

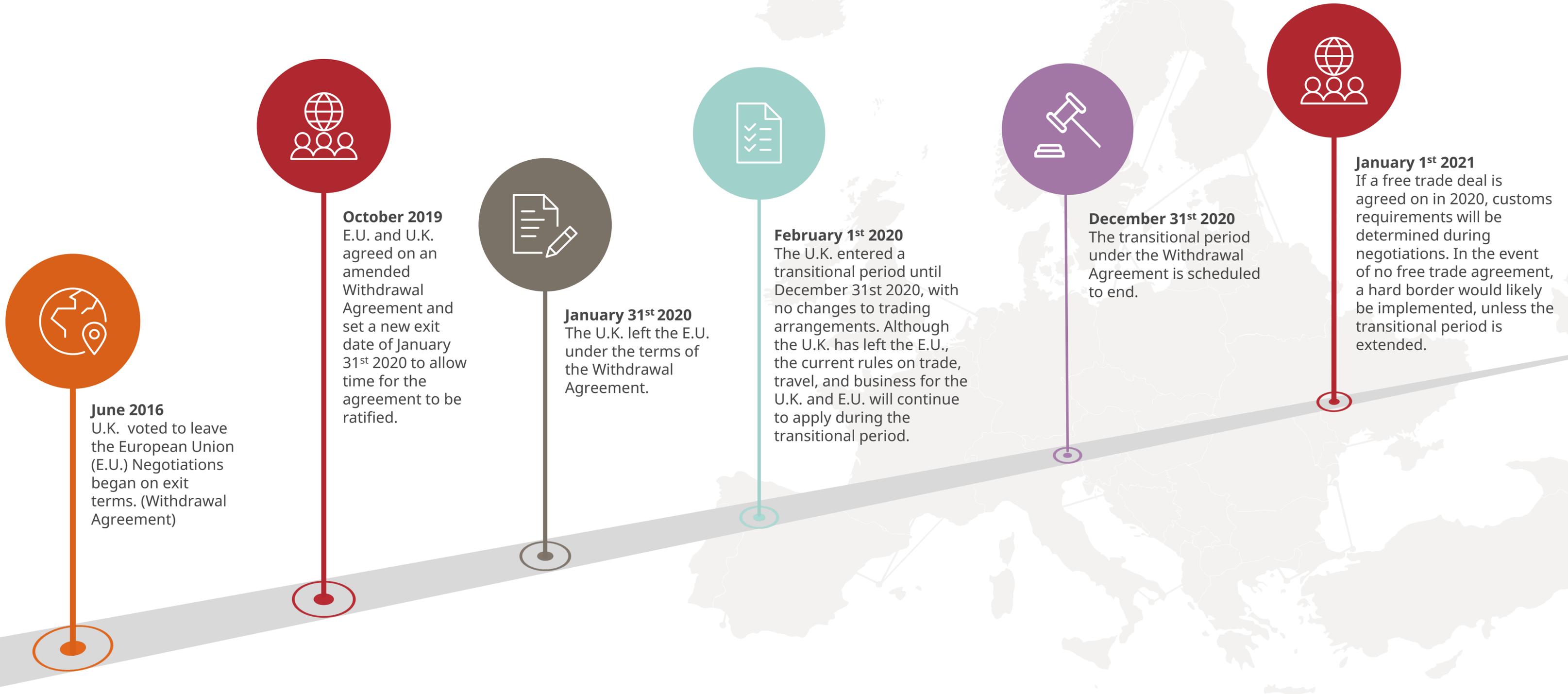
February 2020

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# Brexit Update



# Brexit Timeline



## The U.K. left the E.U. on 31<sup>st</sup> January 2020.

The U.K. and the E.U. approved the **Withdrawal Agreement** negotiated in December 2019 at the end of January 2020.

Under the terms of the agreement, the UK entered **a transitional period to run from 1st February 2020 until 31st December 2020**. During this period, there will be no changes in trading agreements between the E.U. and the U.K.

Although the U.K. has left the E.U., the current rules on **trade, travel, and business** for the U.K. and E.U. will continue to apply during the transitional period.

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## What happens after December 31<sup>st</sup> 2020?

This will depend on free trade negotiations due to commence in March 2020. The Withdrawal Agreement includes **a commitment to keep future border checks to a minimum**, but it is likely that some form of customs declaration will be required on U.K./E.U. movements even if a comprehensive free trade deal is agreed upon.

