

BREXIT PREPARATION GUIDE

Helping companies trading overseas



Greater Manchester
Chamber of Commerce





Withdrawal Agreement (Deal)

A Transition Agreement will be in place from when we leave the EU until at least the end of 2020.

No Deal

The UK will leave the EU on the 31st October 2019 and there will be no agreement in place. There will be a need for customs clearance and imports/exports from the UK to the EU and from the EU to the UK will be subject to tariffs.

What would a no deal mean for your business?



Companies will need to understand the regulations and processes which currently happen when exporting/importing to the rest of the world. These may apply to EU exports and imports after Brexit.

The UK government has issued a notice to help with preparations in a 'no deal' scenario and have also issued a range of technical notices which can be viewed [here](#).

The screenshot shows a web browser window with the URL <https://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario>. The page header includes the GOV.UK logo, a search bar, and navigation links for Departments, Worldwide, How government works, Get involved, Publications, Consultations, Statistics, and News and communications. The main content area is titled 'Guidance' and 'UK government's preparations for a no deal scenario'. Below the title, it states: 'Why the government is publishing guidance on how to prepare for Brexit if there's no deal.' At the bottom, it provides publication details: 'Published 23 August 2018', 'Last updated 21 December 2018 — [see all updates](#)', and 'From: [Department for Exiting the European Union](#)'.



Have you got an EORI number?

An Economic Operator Registration and Identification number allows you to move goods into or outside the UK and will be needed to trade with the EU after Brexit.

- HMRC use this to identify you and collect duty on your goods
- It takes around 5-10 minutes to apply and is free, you can apply online

www.gov.uk/eori

FLASH NEWS (21st Aug 2019): We are pleased to report that the UK Government has announced that it will be automatically issue EK EORI numbers to VAT registered businesses that trade exclusively with the EU. For more information:

Classifying your goods



Commodity codes/Harmonised System codes determine the rate of duty/taxes and if there are any controls on your goods.

The number is usually 8 digits for export and 10 digits for import. The first 6 digits are recognised by 98% of the world as they are part of the Harmonised System (HS).

The exporter/importer is legally responsible for the using the correct code and if it is not included on your commercial invoice and other shipping documents, it could delay shipment and risk you paying incorrect duties and taxes.

You can find your commodity code in the UK Trade Tariff www.gov.uk/trade-tariff



What if I am having problems classifying my goods?



You can email the Tariff Classification Service classification.enquiries@hmrc.gsi.gov.uk. They will provide non-legally binding advice within 3 working days.

Binding Tariff Information (BTI)

If you're looking for a legally binding ruling, you can apply for a BTI ruling. It is generally valid for 3 years and helps to calculate duties and any licensing requirements. HMRC will notify you if any changes occur which may affect your BTI. For more information and apply [here](#).



Tariffs

A tariff is a tax applied only to internationally traded goods. Usually placed on imported goods by the importing country.

Temporary tariffs announced in the event of a No-Deal Brexit

www.gov.uk/government/publications/temporary-rates-of-customs-duty-on-imports-after-eu-exit



Incoterms®



Incoterms are a series of International Commercial Terms that define where the risk, responsibility and cost transfers from the seller to the buyer. They are revised every 10 years and we are currently using the 2010 version. Please note the 2020 version will be available from October 2019 and Chambers will be ready to provide guidance on this.

