



TRADE ALERT —

CUSTOMS ROUNDUP: 2026/27



The customs developments your business needs to be aware of and preparing for in 2026/27

Agenda —

The international trade landscape continues to evolve at pace, with increasing regulatory complexity, shifting trade policies, and heightened uncertainty across key global markets. From tariff volatility and sustainability regulation to digitalisation of customs processes, businesses are facing a more demanding and less predictable operating environment.

Against this backdrop, it has never been more important for organisations to clearly understand their trade obligations and embed robust, forward-looking compliance strategies. Those that do so will be best placed not only to manage risk, but to identify opportunity in an increasingly complex global trading system.



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Looking Back —

Reflecting on a turbulent 2025

The trading environment in 2025 placed unprecedented pressure on businesses, particularly in retail and export sectors, as they confronted an evolving matrix of regulatory obligations, tariff regimes, and compliance requirements. Companies were required to adapt rapidly to changes, often with limited lead time.

Over the course of the year, businesses navigated a succession of significant developments that reshaped trading conditions. The UK’s introduction of mandatory safety and security declarations added complexity to import processes, while evolving U.S. tariff policies disrupted established supply chains and forced exporters to reassess market strategies.

The signing of the UK-India free-trade agreement has the potential to be a silver lining during an otherwise difficult 12-months, with many manufacturers turning to India as an alternative to Chinese production during the heights of the US-China “*trade war*”. However, subsequent retaliatory tariffs applied by the US Government to Indian imports may have dampened some of the advantages for businesses placing significant value on both markets.

By the close of the year, the EU’s announcement of a low-value goods policy signalled further change, particularly affecting e-commerce and cross-border shipments, and reinforcing the need for robust compliance systems.

- 31st January 2025**
After several previous delays, S&S Declarations were finally introduced for all GB imports from the European Union
- 2nd April 2025**
President Trump announces his tariff policy to tax all US imports based on the origin of the goods
- 1st May 2025**
Significant changes to the way goods were moved between GB and NI took effect under the Windsor Framework
- 24th July 2025**
The UK and India officially signed the India - UK Comprehensive Economic and Trade Agreement
- 12th December 2025**
The European Commission announce plans to tax all low-value imports a flat €3 rate from July 2026 onwards.

Rising Costs, Falling Certainty:

The Toll of US Tariffs in 2025

Whether you are involved in importing to or exporting from the United States, it would have been nearly impossible to avoid the impact of President Trump's trade policies in 2025. Not since Brexit or the Suez Canal *"roadblock"* has mainstream media shown such sustained interest in customs and trade. Usually a sure sign that the story is far from positive.

Arguably born of good intentions, President Trump's focus on protecting and promoting domestic manufacturing over offshoring is a policy most world leaders would in principle support. However, the aggressive timeline and abrupt implementation of these measures left businesses that rely on the US market for financial stability as unwilling pawns in a high-stakes trade battle.

The first signs of disruption emerged on **2nd April**, when President Trump announced his long-anticipated 2025 Trade Policy. Subsequent iterations over the following four to five months intensified the uncertainty. Tariffs on Chinese imports reached **145% at their peak** before a truce was eventually agreed, while the decision to remove the widely used **De Minimis provision** dealt a further blow, creating a *"double hit"* for many e-commerce and cross-border sellers by increasing the effective application of tariffs.

Revisions continued throughout the year, culminating on the **1st August**, when a revised schedule of tariffs was announced for *"all countries."* This schedule disproportionately penalised nations that had emerged as alternative sources to China manufacturers, further complicating trade planning for businesses around the world.

Although 2025 concluded without further headline-grabbing policy announcements, the cloud of uncertainty over the US market remains, and is likely to extend into 2026 and beyond. For exporters and importers alike, the events of 2025 underscore the importance of agility, strategic planning, and proactive risk management in navigating a volatile trade environment.