The requirements have yet to be determined and will form part of the trade negotiations.

# How will a hard border impact trading companies?



More details on the Transitional Period and new rules for 2021 can be found on the link below:

<https://www.gov.uk/transition>  
<https://www.gov.uk/transition-check>

# Export to the EU – Prepare for a hard border at the end of 2020

## Action



- > Get a **GB EORI number** from the government, if you do not already have one
- > Get an **EU EORI number**, if you plan on transacting directly with EU customs
- > From a date prior to the end of the transitional period (to be advised by Agility)
  - **Show your GB EORI number and the importer's EU VAT number on your commercial invoice**, along with the other details listed in the Brexit Information for UK Customers document, downloadable from the [Agility Brexit](#) webpage.
  - If you are transacting directly with EU customs, you will need to include your EU EORI number
- > Provide the **commercial invoice and packing list to Agility at the time of booking**
- >
  - Agility will prepare and submit the export declaration, arrange shipment of the goods and raise an invoice to you for these services
  - Agility will **provide evidence of export for each shipment**, detailing the date and method of export

## Why



- > You will not be able to import anything from the EU without a GB EORI number. It is free to apply. <https://www.gov.uk/eori>
- > You must have an EU EORI number to transact directly with EU Customs.
  - These details are essential to avoid delays on arrival in the EU.
  - Agility will ask you to start doing this before the end of the transitional period, so that any shipments still in transit at the deadline have the right details on the documents.
- > Agility cannot arrange collection unless we have the documents first.
- >
  - Goods leaving the UK for the EU after the end of the transitional period will require submission of a formal customs export declaration.
  - Evidence of export must be retained in case this is requested by customs at a later date.

# Imports from the EU – Prepare for a hard border at the end of 2020

## Action



- Get a **GB EORI number** from the government, if you do not already have one
- Complete an **Agility Letter of Authority for Direct Representation**, unless we already hold one for you.
- Decide whether you wish to import goods using:
  - A full declaration at the time of import;
  - Customs Freight Simplified Procedures (CFSP - trader registration and additional procedures required) – <https://www.gov.uk/government/publications/notice-760-customs-freight-simplified-procedures-cfsp>
  - Any new procedure agreed during the transitional period
- Consider applying for a **UK Deferment Account (DAN)** with HMRC, if you do not already have one.

## Why



- You will not be able to import anything from the EU without a GB EORI number. It is free to apply. <https://www.gov.uk/eori>
- This authorises Agility to make import declarations on your behalf.
- The Transitional Simplified Procedures developed in 2019 for a 'no deal' Brexit have been suspended – see link below:  
<https://www.gov.uk/guidance/transitional-simplified-procedures>  
This means that imports from the EU will be subject to the same import procedures as any other country, unless the UK and EU agree new simplifications during the transitional period.
- If you choose not to apply for a DAN and opt for a full declaration, Agility will pay the duty on your behalf and collect at the time of import.

# Imports from the EU – Prepare for a hard border at the end of 2020

## Action



From a date prior to the end of the transitional period (to be advised by Agility)

- Ensure your EU suppliers show your **GB EORI number and their EU EORI number on their commercial invoice**, along with the other details as listed in the Brexit Information for EU Customers document, downloadable from the [Agility Brexit](#) webpage.



- Insist that your **supplier provides you with the commercial invoice prior to loading**.
- Send this to Agility before shipment so we can prepare the import declaration in advance



**Groupage shipments** - on arrival, Agility will typically arrange for the goods to move to a place of clearance, away from the port of entry.



**Full Load Shipments** – FTL clearance method will depend on the importer's choice and how the freight has been consigned. Clearance may be made by pre-lodging a full import declaration; under CFSP; or by moving under transit from port to an approved place for clearance.

## Why



- These details are essential to avoid delays on arrival in the UK.
- Agility will ask you to start doing this before the end of the transitional period, so that any shipments still in transit at the deadline have the right details on the documents.



- It is not possible to complete either the export declaration from the EU or the import declaration to the UK without a commercial invoice.
- The commercial invoice must include all of the details outlined in the Brexit Information for EU Customers document, downloadable from the [Agility Brexit](#) webpage.
- Passing the commercial invoice in advance to Agility allows us to make the import declaration as quickly as possible.



