

BREXIT CHECKLIST

Getting you and your business
ready for Brexit



Introduction

As a member of Europe's largest palletised freight network we are in the best position possible to support our members and customers through the challenges of Brexit.

It is widely known that Brexit will have a significant impact on logistics in the UK and across Europe. Palletways have been preparing in great detail for Brexit and are in the best place possible to support you and your shippers with cross-border shipping whether we finally end up with a no-deal Brexit or leave with a deal. We have prepared for every outcome.

We have been working hard on our processes and IT systems to ensure a smooth transition and that they are able to support you with any additional data or process requirements that arise after Brexit.

We are still in a period of uncertainty and there are a wide range of outcomes that could eventually be in place, but Palletways are helping our members and customers plan ahead.



Brexit will affect your business – but how?

We are prepared for an array of potential outcomes, whether that be exiting with an new trade deal or a situation where we revert to WTO trading terms. So what do each of these outcomes really mean for you and your customers?



In the Event of No Trade Deal

If the UK and the EU cannot agree a Trade deal by the 31st December 2020, the UK will leave the Customs Union with the EU and adopt World Trade Organisation rules. For businesses this will mean that their goods will be subject to customs clearance and inspections. Tariffs can be imposed on goods being exported from the UK to the EU countries, and also on goods being sent from the EU to the UK.

Leaving the EU on January 31st 2020

The UK will leave the EU with a Transition Agreement in place. This will last until the end of 2020. For UK businesses this means that they will be able to import and export under the existing arrangements, free of tariffs. In other words, this is BUSINESS AS USUAL. During this period a new trade deal will be negotiated to come into effect in 2021. This new trade deal will include new Duties, customs declarations and documentation.

What is likely to change?

Irrespective of the shape of a future deal, the most likely outcome is that there will be customs declarations required for goods to and from the EU, just as there are currently between the UK and the Rest of the World

This document will help you prepare your customers in readiness for future Customs paperwork.

No one can say for certain what the outcome will be, but the steps on the following slides will make your shippers as ready as possible.



What do you need to do to prepare for Brexit

While Palletways has done everything possible to support you and your shipper's business with whatever type of Brexit trade deal we eventually get, there will be some preparation that all parties will have to do. We have created a handy step by step guide to ensure everyone is prepared.

- 1 Familiarise yourself with Brexit outcomes and what it means for you and your customer
- 2 Register for a UK and EU EORI number
- 3 Agree Incoterms with your own customers
- 4 Learn how to describe and classify goods
- 5 Learn how to complete invoices, apply for any licences and certificates
- 6 Submit your commercial invoice electronically
- 7 Understand customs & clearance requirements
- 8 Notify any of your receivers/importers about the potential changes
- 9 Set up a Deferment Account

Ask us questions



1

Familiarise yourself with Brexit outcomes and what they mean for you and your customer

You need to know what exactly the Brexit outcomes could mean for your and your customers' business.

There may be a deal with frictionless trade very similar to what we have now.

Or they may be a deal with a simplified form of customs controls.

Or it may be that the UK will leave the EU immediately with no agreement in place that guide the future trading relationship in terms what a trade deal could look like. Imports and Exports will be conducted in line with WTO rules.

To get an idea of what this will mean for you and your customers begin with looking at the rules and regulations that are in place for exports and imports to/from countries outside the EU.

The UK government is offering advice through [no-deal planning notices](#).

No one can anticipate the specific outcome and it may vary from business sector to business sector. So the best advice is to stay aware of what is being discussed at the UK EU talks and in any event be ready for the implications of a No Deal



2 Register for a UK and EU EORI number

What is an EORI number?

An Economic Operator Registration and Identification number (EORI) is an EU registration and identification number for all businesses who import or export goods to and from the EU.

Why does it matter?

When the UK leaves the EU, businesses will need a UK EORI number. This will allow them to continue to import or export their goods.

Importantly the shipper and receiver of the goods will both need an EORI. After the transition a UK EORI number will not be recognised in the EU and an EU EORI will not be accepted in the UK.

It is our advice that all customers apply for an EORI as soon as possible.

Applications can be made [here](#)



3

Agree

Incoterms with your own customers

What are Incoterms?

International Commercial Terms are a sequence of pre-defined commercial terms that are widely used in international trade transactions. These will define many of the rules and will be an important part of the commercial invoice.