01



From Red Tape to Green Lanes:

Smoother Sailing For GB-NI Trade

One of the less memorable but highly significant trade developments in 2025 was the implementation of the Windsor Framework changes on **1st May**. Aimed at reducing friction in the movement of goods between Great Britain (GB) and Northern Ireland (NI), these changes represented a key step in stabilising trade post-Brexit. For businesses operating across the Irish Sea, the adjustments provided much-needed clarity and a reduction in administrative burdens.

A cornerstone of the Framework is the introduction of the 'Green and Red Lane system'. Goods destined solely for NI can now move through the **Green Lane** with minimal checks and paperwork, while goods deemed "*at risk*" of entering the EU market follow the **Red Lane**, subject to full customs and regulatory procedures. This dual-lane system is intended to allow the majority of goods to flow smoothly, maintaining the integrity of the EU single market while reducing delays for local trade.

Complementing the lane system, the Framework also introduced trusted trader schemes, enhanced EU regulatory alignment, and streamlined controls on parcel movements. Businesses certified under programs such as the UK Internal Market Scheme (UKIMS) and the NI Retail Movement Scheme (NIRMS) benefit from reduced customs declarations and health checks, while those not enrolled must continue to comply with full import procedures.

The new two-tier system between GB and NI clearly distinguishes legitimate Northern Ireland suppliers from those attempting to exploit weaknesses in the EU's so-called "backdoor." However, with this greater flexibility and reduced oversight comes increased responsibility and risk, requiring businesses to ensure robust compliance processes to avoid penalties or trade disruptions.

01

Duty-Free No More —

Yesterday's decisions that will have an impact on tomorrow's costs

The European Commission and Council have agreed to end the €150 customs duty exemption for low-value import consignments entering the EU

From **1st July 2026**, a fixed customs duty of €3 per item will apply to parcels valued under €150. The rationale is to address unfair competition for EU-based sellers, while also mitigating health, safety, fraud, and environmental risks associated with low-value imports.

This measure will remain in place until the de minimis exemption is fully removed, at which point all goods at or below €150 will be liable for standard EU tariffs according to their product classification. Each item in a consignment will be assessed based on its tariff heading, ensuring consistent application across shipments. This change forms part of the EU's broader Customs Reform Programme, bringing forward the removal of the exemption originally planned for 2028, and is separate from the proposed handling fee set to begin in **November 2026**.

Businesses are advised to **prepare proactively** by reviewing pricing, renegotiating supply agreements, and adjusting supply-chain arrangements to minimize the impact of these new duties. Early planning will be critical to maintain competitiveness and compliance as the EU modernises its low-value import rules.

01

India graduates from the UK-Developing Countries Trading Scheme (DCTS), resulting in duty-payable on UK Indian imports from the **1st January 2026**

From **1 January 2026**, India will graduate out of preferential tariff treatment under the UK's Developing Countries Trading Scheme (DCTS) for a range of goods. Products that previously benefited from reduced or zero customs duties (including textiles, chemicals, leather, and other manufactured items), will instead attract **full UK tariff rates**, unless another relief mechanism applies. For UK importers, this will likely increase landed costs and squeeze margins without adjustments to pricing.

The timing of the DCTS graduation creates a particularly tricky situation. Although the **UK-India Comprehensive Economic and Trade Agreement (FTA)** was signed in **July 2025**, it has not yet entered into force. This means that for early 2026, there is a “gap” period where neither the DCTS preferences nor the FTA's tariff reductions apply, leaving many businesses exposed to higher duties at the start of the year.

With the FTA still pending activation, affected UK importers will need to plan proactively to navigate this transitional period and minimise the impact on operations.

Lessons Learned:

How Businesses Adapted in 2025

Adversity has a way of sharpening focus, and after a year as challenging as 2025, it was no surprise to see many businesses gravitate toward the same solutions

1. **Joining the Dots:** The rise in demand for Customs Warehousing solutions

As import duties rose across key export markets, mitigating unnecessary UK duty payments and preserving the preferential status of EU-bound goods became increasingly critical. In response, the business case for operating a UK Customs Warehouse grew undeniably stronger. For many organisations, this prompted a strategic decision to take the first steps toward embedding customs warehousing within their supply chains.