This allows us to unload the vehicle at a remote place before the goods have been cleared. It avoids congestion at the port of import as in most cases, the vehicle is free to continue its journey as soon as it comes off the ferry / train.



We expect most full trailer loads will need an import entry to be pre-lodged before arrival.

## Action



### Following clearance – full declarations

- The goods will be released for delivery
- Agility will send you a duty statement (E2) for your records



### VAT returns for all import declarations

- EU and non-EU imports

## Why

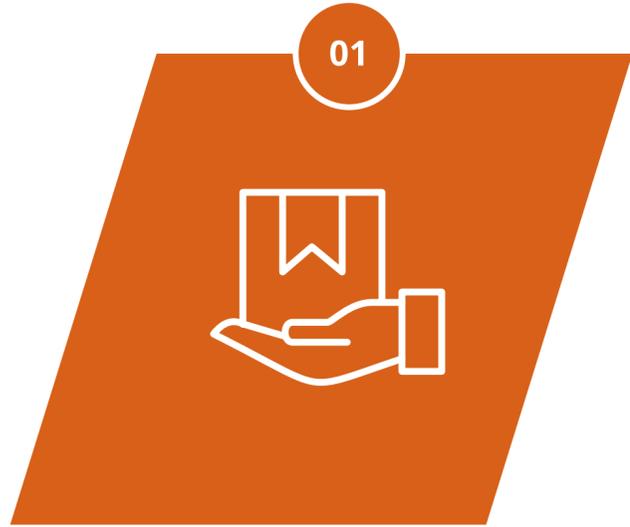


- This is your proof that duty was paid on import (or that none was due).
- It must be retained, as HMRC may request evidence at a later date.



- In the event of no deal, the UK government planned to account for VAT on all imports, regardless of origin, through the importer's monthly or quarterly VAT returns (see link below). Since this link has not been amended, it is not clear if these changes will be introduced at the end of the transitional period, or if the current requirements to account for VAT at the time of import will be extended to EU imports.
- See <https://www.gov.uk/government/publications/vat-for-businesses-if-theres-no-brexit-deal/vat-for-businesses-if-theres-no-brexit-deal>

# How Agility can help reduce the impact of Brexit



Agility is a member of BIFA (British International Freight Association) & UKWA (United Kingdom Warehouse Association) operating as a freight forwarder, customs broker and logistics provider.



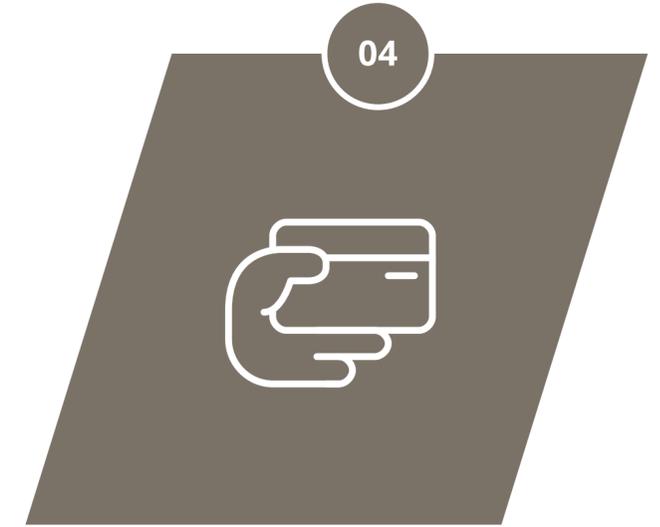
Agility has representation at all the major airports/ ports in the UK & manages the customs clearance for thousands of shipments per annum.

- Import & Export by Air, Road & Ocean.
- A preferred carrier program helps to give our customers the choice by mode of transport and transit routes.



Agility is an Authorized Economic Operator (AEO) which affords enhanced status for a variety of customs procedures helping to accelerated and or defer customs clearances at the borders.