These terms address where the goods will be delivered, who arranges and pays for transport, who is responsible and pays for insurance of the goods, who handles customs procedures.

You can learn more about Incoterms [here](#)



4

Learn how to describe and classify your goods

HS Codes

This is effectively a list of numbers that is used to classify a product to enable accurate taxes and Duties to be applied. A Harmonized System (HS) code is made up of 6 digits. Once classified, it allows customs authorities all over the world to identify contents of your shipment. It is used by over 200 countries and covers 98% of traded goods.

Important! If you don't include the HS code on the commercial invoice and other shipping documents, it will most likely delay the shipment and lead to the receiver paying the wrong Duties and VAT.

Description of goods

There should always be a clear and concise description of the goods being shipped. It should not be generic. So for example instead of describing it as a pallet of wine describe it as red wine including the brand name. You should also include the batch number.

Origin of goods

You will have to confirm the origin of goods, including all components / ingredients that make up products in your consignment that are being shipped. Where your products were originally manufactured may be different from the country the shipment is being sent from. You should be aware that some goods may originate from countries subject to special safeguards or anti-dumping Duties.

Value of goods

The true value of the goods should be stated which consists of the market price of the goods and the currency. Evidence may be asked by Customs if the value declared on your invoice does not seem reasonable.

All goods should have the correct description, value and classification for shipping.

More information on UK classification codes can be found [here](#)



5 Learn how to complete invoices, apply for any licences and certificates

In the event of either a trade or no trade deal, goods traded between the UK and the EU will be subject to the same requirements as third country goods under the World Trade Organisation (WTO) rules.

Every shipment will need a commercial invoice uploaded into the Palletways system with information for customs authorities. This helps the authorities assess if the goods can move in or out of a country and what, if any, controls are needed. It also helps the authorities determine Duties and taxes. It is vital to supply an invoice with the right information as it reduces the potential for delay.



6 Submit your commercial invoice electronically

Customs delays and paperwork can be reduced by submitting commercial invoices electronically. With the Palletways Portal you will be able to upload all required customs documents directly.



7 Understand customs & clearance requirements

Businesses may also need to apply for an export licence or provide supporting documentation to export specific types of goods from the UK. For more information on requirements for exporting goods into EU countries from a non-EU country [visit here](#).

We advise all customers to understand how to complete a commercial invoice and the required associated paperwork for all your goods.



8 Notify any of your receivers/importers about the potential changes

Do your receivers and importers know what the local requirements for imports are in their country? Are they aware of the potential import VAT & Duty that they may have to pay? How are you working with your customers to ensure there are no delays at the point of importation? Do you have all the correct details for the completion of export and import declarations?

It is important to include your correct address, contact details, phone/mobile number and email details, as well as the same information for your receiver.

We advise all members/customers to speak to their receivers/customers so they understand what the potential impact is for them.



9 Set up a Deferment Account

Deferment accounts allow Duties to be paid efficiently so high value shipments can be cleared quickly and efficiently.