2. **Looking Within:** Using overseas entities to mitigate the rise in tariffs

Where tariffs could not be avoided, strategies to reduce the declared customs value of goods in overseas markets became a notable trend. Often necessitating the establishment of an overseas entity, this high-risk yet impactful approach became the preferred solution for businesses that could not pass on duty costs when retail value formed the basis of customs valuation.

3. **Back to Basics:** Ensuring the foundations for good decision-making are in place by testing customs classification, origin and valuation data

Big problems often demand decisive action. Ensuring those decisions are grounded in accurate, factual evidence is critical, which frequently required businesses to verify the tariff rates applicable to their goods to ensure the accurate calculation of sales prices and margins. Correctly establishing product classification, origin, and customs value was therefore essential to avoid costly errors and maintain compliance.

01



Navigating 2026 —

Looking ahead at the key regulatory and customs milestones in 2026:

2026 promises to be another eventful year for international trade, with a series of regulatory changes set to impact businesses across Europe and beyond. The year begins with significant shifts on **1st January**, as France tightens its fiscal representation rules, creating new restrictions for non-EU businesses, while the EU's transitional CBAM measures conclude, bringing the full Carbon Border Adjustment Mechanism (CBAM) regulations into force.

Spring and summer bring further developments, including HMRC's decision to make MSS data freely available, giving all traders greater visibility and insight into customs processes. By **1st July**, businesses will also need to adapt to the EU's low-value goods duty, affecting parcels and e-commerce shipments across member states.

As the year draws to a close, attention turns to **30th December**, the revised date for the EU's Deforestation Regulations, which will impose stricter due diligence requirements on affected supply chains. Taken together, these milestones paint a picture of 2026 as a year of regulatory evolution, requiring businesses to stay agile, informed, and prepared to respond to a rapidly changing trade landscape.

1st January 2026

Changes to France's 'Regime 42' coincide with the EU's *transitional* CBAM measures coming to a conclusion.

31st March 2026

HMRC will make MSS/CDS customs data free to all businesses via the Government Gateway portal

1st July 2026

The EU's recently announced transitional measures to charge duty on low-value imports take effect

30th December 2026

The revised implementation date for the EU's delayed deployment of EUDR

02

Regime 42 Rewritten:

France Tightens the Rules

From **1st January 2026**, France will withdraw the long-standing, limited “*one-off*” or ad hoc fiscal representation option previously available to non-EU established businesses importing goods into the EU via France. This change will directly affect companies selling goods from outside the EU into the Single Market on Delivered Duty Paid (DDP) terms, where imports have historically been routed through France under onward supply relief (OSR) and Regime 42 for prompt onward delivery to another EU Member State. Under the existing framework, import VAT is accounted for in the Member State of final delivery, allowing a simplified entry into the EU market.

From the start of next year, this simplified approach will no longer be permitted. Registered customs representatives will be unable to use their own VAT registration to act as a one-off fiscal representative for imports under Regime 42 on behalf of non-EU businesses. This marks a significant tightening of France’s application of the regime and removes a model that has been widely relied upon by third-country traders seeking to access the EU efficiently without establishing a permanent presence.

As a result, UK-based and other non-EU companies wishing to continue operating under arrangements similar to those historically associated with Regime 42 will need to appoint a common-law tax representative in France and register locally for French VAT. This represents a material shift in both compliance obligations and cost, requiring businesses to reassess their EU entry strategies, contractual terms, and fiscal footprints well ahead of the January 2026 deadline.



No More Excuses...

HMRC Data Goes Free From 2026

From **March 2026**, HMRC will make MSS / CDS customs data freely available via the UK Government Gateway, ending the long-standing subscription model. This move will give traders open access to their own customs data, providing a wealth of insights into their import and export activity. The change represents a significant step forward in terms of operational transparency and efficiency, allowing businesses to better understand the flow of goods, identify potential issues, and make more informed decisions across their supply chains.