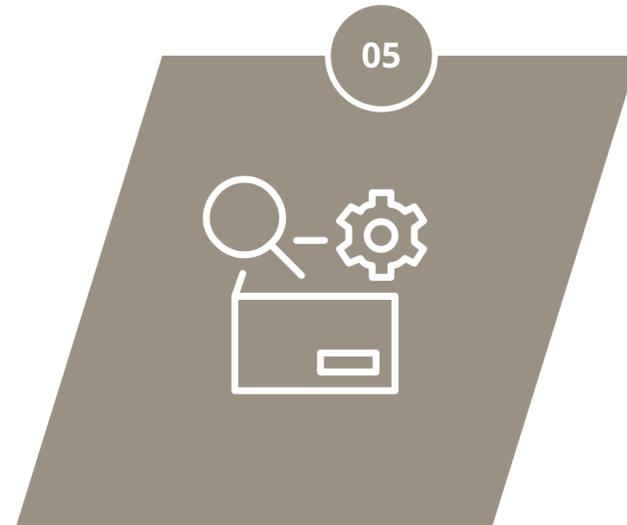
- Operate own and have access to third party Inland Clearance Depots (ICD'S) helping to bypass potential customs delays at the border.
- Ability to store freight in a customs bonded environment.



Agility has a customer deferment facility for the payment of duty & taxes.

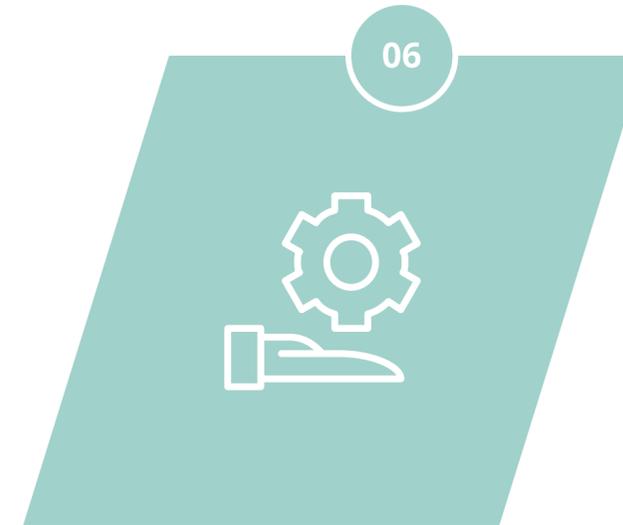
- Customers of Agility can use this facility in order to pay HM customs for taxes and to help accelerate the customs declaration process.

# How Agility can help reduce the impact of Brexit

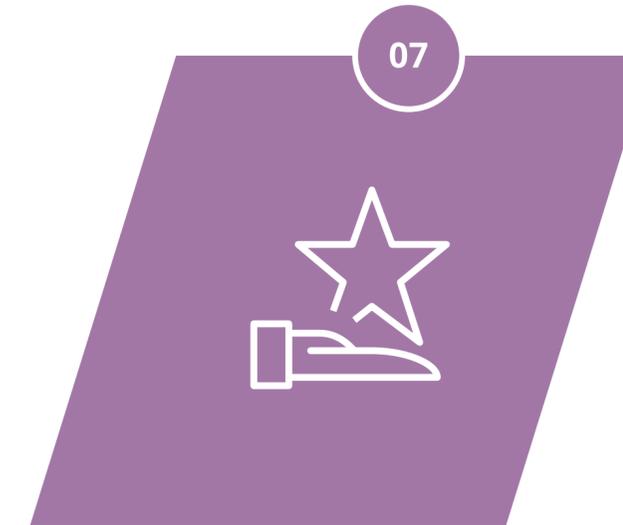


**Agility manage freight movements from within and outside of the EU territory.**

- Agility is used to operate in free trade areas or where hard borders exist.



**Agility has representation through own or strategic partners in every EU country all with similar capabilities helping to provide continuity of service.**



**Agility can assist companies with the set up and administration in case of Fiscal Representation.**

- Relevant to non-resident traders who wish to import or export.