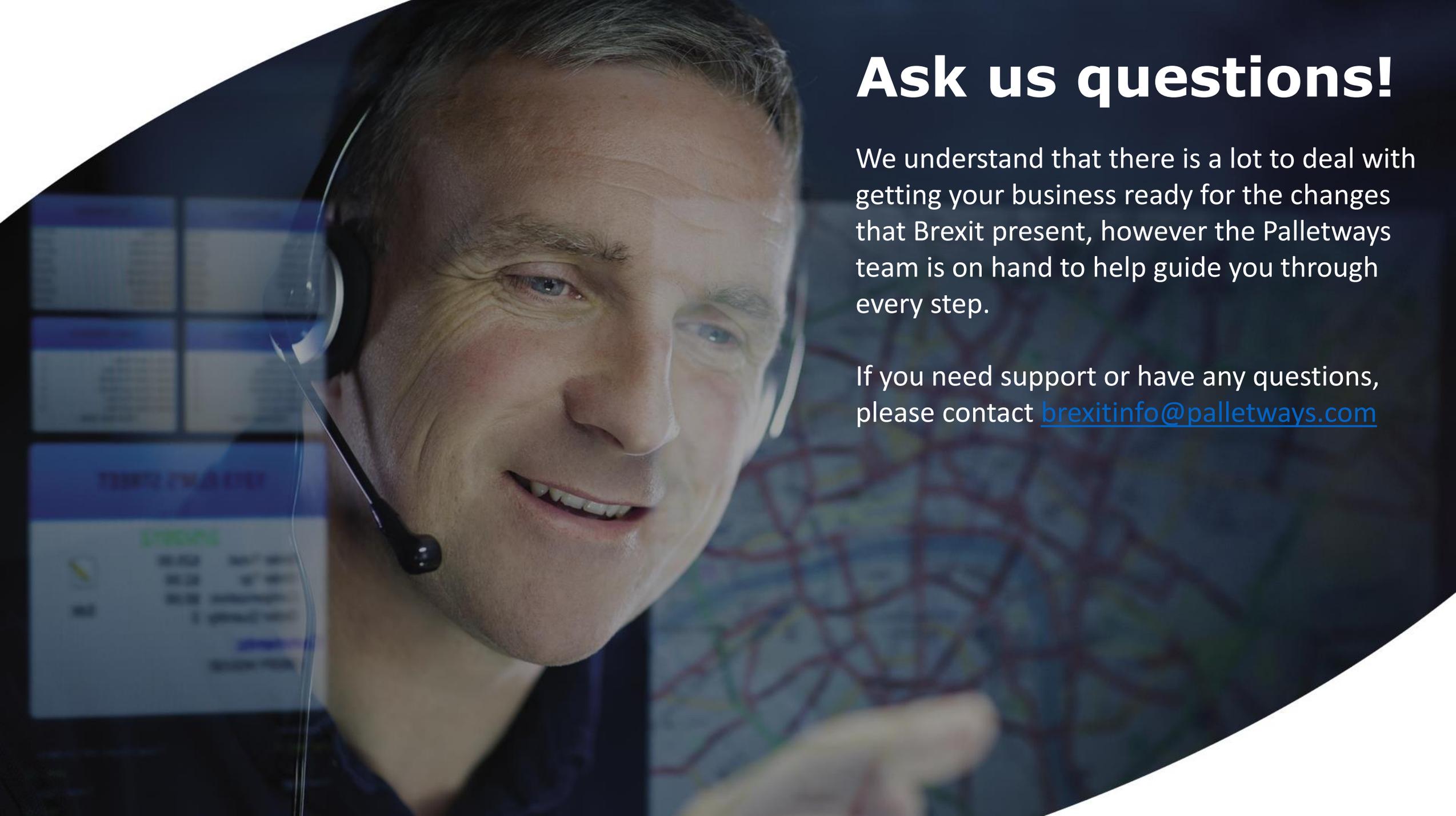
What is a Deferment Account?

When goods are imported, they may be subjected to import sales tax and Customs Duties. These Duties are paid in full to the Customs authorities at the time of import. A Deferment Account is an account authorised by your local Customs office through which your payable Duties can be paid directly to the authorities for a certain accounting period on a predetermined due date.

You can find out how to set up your UK Deferment Account [here](#).

More information can be found on country Government websites.





Ask us questions!

We understand that there is a lot to deal with getting your business ready for the changes that Brexit present, however the Palletways team is on hand to help guide you through every step.

If you need support or have any questions, please contact brexitinfo@palletways.com

Toolkits & Information



UK and European papers	Supporting Members and customers through Brexit	Completing commercial invoices	Palletways Electronic Trade Documents	Confederation of British Industry	Export Growth Brexit Toolkit
<p>The UK Government and the European Commission have both published a series of papers outlining official guidance on how to prepare if the UK leaves with no trade deal.</p> <p>Find out more from the UK Government papers here, and see here for the EU preparedness notices.</p>	<p>Palletways are helping our members and customers navigate through Brexit.</p> <p>Please direct questions to Brexitinfo@palletways.com and we will answer these individually producing information sheets based on the type and frequency of questions. These will be made available on the Palletways Portal.</p>	<p>It is important that the shipper (customer) understands how to complete a commercial invoice.</p>	<p>For a smoother Customs clearance process, you will transmit your Customs documentation electronically to the Palletways Portal.</p> <p>This will help you avoid Customs delays, speed up delivery and reduce paperwork.</p>	<p>Follow the CBI's Brexit page to stay up to date with news about how more than 200,000 UK businesses could be affected by emerging Brexit developments.</p> <p>Find out more here.</p>	<p>Export Growth has developed a tool that produces an indicative calculation of tariffs under WTO rules.</p> <p>Find out more here.</p>