The data provides a detailed view of customs declarations for each transaction linked to a trader's EORI number, including key elements such as classification, origin, and duty calculations. With this information easily accessible, businesses can verify that consignments are declared correctly and that the correct duties and taxes are being paid in a timely manner. It also offers an opportunity to identify trends, spot recurring errors, and implement process improvements, effectively turning customs data into a tool for proactive compliance management rather than reactive problem-solving.

With this new level of visibility, **traders will be expected to exercise greater diligence**. Simply put, the ability to interrogate and monitor declaration data removes any defence of ignorance. HMRC will likely hold importers, exporters, and intermediaries to a higher standard, with non-compliance harder to justify when comprehensive data is at hand. Businesses that fail to engage with this information risk penalties, delays, and reputational damage, while those that use it effectively can strengthen their customs processes, improve accuracy, and ensure compliance in an increasingly scrutinised regulatory environment.

02

Don't Just Hold Data. Use It...

Reach out today to explore a comprehensive 360° analysis of your customs data, designed to **identify opportunities to recover or reduce your import duty costs**.

ENQUIRIES@BKRCONSULTANTS.COM

Carbon, Deforestation & Compliance:

EU Regulatory Compliance

02

From **1st January 2026**, businesses trading into the EU will face significant new compliance requirements under both the Carbon Border Adjustment Mechanism (CBAM) and the EU Deforestation Regulations (EUDR).

CBAM, which targets carbon-intensive imports such as iron, steel, and aluminium, exits its transitional phase, requiring EU importers to submit annual emissions declarations and purchase carbon certificates. Most notably, non-EU importers must appoint an EU-based representative to act as their authorised declarant, ensuring that all reporting obligations are met.

Meanwhile, the EUDR imposes strict due diligence obligations on products including soy, beef, palm oil, timber, and cocoa. Importers must trace supply chains to the source, maintain detailed records, and provide evidence that goods are not linked to deforestation, ahead of the **December 2026 deadlines**.

Affected traders are strongly advised to be proactive in their preparations. This includes reviewing and mapping supply chains, implementing robust traceability systems, appointing authorised representatives where required, and aligning internal reporting and compliance processes. Early engagement with these measures will be critical to mitigate risk, avoid potential penalties, and ensure uninterrupted access to the EU market, giving businesses greater confidence as these regulations come fully into force.



Dynamic Alignment:

The Future of UK-EU Food Trade

02

At the UK-EU Summit in May 2025, both sides agreed to work towards a Common Sanitary and Phytosanitary (SPS) Area for food trade, based on the principle of “*dynamic alignment*”, meaning the UK would keep its food safety rules in line with those of the EU.

The idea is that, once a formal UK-EU SPS Agreement is in place, many of the current certificates and checks for food trade would no longer be needed. This would cover not just trade between the UK and EU but also movements between Great Britain and Northern Ireland.

To prepare for this potential agreement, **DEFRA has extended the easement on SPS checks for medium-risk fruit and vegetables from the EU**, Switzerland, and Liechtenstein. Originally due to end on 1 July 2025, this easement will now continue until **31 January 2027**, making it easier for businesses to move fresh produce.

The hope is that a UK-EU SPS agreement will make food trade cheaper and simpler, cutting red tape and fees for exporters and importers, helping strengthen supply chains, and ultimately supporting lower prices and more reliable food supplies for consumers.

Interested parties are advised to monitor updates carefully during 2026, as more details about the potential SPS Agreement are published. Changes to rules, procedures, or timelines could affect both businesses and the availability of products, so staying informed will help ensure smooth trade and avoid surprises at the border.

On The Horizon —

Planning ahead for tariffs, trade and transparency...

As we move into 2026, the global trade landscape continues to evolve at pace, with a range of regulatory and compliance developments set to shape how businesses operate. From high-profile legal decisions in the United States to environmental and digital initiatives in Europe, companies are facing a year, and indeed a period, of both challenge and opportunity.

Across the Atlantic, all eyes are on the US Supreme Court, which is expected to deliver a much-awaited ruling on whether the tariffs applied under President Trump were lawful. The outcome could have far-reaching implications for trade policy, importers, and exporters relying on a stable US market.

