

EU Exit Update

July 20, 2020

With the recent updates and the new government campaign on the EU Exit, we at DACHSER wanted to inform you of some key points that have arisen that you may find relevant for your organisation.

While trade talks continue to progress slowly, the month of June presented the last opportunity for the UK Government to extend the transition period currently due to end on 31 December 2020.

The date passed with no request for an extension, and now the focus is on a phased introduction to customs controls in the UK as of 1 January 2021. The transition phase will allow traders to recover from the impact of COVID-19 and to prepare for the new requirements. The UK will be subject to full customs control at its borders by 1 July 2021.

Earlier this year, the UK Government took steps to remove certain customs easements, including Transitional Simplified Procedures (TSP), and Post VAT Accounting (PVA). However, they have reconsidered and understood there is a need for some customs easements to be in place.

As a result, we have seen the reintroduction of postponed VAT accounting and a new form of the import process to enable the importer of record to account for their shipments by creating an entry into their records. Further information on this process can be found on the GOV.UK website.

On 12 July 2020, the Government announced funding of £705 million to build border facilities, invest in new technology and to create 500 new jobs within the border force to give further development of the infrastructure in preparation to the EU exit. Within this amount, there is £50 million available to support with training and IT equipment to complete customs declarations which you may be able to benefit from.

There will be an EU Summit Meeting for final discussions between the UK and EU on 17-18 October 2020. Finally, on 19 October 2020, we should see the summary and conclusion of a deal or no-deal scenario.

We should not lose sight that regardless of the outcome of these discussions, customs administration will be necessary on all goods entering and exiting the UK as of January 2021, albeit in a phased approach.

The UK Government have also announced 'The UK's new start: Let's get going' campaign which is designed to give everybody easy and quick access to information and actions that people and businesses need to take to prepare for the end of the transition period.

The link below will take you to a tool which will outline the necessary measures that are required.

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

The government has also released details on how to prepare as an importer from the UK.

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

Along with how to prepare as an exporter.

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

Key information

Power of Attorney

For DACHSER to act on your behalf and in your name when completing HM Revenue & Customs documentation we require you to sign a Power of Attorney, DACHSER are calling this a Customs Representative Authorisation (CRA).

Economic Operator Registration Identification (EORI) Number

An EORI number is required for international trade and is necessary when submitting customs declarations to HMRC. Apply for an EORI today to avoid any delays with your shipments. As of 1 January 2021, a UK EORI is required for import and export declarations so if you have an EU EORI number you need to register for a UK EORI number.

Duty Deferment Account (Imports to the UK)

Enables goods to be cleared and delivered without being delayed pending any payment towards duty and VAT owed on goods. We recommend

you set this account up as early as possible, so you have the account set up in time before the end of the year. Once this is set up then you will need to give DACHSER standing authority to use this and make the import process smoother.

<https://www.gov.uk/government/publications/import-and-export-deferment-arrangements-application-for-approval-c1200>

HS Codes and supporting information for customs clearance

An HS Code or commodity code is required for all goods. This code is required for 8 digits for exports and to 10 digits for imports. The 10 digit commodity code will determine the duty rate to be applied to your goods on import.

Some goods will require additional data to supplement the commodity code in the customs declaration, therefore ensure this information is included on your commercial invoice. The commodity code will need to be accompanied by an English text description of the goods. Part numbers will not satisfy customs' requirements.

Further information required to support the customs clearance process includes gross and nett weights, the number of items, and description of packaging (e.g. carton), country of origin and respective values per different commodity code, and origin. Please remember to include the correct Incoterms.

At DACHSER, we are committed to providing you with as much support during this transition phase as possible. Our sales and service team will be on hand throughout, and we will be reaching out to every customer to ensure we have all the relevant information from you during these preparations.

We would like to leave you with the recently published "Border Operating Model" which will detail information around the three stages of border control leading up to the 1 July 2021.

<https://www.gov.uk/government/publications/the-border-operating-model>

We hope you find this information useful.