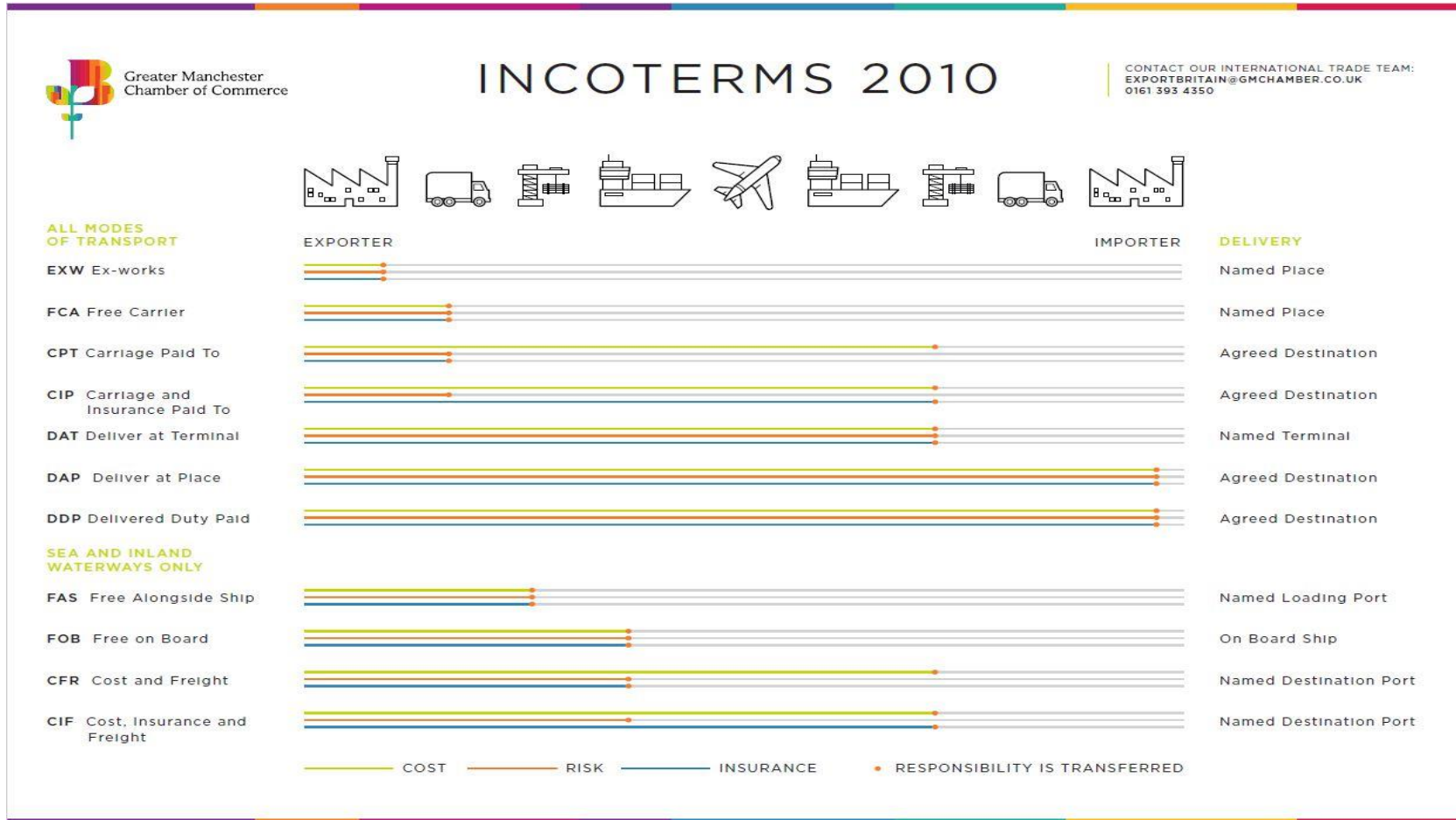
This includes:

- Where the goods will be delivered
- Who will arrange and pay for the transport
- Who will arrange and pay for the insurance
- Who will be responsible for the customs procedures and paying any duties and taxes

There are currently 11 terms which can be viewed [here](#). There is also a handy guide on the next page.

If you would like further guidance we also offer a half day [training course](#).





Commercial invoice



Every international shipment must have a commercial invoice, it helps authorities understand if the goods can move in and out of the country.

What do you need to include?

- Reason for export
- Shipping date and number
- Incoterms
- Description of the goods
- Commodity code
- Value of the goods
- Country of origin
- Weight



Regulation & Documentation



Do you need any additional documentation? Your local Chamber can help provide you with a range of documents, see below for more details and links which will help you complete these.

These include:

- [European Community Certificate of Origin](#)
- [Arab-British Certificate of Origin](#)
- [EUR1 Movement Certificate](#)
- [ATR Movement Certificate](#)
- [ATA Carnets](#)
- [Legalisation and Certification of Documents](#)
- [Saudi Visa Letter](#)



Regulations & Documentation



Companies may need to provide an export license or additional documentation when exporting certain goods from the UK. You find further information in the [UK Trade Tariff](#).

Further details on products which require an export license can be found [here](#).

Companies can also follow the no deal guidance for controlled goods on the [UK Government website](#).



Ensure your customers understand potential changes



1. Does your buyer know about the local import requirements and duties?
2. Can you work together to avoid delays?
3. Do you need additional information for documentation and customs requirements?



Customs Procedure Code



A customs procedure code (CPC) is a 7 digit code that identifies the reason for export or import for customs purposes.

A CPC will:

- Determine how your goods are treated by customs
- Do duty and VAT need to be paid?
- Responsibilities in terms of compliance

A full list of codes can be found [here](#).



Rules of Origin



After leaving the EU, the UK will have to agree a new set of rules for origin. If not, companies will have to comply with the current rules.

Preferential

Agreed between two or more countries, for example Free Trade Agreements that remove tariffs.

Non-preferential

Declaring origin to protect a country's producers, usually within national policy or legislation.

How can we determine origin?

Are the goods wholly obtained? If not the below will need to be followed.

1. Are the goods significantly changed in the UK? For example does there tariff classification change?
2. If not, are you sufficiently adding value (60%+)
3. Do the goods undergo specific processing?

Further details can be found [here](#). You can also contact exportbritain@gmchamber.co.uk for further support.



Customs Declaration



An official document that provides details of the goods that are being imported or exported, including the reason. This is currently submitted via CHIEF (Customs Handling of Import and Export Freight).

It is usually submitted by your freight forwarder or customs agent. You will still need to provide information so your agent can complete this document. Your local Chamber can also help to complete customs entries.

You will need an [EORI](#) number to complete the declaration.



What information do you need to provide for a customs entry?