On the European continent, preparations are underway for the UK's Carbon Border Adjustment Mechanism (CBAM), set to be introduced in 2027, requiring businesses to anticipate compliance obligations and plan their supply chains accordingly. Similarly, Digital Product Passports (DPP) are emerging as a key tool for product traceability and sustainability reporting across Europe, meaning businesses placing goods on the market will need to begin planning early to ensure readiness.

Meanwhile, a series of updates to free trade agreements offer opportunities for businesses to reduce tariffs and streamline cross-border operations. Together, these developments highlight the need for companies to stay informed, plan ahead, and position themselves strategically for a changing trade and compliance environment in the years to come.



US Supreme Court Rulings

The much awaited verdict on whether the imposed tariffs are deemed “*illegal*”

UK Carbon Border Adjustment Mechanism (CBAM)

Trailing the EU's implementation during 2024, the UK is expected to publish more details in preparation for 2027.

Digital Product Passports (DPP)

With an introduction as early as 2027, many traders eagerly await further instruction from EU policymakers

Free Trade Updates

New and revised free trade agreements intend to bring new opportunities to UK and EU traders in global markets

US Tariffs —

The U.S. Supreme Court is expected to rule in early 2026 on the legality of tariffs imposed under the International Emergency Economic Powers Act of 1977.

While some measures could be struck down, the Administration retains other legal routes to impose tariffs.

Businesses trading with the U.S. should anticipate continued uncertainty, as the ruling could trigger sudden changes in **supply chains, costs, and pricing**, making vigilance and flexibility essential.

US Tariff Outlook for 2026: **Expect the Unexpected**

The current U.S. Administration's trade policy, centred on the aggressive use of tariffs to achieve domestic public policy goals, looks set to continue into 2026. Businesses and markets can expect ongoing uncertainty and the potential for sudden, short-notice tariff changes. The rules-based international trading system will likely remain under pressure. Global average tariffs are now at their highest levels in nearly a century, yet international trade in goods has proven remarkably resilient. Companies and countries have adapted quickly, with the World Trade Organization (WTO) forecasting 2.4% growth for 2025, albeit slightly below potential levels. Even exports from China, the United States' geopolitical rival, have grown as alternative markets absorbed goods displaced by U.S. tariffs.

Early 2026 should bring a U.S. Supreme Court ruling on President Trump's use of the International Emergency Economic Powers Act of 1977 to impose additional tariffs—a power traditionally thought to reside mainly with Congress. While such a ruling may disrupt certain tariff measures, U.S. courts generally recognise that the government retains the ability to impose tariffs under other statutes, including Section 232 of the Trade Expansion Act of 1962, Section 122 of the Trade Act of 1974, and Section 338 of the Tariff Act of 1930. This means that even if some tariffs are nullified, they could reappear under a different authority or potentially be legislated for by Congress, though this would seem unlikely in the short term.

Overall, a major U.S. policy shift on trade appears unlikely in 2026, but the Administration remains unpredictable. The year may see the 2025 tariff measures begin to exert real pressure, contributing to supply challenges and price inflation. Adding to the uncertainty, July 2026 will mark the review of the US-Mexico-Canada Agreement (USMCA) amid strained relations, while the mid-term Congressional elections could alter control of Congress and influence trade policy heading into 2027.

In short, 2026 is likely to be at least as eventful as 2025, reinforcing the need for businesses to expect the unexpected and prepare for a dynamic, rapidly evolving trade environment.

Ongoing Regulatory Developments —

Preparation for the UK Carbon Border Adjustment Mechanism (UK-CBAM)

The UK Government has confirmed in its recent Budget that the UK Carbon Border Adjustment Mechanism (CBAM) is scheduled to take effect from 1st January 2027. The mechanism will initially apply to key carbon-intensive goods, including cement, aluminium, hydrogen, fertiliser, and iron & steel.

The UK CBAM is a new carbon pricing measure for imports, designed to ensure that goods entering the UK face a comparable carbon cost to domestically produced equivalents. For imports valued at £50,000 or more over 12 months, this means that highly traded, carbon-intensive products will be subject to a levy that reflects their embedded emissions.

