

Brexit

U.K. Information

Helping Reduce the Impact on your Supply Chain

As you will be aware, the U.K. left the E.U. on the 31st January 2020 under the terms of the Withdrawal Agreement and entered a transitional period to run from 1st February 2020 to 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 transition period.

What happens after December 31st 2020?

The U.K. Government has confirmed that all shipments between the U.K. and the E.U. will need some form of customs process after 31st December 2020.

How will companies need to prepare for the end of the transition period?

From 1st January 2021 all shipments moving between the U.K. and the E.U. will need to go through a customs clearance process at both origin and destination. All companies trading with the E.U. should now start preparing for this.

EXPORTS

For your shipments to the EU, an export declaration will be need to be completed. Duty and taxes will also be payable on your products when they are



imported into the EU. The level of taxes payable will depend on the outcome of the Trade negotiations between the U.K. and the E.U. and any Free Trade Agreement that is concluded.

IMPORTS

For any goods you import from the E.U. an import declaration will need to be completed and duty and taxes may be levied. There are a number of key points which all importers must familiarise themselves with.

Duty and Taxes:

The government has published a new U.K. customs tariff. This outlines the duty and tax rates payable on all goods imported into the U.K. from any origin, including the E.U..

The below link can used to reference your commodity codes and the duty and taxes payable:

<https://www.gov.uk/check-tariffs-1-january-2021?step-by-step-nav=1ddb4c89-1fe9-4ad0-b561-c1b0158e6bc5>

VAT Payment:

VAT will be charged on all imported goods regardless of the country of origin, (EU and Non EU).

There is a change that will take effect from 1st January 2021 as UK VAT registered companies will need to account for VAT in their VAT return. This is called VAT Deferred accounting.

<https://www.gov.uk/guidance/check-when-you-can-account-for-import-vat-on-your-vat-return>

Import customs clearance process

Imports from the E.U.

The U.K. government has announced a phased approach to the implementation of import customs clearances. Customs declarations can be made at the border on arrival of the goods. Alternatively, from 1st January 2021, for standard goods, (excluding some high risk goods like alcohol, tobacco where there will be checks at the border) customs approved importers may defer making a customs declaration for a rolling six months for all cleared goods up to 30th June 2021.

Irrespective of your customs approval status Agility is qualified to manage the customs and supporting processes on your behalf.

The customs clearance process is dependent on your trader status and it is important that you communicate your needs to Agility prior to the importation of your goods.

You can review the import procedures available and monitor any further new developments during 2020 via the following links:

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

<https://www.gov.uk/prepare-to-import-to-great-britain-from-january-2021>

From 1st July 2021, either a full customs declaration or a simplified declaration will be needed on all goods on arrival at the border. Intrastats must continue to be submitted for all exports and imports with the EU, assuming you currently do so.

The key to minimising any potential delays to your shipment will be to work with your local Agility office so that we can assist your business.

It is also important to ensure that complete and accurate paperwork is provided to your local Agility office. This will allow our customer service teams to check that there is sufficient information available to us to ensure a smooth customs declaration process at both departure and arrival.

To prepare your business, you will need to take the following steps:

1. Get an **EORI Number** (Economic Registration and Identification). You will need an EORI number to be able to trade with the E.U. after the end of the transitional period. If you are a business without an U.K. EORI number, you should apply immediately via <https://www.gov.uk/eori> in order to commercially trade with the E.U..
2. Have you agreed **Incoterms** with your customers? This will help identify who has responsibility for payment of transport costs associated with the shipment and duty and taxes.
3. Can you accurately describe your goods and correctly **classify** them for customs purposes? <https://www.gov.uk/guidance/finding-commodity-codes-for-imports-or-exports>
4. Ensure invoices, packing lists and any other **documents** required are available for each shipment.

Minimum details for an invoice and packing list:

- Your company details – name and address
- Your VAT number
- Your EORI Number
- Your customer's details – name and address
- Your customer's VAT number
- Incoterms (terms of sale agreed with the customer)
- Detailed description of the goods
- Customs commodity code for the goods
- Quantity of goods
- Country of origin of the goods
- Commercial value of the goods and currency
- Packing details, including number and type of pieces; gross and net weights; piece dimensions and / or volume.

Check with the seller that they can provide commercial invoices that meet U.K. import requirements.

Much of the guidance issued by HM Revenue and Customs in 2019 in anticipation of a 'no deal' Brexit has now been withdrawn. Please refer regularly to the current link below for information regarding the transitional period and for changes to come in 2021.

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

Imports from NON EU Origins

Import customs clearance will continue as usual on arrival at the border and duty will be payable at the border point, or deferred subject to your customs approved status.

Agility has been monitoring the situation closely, and has set up a team of customs specialists throughout Europe who will continue to work with various trade bodies on the potential impact of Brexit. We are working to ensure minimal disruption to your business based on how the rules and regulations may change.

With Agility's existing infrastructure, skills and capabilities, we are well-positioned to support your trade between the U.K. and the E.U., no matter the final outcome. Contact an Agility expert today with



Contact an Agility Expert:

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For regular updates visit:

www.agility.com/brexit