- Consignor/consignee
- EORI numbers for both
- Origin of goods
- Country of destination
- Commodity codes
- Customs procedure code
- Value of the goods
- Packages and weight

EUROPEAN COMMUNITY		DECLARATION		OFFICE OF DISPATCH/EXPORT		
Copy for the office of destination	4	2	Consignor/Exporter	No		
		3	Forms	4	Loading lists	
		5	Items	8	Total packages	
		8	Consignee	No		
		14	Declarant/Representative	No		
		18	Identify and nationality of means of transport at departure		19	Ctr.
		21	Identify and nationality of active means of transport crossing the border			
		25	Mode of transport at the border	27	Place of loading	
		4				
		31	Packages and description of goods		32	Item No.
		Marks and numbers (N Container No(s) N Number and kind		33	Commodity Code	
				35	Gross mass (kg)	
				38	Net mass (kg)	
				40	Summary declaration/Previous document	
	44	Additional information/ Documents produced/ Certificates and authorisations			A.I. Code	
	06	Transshipments				
		Place and country:		Place and country:		
		Ident. and nat. new means transp.:		Ident. and nat. new means transp.:		
		Ctr. [] (1) Identify of new container:		Ctr. [] (1) Identify of new container:		
		(1) Enter 1 if Yes or 0 if NO.		(1) Enter 1 if Yes or 0 if NO.		
	F	CERTIFICATION BY COMPETENT AUTHORITIES				
		New seals: Number: identity:		New seals: Number: identity:		
		Signature: Stamp:		Signature: Stamp:		
		90		Principal	No	
		Signature:		OFFICE OF DEPARTURE		
	91	Intended represented by				



Customs Declaration Training

In partnership with HMRC the Chamber network are delivering training on how to complete a customs declaration.

The next available date in Manchester is:

- [12th September](#)

We are also offering a [5 hour online course](#) for companies looking for basic training.

To check future Chamber training courses and relevant events, click [here](#)



Transitional Simplified Procedures



HMRC have introduced Transitional Simplified Procedures (TSP) to help avoid long delays at the border if we leave the EU without a deal. Usually goods are not released until the duty is paid and a full customs declaration has been made. However, with TSP businesses will be able to defer making a full declaration and paying duty.

Please see the next page for further information on who can apply for TSP.

You can apply for **TSP** [here](#).

HMRC will provide companies will 12 months notice if they decide to withdraw these procedures.



Transitional Simplified Procedures



You must be able to meet the below criteria to apply for TSP:

- Importing from the EU to the UK
- Established in the UK (you will need business name, address and contact details)
- Have an EORI
- VAT registration number



Who can't register?

- If you're only importing from outside the EU to the UK
- You currently use a [customs special procedure](#)
- Acting on behalf of a trade (e.g. freight agent)
- If you have overdue tax returns or if you've not paid duties or taxes



Are there any other simplified procedures you can access?



- [Inward Processing Relief](#)
- [Outward Processing Relief](#)
- [Temporary Admission](#)
- [Onward Supply Relief](#)
- [Customs Warehousing](#)
- [Returned Goods Relief](#)
- [End-use Relief](#)

There is [training](#) available to help you learn more about these schemes.



Have you considered getting a deferment account?



A duty deferment account allows you to postpone paying duty on imported goods. Deferred payments must be made on the 15th of the next month.

There is no fee for a deferment account but you do need to be established in the EU, compliant and competent. Companies will also have to provide a guarantee as a form of security.

You can also use an agents deferment account, however there is likely to be a fee for this.



What is an Authorised Economic Operator (AEO)?



An internationally recognised status that demonstrates your international supply chain is secure and customs controls and procedures are efficient and meet EU standards.

Benefits of AEO:

- Faster transit at the border
- Preferential treatment by Customs
- 70% reduction in bonds and guarantees
- Fewer physical customs checks
- Easier access to customs simplification

Although the application for AEO is free, it can be quite complex and companies may need assistance to help them complete, it is worth speaking to your local chamber to see if they can assist. Most freight forwarders will have AEO status.

You can find further information [here](#).



Brexit Sector Guidelines



The Government/HMRC has also provides a series of Brexit Guidelines per sector, which can be found [here](#). Some examples below:



[Agriculture and Farming](#)



[Chemical](#)



[Animal & animal products](#)

The Medicines and Healthcare Products Regulatory Agency has equally provided some guidelines in case of a no-deal Brexit, which can be found [here](#)

DEFRA has also provided some guidance regarding animals and animal feed exports in the case of a no-deal, which can be found [here](#)



Need Further Support?



GM Chamber has launched a wide range of services which can help you get Brexit Ready:

- International Trade Hotline
- Free Brexit guidelines
- Brexit Updates via our marketing channels: e-newsletter, website and social media
- International Trade Audit
- Training Courses delivered at our main EH office or in-house



Questions

Export Documentation: exportdocs@gmchamber.co.uk

Telephone: 0161 393 4312

General Import or Exporting Questions: exportbritain@gmchamber.co.uk

Telephone: 0161 393 4368/55