Domestic manufacturers of these goods are already subject to carbon pricing under the UK Emissions Trading Scheme (ETS) for direct emissions. By extending a similar carbon cost to imported goods, the CBAM aims to level the playing field, reduce carbon leakage, and support the UK's climate goals, while providing businesses with clarity to plan their supply chains ahead of the 2027 introduction.

To stay informed of policy developments you can contact cbampolicyteam@hmrc.gov.uk to be added to the mailing list.

Digital Product Passports (DPP): Mapping the Life of a Product

The Digital Product Passport (DPP) is designed as a product-specific dataset accessible electronically through a unique, scannable identification code—typically embedded on a label or tag. Its purpose is to register, process, and share product-related information along the entire supply chain, according to agreed standards, protocols, and access rights. The DPP serves as a comprehensive repository, capturing all essential data about a product, including its material composition and origin, manufacturing process, environmental performance, supply-chain details, customs commodity code, EORI numbers, and compliance documentation. In short, it provides a full picture of a product's life cycle for manufacturers, importers, exporters, intermediaries, retailers, regulators, accreditation bodies, and even consumers.

Beyond data management, the DPP is a key tool for supporting environmentally sustainable production across the EU. By providing transparency across the life cycle—from manufacture to maintenance, repair, recyclability, and disposal—the DPP underpins the EU's transition to a circular economy. It encourages holistic sustainability, helping businesses minimise waste, improve product durability and quality, and extend product life.

The DPP is expected to be phased in across the EU from 2027, with initial focus on sectors such as metals, garments, footwear, and consumer electronics. Early adoption in these industries will allow stakeholders to test processes, refine standards, and set a framework for broader use, laying the foundation for a future where products are not only made, sold, and used, but fully tracked and sustainably managed throughout their life cycle.

Free Trade Updates —

Key changes to free-trade agreements are on the horizon in 2026. The UK-EU TCA will undergo its first five-year review, offering a chance to reduce border friction.

The PEM rules of origin are being revised, simplifying trade across Europe and the Mediterranean. Meanwhile, UK-US trade relations may expand further, building on the tariff arrangements agreed in 2025.

Businesses should monitor these developments closely to stay ahead and optimise cross-border operations.

01

Looking Ahead: The UK-EU Trade & Cooperation Agreement

The UK-EU Trade and Cooperation Agreement (TCA), which frames economic and political relations between the UK and the European Union post-Brexit, includes **a provision for review every five years, with the first review scheduled for 2026**. Last May's UK-EU Summit set the stage for this process, drawing significant attention from both the UK Government and the EU Commission.

While the TCA provided a strong foundation, particularly through largely duty-free trade for goods meeting the rules of origin, its benefits have been dampened by the costs and delays associated with reintroduced customs and regulatory controls. European road freight has borne much of the brunt, highlighting the potential gains from reducing border friction, including movements between Great Britain and Northern Ireland, wherever politically feasible. The upcoming review offers an important opportunity to assess the agreement's operation and identify ways to streamline trade.

The UK is seeking improved co-operative arrangements with the EU, which may require greater regulatory alignment or "*shadowing*". While Brexit granted the UK nominal autonomy to set its own rules, the economic and regulatory gravitational pull of the EU remains strong, particularly for Great Britain. Recognising this reality allows the UK to maximise the benefits and minimise the costs of the new trade relationship, ensuring that both sides can sustain a productive and mutually beneficial economic partnership.

02

Building on 2025 Gains: UK-US Trade Relations

In the spring of 2025, the UK and U.S. governments reached a trade arrangement covering tariffs in key sectors, notably automotive, steel, and agriculture. This is not a conventional trade agreement, and it remains relatively thin on detail. The arrangement is best understood as a mechanism to mitigate U.S. tariff hikes on UK exports while providing a framework for ongoing trade dialogue, from which further positive developments may emerge over time.

Looking ahead to 2026, it is likely that continued bilateral discussions could see the agreement developed or refined, perhaps in relation to steel, automotive, and pharmaceuticals. While modest in scope for now, the deal represents an important first step toward closer UK-US trade relations, providing businesses with a degree of predictability and a foundation for planning in a complex trading environment.'

