be very conscious and don't mix up-, there's temporary admissions and there's temporary exports and there's different elements, you know, in, in the export company and the import country.

Moderator: A, a question now on the de minimis threshold, particularly as it relates to Chinese and Hong Kong goods, so when that ends on 2nd May, will it apply only to-, directly to goods that are transported from China or Hong Kong or if those goods that have the-, that China or Hong Kong country of origin but are shipped from another location, is that a way around it?

Anna: That's a very good question. It's interesting way of thinking about this, it-, this is borderline tariff avoidance here. So, in principle, this would be still of non-preferential Chinese origin, if it's just transhipped and that's what I'm, kind of, obliged to say as a customs consultant. In reality, however, given how these goods are entered, when they are coming under de minimis, the, the amount of data you provide is very different and, as I mentioned already, CBP is so over-stretched at this point, I would imagine a lot of them will be able to get, get through but this is obviously in no way official advice and the official advice is that, if it's Chinese, it, it is-, it is of Chinese origin, so be, be careful but yeah, in, in reality, this is probably what's going to happen. How quickly will CBP be able to respond to that and how quickly will de minimis be removed for other countries? That remains to be seen. If they found a way to do this for China, which is the majority of de, de minimis parcels, probably it won't be long before it's removed for everyone else.

Moderator: Okay, I mean, I'm, I'm assuming, in some instances, there will be those companies that are buying in bulk from China, it's not intentionally going into their warehouse and being transhipped and it's then split but yes, I, I take your (talking over each other 18.27) there, yeah.

Anna: A lot of it will go through without any problems, yeah.

Moderator: Yeah. Does the new US tariff impact goods that were on-sea before the tariff was implemented?

Anna: So, I think both Jonathan and I covered this in our respective presentations, it-, and I mentioned this, that every order has a timeline written in it. So, in principle, the high-level answer is, if it's in the container moving when they are announced and when they go because-, not when, when they are announced, when they go live, it should be excluded. There is usually a grace, grace period in every single-, grace period in every single executive order but please check the date. In the-, in the executive order, it will tell you goods that were shipped before that particular date and that particular time would be considered not subject to these tariffs and after that time, would be subject to these, these tariffs and they are different for every executive order and different tariff.

Moderator: And I, I think you've probably also answered this, this next question, in your presentation, at the very start of it but what is the current risk of further tariffs being introduced and how much notice can we expect if implemented?

Anna: I mean, we know that they are coming, we already have an investigation for semiconductors and pharma, so-,

Moderator: Yeah. Right, again, this is probably quite a product-specific one but if I source a solar panel from China, where they're all made and install into a product from Northern Ireland, what origin is the product for tariff purposes?

Anna: Sorry, can you repeat that? We source the solar panel, yes?

Moderator: The solar panel comes from China but it's installed into a product in Northern Ireland, what is the origin?

Anna: Again, totally depends on what that product is, how you install it, what tools you use to install it, how long it takes, what, kind of, processing you-, you know? It's-, apologies, this is not us trying to be difficult, it really comes down to the tiniest and tiniest details. So, we're not trying not to give you the answer, it's just that-, it-, you know, it's quite risky to give you the answer when we don't know all of the details and the final product and so on, this really is quite, quite a tricky determination.

Moderator: For exports into the USA that are normally cleared under shipworks (ph 20.58) end-use, SWEU, will there be any change or implication to this process?

Anna: Again, sorry, could you repeat that question or I don't know if this is for me or Jonathan but-,

Moderator: Our exports into the USA are normally cleared under shipworks end-use, will there be any change or implication to this process?

Anna: Again, this is one that is-, so, this is within Chapter 98 exemptions, the end-use and, and returned goods, repaired goods and so on, some of the tariffs mention them. In principle, yes, they are still excluded, some of the executive orders mention this, some of the executive orders do not mention this. Literally, what, what-, I-, and I mentioned this during the presentation, what I do is speak to a customs broker in the US, say, 'Can you use that code still in the system? Does it go through? Does it not go through?' Some of the CBP guidance also mentioned this for some of the tariffs, some of it, it doesn't but the high-level principle is it should be still exempt under Chapter 98 exemptions of the US tariffs-, tariff. Jonathan, do you wanna add something to that?

Jonathan: No, I've, I've dealt-, had the experience of this-, dealing with this in the past, you know, as you

talk about, that Chapter 98 and we, we had returned goods relief, we had different things in there at the time, you know, bringing tools that were gonna be used for work being carried out on a ship and then being brought back, duplicate lists, all of these different things, it is very, very specific, Anna. You know, you, you run the risk of not being accepted when they enter the US and then not being accepted when products come back, as well, into the UK and, and the tariffs attached to it but as you say, it is very, very specific and the key is the prep, asking the questions, talking to the customs people, checking before you do it and ensuring that you have all the paperwork necessary to cover this. And, and, as you said, about descriptions, going through the processes, making sure that you provide all the information to legitimately put in, you know, a, a, a viable claim against that.

Moderator: Some questions now on the at-risk goods, Jonathan. Can consumer returns be considered not at risk for faulty goods?

Jonathan: So, consumer returns, so I'm just getting my context right here, so this is consumer returns coming from what-, I'd, I'd need the context, if it's coming from the US or if it's going-, coming from the US back into Northern Ireland, well, in terms of-, well, we're talking about commercial movements in, in, in the first instance anyway and the application of rules around commercial movements into Northern Ireland and if there is trade remedies attached, they are automatically at risk. Movement of goods between the US and the UK, in, in both directions, for many years, where they weren't classified as being moved as, as commercial movements, you know, private individual to private individual, is one of those areas but in terms of commercial movement, where it is properly documented as commercial movement, I, I think that you would find that, whilst-, well, initially, it would be declared as at-risk. But if it is then a claim being made under Duty Reimbursement Scheme, where you're showing that this is actually a UK-origin good being returned from the US because of issues, you may be able to get it back but it comes down to how it's been classified, was it a private movement from my aunt in, in New Jersey to me here in, in Northern Ireland or was it seen as a, a individual company sending something back to a company here in Northern Ireland?