# Glossary



Term	Full name / Description	Detail	Reference
<input checked="" type="checkbox"/> <b>CFSP</b>	Customs Freight Simplified Procedures	Customs freight simplified procedures are a way to access simplified declaration processes, but HMRC must authorise you to use these.	<a href="https://www.gov.uk/government/publications/notice-760-customs-freight-simplified-procedures-cfsp">https://www.gov.uk/government/publications/notice-760-customs-freight-simplified-procedures-cfsp</a>
<input checked="" type="checkbox"/> <b>CHIEF</b>	Customs Handling of Import and Export Freight	CHIEF is HMRC's computer system. Export and import declarations are submitted to CHIEF via third party software. CHIEF calculates the duty and VAT payable based on the information in the declaration.	<a href="https://www.gov.uk/guidance/customs-declarations-for-goods-brought-into-the-eu">https://www.gov.uk/guidance/customs-declarations-for-goods-brought-into-the-eu</a>
<input checked="" type="checkbox"/> <b>Commodity Code</b>	A code which is used to classify products for export and import declarations. Also commonly referred to as a tariff heading. The commodity codes form a part of export and import declarations.	All exports are classified for statistical purposes, even though no duty is payable in the UK on exports. Every imported product is classified under a code which combined with other criteria determines the rate of duty payable. The classification of products for customs purposes must be accurate. It is an offence to underpay duty by using the incorrect commodity code. Consignments of different products must be classified under appropriate commodity codes. Commodity codes can be obtained online from the Trade Tariff website. See link below.	<a href="https://www.gov.uk/guidance/finding-commodity-codes-for-imports-or-exports">https://www.gov.uk/guidance/finding-commodity-codes-for-imports-or-exports</a>
<input checked="" type="checkbox"/> <b>Country of Origin</b>	Goods traded with the EU may have an origin that is different from the country of export. This can influence the rate of duty payable.	<p>There are 2 main categories of origin in the rules:</p> <ul style="list-style-type: none"> <li>• goods wholly obtained or produced in a single country</li> <li>• goods whose production involved materials from more than one country</li> </ul> <p>Rules of origin are complex when work has been carried out on imported products before selling on, or components from different countries are assembled into new products.</p>	<a href="https://www.gov.uk/guidance/rules-of-origin">https://www.gov.uk/guidance/rules-of-origin</a>
<input checked="" type="checkbox"/> <b>CPC</b>	Customs Procedure Code. CPCs are an important element of the export and import declarations.	The customs procedure codes identify either the customs or excise regimes (or both) which goods are being entered into and removed from (where this applies). There are many different CPCs and it is important to use the right one.	<a href="https://www.gov.uk/government/publications/uk-trade-tariff-customs-procedure-codes">https://www.gov.uk/government/publications/uk-trade-tariff-customs-procedure-codes</a>
<input checked="" type="checkbox"/> <b>Customs Duty</b>	Also referred to as duty	Many products carry a % rate of duty, which is usually calculated on the purchase price of the goods plus transport costs (although other valuation methods are also used). Duty is payable to HMRC. The rate of duty is determined by the commodity code, country of origin and other criteria which apply at the time of import.	
<input checked="" type="checkbox"/> <b>DAN</b>	See Deferment Account		

# Glossary



Term	Full name / Description	Detail	Reference
<input checked="" type="checkbox"/> <b>Declaration</b>	Also referred to as a customs clearance or an entry.	After the end of the transitional period, customs declarations will be required for all trade movements to / from the UK and the EU. The format of these is likely to be the same as declarations for trade with non-EU countries.	<a href="https://www.gov.uk/guidance/customs-declarations-for-goods-brought-into-the-eu?step-by-step-nav=db1149f5-f60a-4d02-be0c-9c9db2828665">https://www.gov.uk/guidance/customs-declarations-for-goods-brought-into-the-eu?step-by-step-nav=db1149f5-f60a-4d02-be0c-9c9db2828665</a>
<input checked="" type="checkbox"/> <b>Deferment Account</b>	Also referred to as a DAN.	A duty deferment account allows you to pay your customs duties, import VAT and excise duties monthly by direct debit, rather than having to pay immediately each time you clear your goods through customs. A bank guarantee is required. Alternatively, an agent may agree to use their deferment account on an importer's behalf.	<a href="https://www.gov.uk/guidance/setting-up-an-account-to-defer-duty-payments-when-you-import-goods">https://www.gov.uk/guidance/setting-up-an-account-to-defer-duty-payments-when-you-import-goods</a>
<input checked="" type="checkbox"/> <b>Direct Representation</b>	A type of representation used by an agent on a customs declaration on a trader's behalf	A trader (the principal) may appoint an agent to act on their behalf and submit import declarations. Under direct representation, the representative acts in the principal's name. The principal is solely liable for the customs debt. Agents require written confirmation of direct representation when agreed with the principal.	<a href="https://www.gov.uk/guidance/customs-debt-liability#types-of-representation">https://www.gov.uk/guidance/customs-debt-liability#types-of-representation</a>
<input checked="" type="checkbox"/> <b>Duty</b>	See Customs Duty		
<input checked="" type="checkbox"/> <b>EC</b>	European Commission	The European Commission is conducting Brexit negotiations with the UK on behalf of the other 27 EU member states.	
<input checked="" type="checkbox"/> <b>EEA</b>	European Economic Area	The EEA includes EU countries and also Iceland, Liechtenstein and Norway. It allows them to be part of the EU's single market. Switzerland is neither an EU nor EEA member but is part of the single market - this means Swiss nationals have the same rights to live and work in the UK as other EEA nationals.	<a href="https://www.gov.uk/eu-eea">https://www.gov.uk/eu-eea</a>