03

Free Trade Updates —

03

PEM Rules of Origin: Simplifications & Modernisation from 2026

The Regional Convention on Pan-Euro-Mediterranean (PEM) preferential rules of origin was established in 2012 to create common rules of origin and cumulation among the PEM contracting parties and the EU. The aim was to facilitate trade and integrate supply chains across the region.

The PEM contracting parties include the *EU, EFTA states (Switzerland, Norway, Iceland, and Liechtenstein), Faroe Islands, Algeria, Egypt, Israel, Jordan, Palestine, Lebanon, Morocco, Syria, Tunisia, Turkey, Albania, Bosnia & Herzegovina, North Macedonia, Montenegro, Serbia, Kosovo, Moldova, Georgia, and Ukraine.*

Until now, companies have been able to choose between two sets of rules of origin within the PEM area. **This transition period ends on 31st December 2025, and from 1st January 2026, the revised rules will become mandatory.**

The updated preferential rules of origin are simplified and modernised compared to the 2012 framework. They offer greater flexibility, with more relaxed provisions on cumulation, duty drawback, tolerance, and transport conditions, making it easier for businesses to navigate cross-border supply chains while still benefiting from preferential treatment.

04

EU-Mercosur Trade Agreement: Hopes & Hurdles

After 25 years of negotiation, the long-awaited EU-Mercosur trade agreement—covering Argentina, Brazil, Paraguay, and Uruguay—is finally in sight. Politically agreed in December 2024 and refined in 2025, the deal still faces hurdles before it can be fully implemented.

A degree of political tug-of-war persists within the EU, with some Member States supporting the agreement and others raising objections. As of now, a vote is scheduled ahead of the anticipated signing of the final agreement, which will mark the next critical step toward ratification.

Once in effect, the agreement would create a transatlantic free trade zone, offering much-needed opportunities for trade expansion and economic growth in contrast to the protectionist pressures that have dominated global trade in 2025. For businesses, this could mean easier market access, reduced tariffs, and strengthened transatlantic supply chains, though careful monitoring of the political process remains essential.

05

UK-India FTA: New Opportunities Ahead

The UK-India Free Trade Agreement (FTA) sets the stage for closer trade and economic cooperation, with gradual tariff reductions and expanded market access over ten years. Entry into force is expected mid-2026, following formal notifications from both governments.

While the deal promises lower duties on a wide range of goods, businesses should note that the UK's graduation from the UK-DCTS may trigger short-term duty increases on some imports before the FTA rates fully apply. Careful planning will be key to navigating this transitional period and making the most of the new trade opportunities.

Our Support —

Don't face these challenges alone...

The international trade landscape looks set to become even more challenging this year, with rising regulatory complexity, spill over from trade tensions, and ongoing uncertainty around U.S. trade tariffs.

In this environment, it is especially important for businesses to understand their responsibilities and operate within a robust international trade compliance strategy. We therefore encourage anyone concerned about, or beginning to prepare for 2026 to reach out to their BKR representatives for guidance and support.

Don't Just Hold Data. Use It...

With HMRC now making CDS data freely available, there has never been a better time to unlock insights from your trade data. Some of the ways BKR can use your data are:

01

Duty Optimisation Assessment

A complete 360' analysis of customs operations to evaluate quality of data, process efficiency and duty expenditure, concluding with a corrective action plan for remedial actions.

02

Trade Compliance Analysis

Utilising our bespoke trade analytics platform to provide real world insights into compliance risks and duty saving strategies.

04

Say Hello —

BKR Consultants is a UK-based advisory firm specialising in customs and international trade. We provide practical guidance on customs clearance, trade compliance, and supply chain efficiency, by offering tailored professional advice to a wide range of industries.

We believe companies that integrate customs into their core business strategy can gain a clear competitive edge in their sector. By leveraging our customs expertise, we develop tailored strategies that help minimise duty costs while making trade compliance simpler, more efficient, and easier to manage.



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