I know when it comes to GB-NI movements that B to C, C to B and C to C movements are not-, a C to B movement where it is a return would, would never have any customs attachments to-, attached to it and there will never be customs on C to C movements between GB-NI and B to C where the companies are set up on-, as economic operators and so forth but I can't say for rest of-, I can't say for the US specifically, I would have to look at it. I think you could make a valid claim back under Duty Reimbursement Scheme if you did have to pay it.

Moderator: Should you still apply for-, to the UKIMS scheme if 95% of your product will move outside of Northern Ireland?

Jonathan: Absolutely, I advise all companies to apply for UKIMS, you know, be that for-, because of the changes that's come up now on, on 1st May around fast parcel movements from GB to NI, which, in

many times, will be consumables and things you're bringing in. I, I would tell companies to apply on the basis that, again, they provide accurate information, that they only want to use their-, or they will only be able to use their UKIMS authorisation for internal movements. They will not be able to declare-, if you do not know, at the point of import, the final destination or where you're gonna sell 100% of your product or make available for sale your product, you cannot declare that as not at risk under UKIMS. But UKIMS authorisation for internal purchases, you know, be that vehicles and, and-, or consumables or, or machinery or anything like that, you will require UKIMS authorisation to have it but you-, if you do not know, it doesn't matter if it's-, 99% remains within the UK internal market and 1% has been sold out of it, your goods are deemed at-risk because it does not meet that criteria that you know where 100% of the product is going at the time of import. You can split it and look at it that way and we can look at things like that but definitely, definitely look at it for internal use.

Moderator: Okay, I'm very conscious of time here, so I'm just gonna ask one more question, then I will, will wrap up. How are-, in terms of imports coming into Northern Ireland, how are US tariffs applied to goods entering Northern Ireland ports and specifically under which jurisdiction, UK or EU, are these goods classified for tariff purposes?

Jonathan: Okay, so that's back to myself, Peter and, and, and you know what? It's, it's an area where I feel confident, thankfully, in answering. So, as I said, for anybody to be able to declare goods as not at risk, they must have the prerequisite of, of out-, on import, of being UKIMS-authorised. You do not need to be UKIMS-authorised to avail of the Duty Reimbursement Scheme if you can provide evidence thereafter but to be able to declare the goods as not-as-risk on import. If they're coming from the rest of the world into Northern Ireland directly, if your company is clear-, is UKIMS-authorised, there is no counterbalance, rebalancing tariffs, trade remedies attached by the European Union, there's just the standard tariff applied by both the UK and EU. If the difference between the UK and the EU tariff is less than 3%, the UK tariff, global tariff schedule, will apply. If you are not UKIMS-authorised or if there is trade remedies attached and those goods are automatically deemed at risk of entering the European Union, EU tariffs will apply. So, you're going to the Northern Ireland tariff schedule, which is a stand-alone within the HMRC.gov.uk website and it will have the European Union applicable tariffs for those items listed on that and those will be applied and then you have the choice of either paying it or waiving it. And if you pay it, if you can then provide evidence of the final destination of a percentage of that product, you know, if, if you sold 50% within the United Kingdom, you sold 30% into the rest of world, you can then look at making a claim back through the Duty Reimbursement scheme for those elements that did not enter the European Union.

So, the at-risk, not-at-risk, prerequisite UKIMS, if it's 95%-, anybody who's applied for UKIMS, you, you tick nine declarations, nine or ten declarations at the end of it, that you will not use your authorisation unless it is valid to do so. When you get your letter of authorisation, it states very clearly when you can and when you can't use it. It is a trusted trader scheme, you're self-certifying. I've been told many times by people, 'HMRC say my goods are not at risk,' no, they don't, you do. You've told them that they're not at risk, your letter of UKIMS authorisation, if your goods are at risk, if you have a compliance review and it's found that your goods were at risk, they will apply European tariffs on those goods.

Moderator: Okay, thank you. Listen, first of all, thanks to our speakers today, Anna and Jonathan, for those presentations and also, the, the difficult questions posed at the end. From an Invest NI perspective, you know, we will be pushing information out through the NI Business Info website as frequently as we can and as, as soon as it changes and becomes available, it will be our main channel for comms on US tariffs. This webinar, as you know, has been recorded and it will be uploaded, that's actually gonna be our own website, at the latest, mid-next week, if not before. The NI Business Info website also does have a, a tariff checker on it, which you can use to, to determine the tariffs on your goods for over 160 companies and in fact, if you hadn't have enough today on US tariffs and the implications, there's a number of other events being run by the UK Export Academy, which are also on-, you can get the link on the NI Business Info website.

As, as our speakers have alluded to today, there is a pause on the EU countermeasures but please do use that time to look at your supply chains and see if there's any alterations that you may be able to make which might ease the burden of the-, of the current tariff environment and on that note, our supply chain team in Invest NI have a couple of workshops planned, between now and September this year, really looking at the resilience of supply chains, so may be worth having a look at. And finally, do talk to your Invest NI client executive or trade adviser and feed through the issues that you're facing, we may not have all the answers but we do sit on a tariff working group that the DfE minister has recently convened, so we can at least feed those issues through and ensure that they're ultimately fed through to the UK government and counterparts elsewhere. So, thank you very much to everybody for joining and I wish you well as you navigate this environment, thank you.

Jonathan: Thank you.