# Glossary



## Term

### EORI Number

## Full name / Description

Economic Operators Registration and Identification number

## Detail

You'll need an EORI number that starts with GB to export and import goods with the EU after the end of the transitional period. If you already have an EORI number that starts with GB, you can continue to use it. It will be 12 digits long.

If you're registered for VAT it will include your VAT registration number. You do not need an EORI number if you'll only move goods between Northern Ireland and Ireland. It takes 5 to 10 minutes to apply for an EORI number. You'll get it either: straight away; or: within 5 working days (if HMRC needs to make more checks).

If you'll be transacting directly with EU customs then you'll need an EU EORI number. Get this from the customs authority in the EU country you first conduct trade with or that you request a customs decision from.

## Reference

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

### EU

European Union

The European Union (EU) is an economic and political union of 27 countries, now that the UK has left. It operates an internal (or single) market which allows free movement of goods, capital, services and people between member states.

<https://www.gov.uk/eu-eea>

### EU 27

The 27 members of the EU after the UK leaves

After the UK leaves the EU, it will have 27 members: Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden

<https://www.gov.uk/eu-eea>

### EU EORI

European Union Economic Operators Registration and Identification number

If you'll be transacting directly with EU customs then you'll need an EU EORI number. Get this from the customs authority in the EU country you first conduct trade with or that you request a customs decision from.

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

### Excise Duty

Another level of duty that applies to particular products (e.g. alcohol, tobacco)

See customs duty above.

# Glossary

Term	Full name / Description	Detail	Reference
<input checked="" type="checkbox"/> <b>Import VAT</b>		It is likely that VAT rules on imports from the EU after the end of the transitional period will be the same as those in place for non-EU imports. Although the UK government planned to change the import VAT rules in the event of a 'no deal' Brexit, it appears these plans have been suspended or withdrawn.	<a href="https://www.gov.uk/guidance/imports-and-vat-notice-702">https://www.gov.uk/guidance/imports-and-vat-notice-702</a>
<input checked="" type="checkbox"/> <b>Most Favoured Nation</b>		See WTO rules	
<input checked="" type="checkbox"/> <b>Tariff Heading</b>	See commodity code	Commodity codes and rates of duty can be obtained for free online using the trade tariff site.	<a href="https://www.gov.uk/trade-tariff">https://www.gov.uk/trade-tariff</a>
<input checked="" type="checkbox"/> <b>TSP</b>	Transitional Simplified Procedures	<p>As part of 'no-deal' Brexit planning, HMRC drafted transitional simplified procedures to avoid the need for a full declaration of EU goods at the time of import. With effect from 30th January 2020, TSP guidance was withdrawn and transitional simplified procedures are currently suspended. See the link opposite.</p> <p>Traders that registered for TSP are advised to keep the paperwork safe in case plans change again as we approach the end of the transitional period.</p>	<a href="https://www.gov.uk/guidance/transitional-simplified-procedures">https://www.gov.uk/guidance/transitional-simplified-procedures</a>
<input checked="" type="checkbox"/> <b>WTO Rules</b>	See Customs Duty	<p>If there is no trade agreement between the UK and another country after Brexit, you will have to trade with that country under World Trade Organization (WTO) rules. WTO rules state that the same trading terms must be applied to all countries, unless there is a trade agreement between 2 or more countries. This is known as Most Favoured Nation treatment.</p> <p>Most Favoured Nation means that the UK cannot offer better trading terms to one country over another, unless it has a trade agreement that allows it to do so.</p>	<a href="https://www.gov.uk/guidance/trading-under-wto-rules">https://www.gov.uk/guidance/trading-under-wto-rules</a>



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# Contact an Agility Expert

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