



PALLEX

Brexit update - Minimising
the impact to your business

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What happens if there's no trade deal by 31st December?

When transition ends, the UK will automatically drop out of the EU's main trading arrangements (the single market and the customs union).

The single market means that countries share the same rules on product standards and access to services, whereas the customs union is an agreement between EU countries not to charge taxes (tariffs) on each other's goods.

If a new trade deal is not ready then tariffs and border checks would be applied to UK goods travelling to the EU. The UK could also do this to EU goods, if it chose to.

Tariffs would make UK goods more expensive and harder to sell in the EU, while full border checks could cause long delays at ports.

Failure to reach a deal would also result in the UK service industry losing its guaranteed access to the EU. This would affect everyone from bankers and lawyers, to musicians and chefs.

Even if a trade deal is reached, it would not eliminate all checks - so UK businesses will need to prepare.

In this document

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- ▶ What you need to do?
- ▶ Customs clearance requirements
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- ▶ Incoterms
- ▶ Useful links

What has Pall-Ex done?

- ▶ Our cross-border collaborators are in the process of putting in place additional staff to accommodate the possible influx of customs entry requests.
- ▶ Our collaborators have Authorised Economic Operator (AEO) certification status meaning that we are well placed to support our Members and Customers through the Brexit process.

Once the final Brexit deal becomes known we will provide updated tariffs and guides to help your business continue to trade with the EU.





What you need to do?

- ▶ In a no-deal Brexit scenario, all goods being imported from, or exported to, the EU will require customs declarations in both the sending country and the receiving country.

Here are some important actions you should take to prepare – all VAT registered businesses will have received a letter from HMRC about this advising them what steps to take:

You will need to:

Classify your goods

- ▶ Businesses will need to inform their customs agents of the tariff classification of their goods, you can find more about this here:

<https://www.gov.uk/government/publications/classifying-your-goods-in-the-uk-trade-tariff-if-theres-no-brex-it-deal/classifying-your-goods-in-the-uk-trade-tariff-if-theres-a-no-brex-it-deal>

Register for an EORI

- ▶ Businesses that currently only trade with the EU should apply for an EORI number, you can find out more about this here:

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

Review your trading terms

- ▶ All businesses should review their contracts and trading terms (INCOTERMS) to be clear on where the responsibility for payment of customs clearance fees, duties and taxes sits on their consignments to and from the UK.

Are your goods subject to duty?

- ▶ Have you checked that the goods you are importing are subject to duty in a no-deal Brexit scenario? Find out more here:

<https://www.gov.uk/guidance/check-temporary-rates-of-customs-duty-on-imports-after-eu-exit?step-by-step-nav>

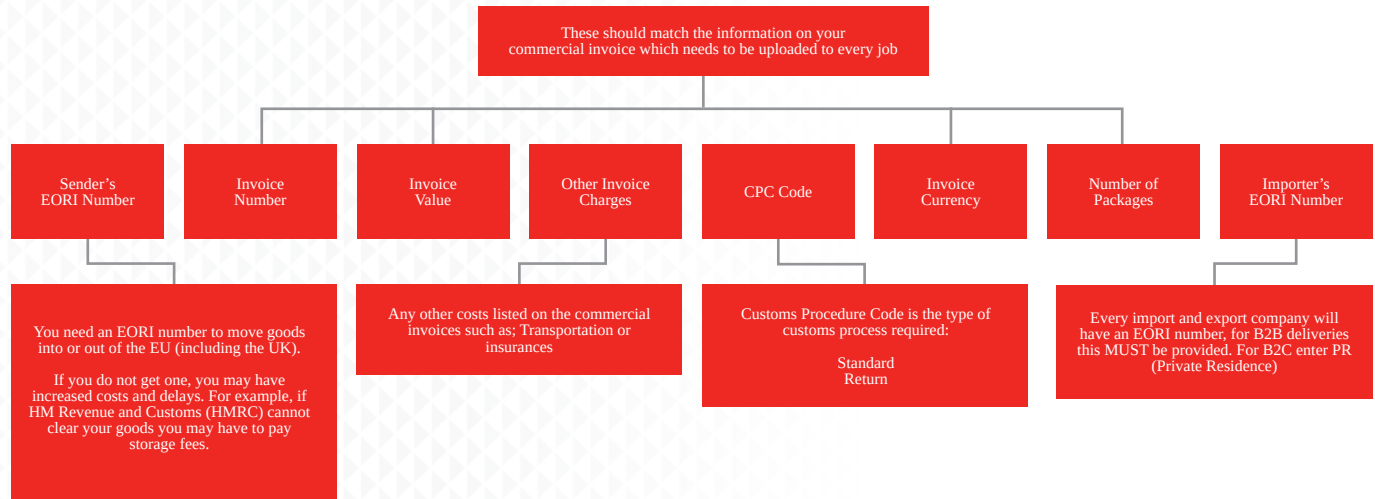
Get a deferment account

- ▶ If your goods attract customs or excise duty you should apply for a deferment account. It's an HMRC account that allows you to import goods without paying up-front taxes. Taxes are collected from the account on customs clearance entry.

On imports to the UK, HMRC have already confirmed that postponed VAT accounting will be introduced for UK VAT registered businesses, but you still need to consider the payment of customs duties in the UK. You can find out more about this here:

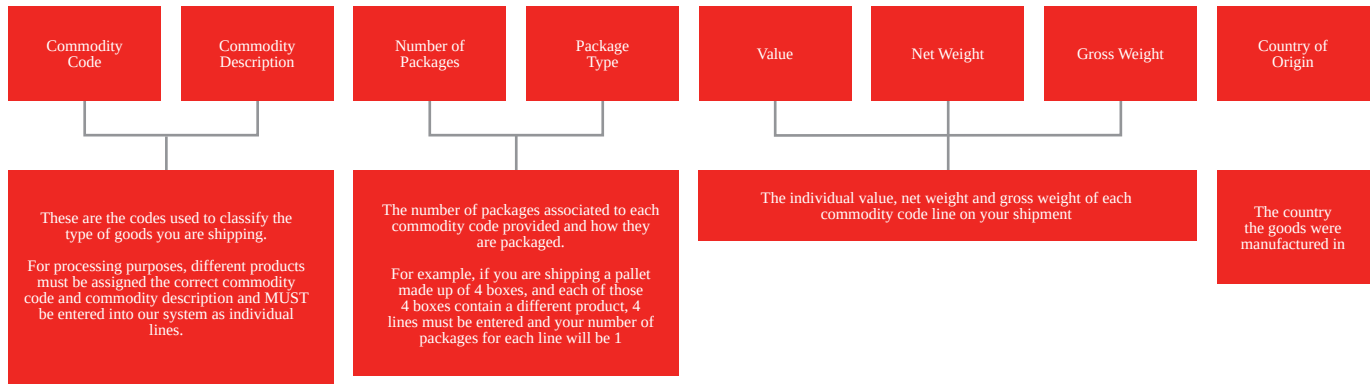
<https://www.gov.uk/government/publications/notice-101-deferring-duty-vat-and-other-charges/notice-101-deferring-duty-vat-and-other-charges>

Customs clearance requirements



Classifying your goods for customs

Customs clearance requires clarity on the goods being shipped. Supported by your commercial invoice, shipments must include details of what the goods are (commodity codes and descriptions), what the value and weight is and the country of origin. These details must be provided by the inputter. Pall-Ex cannot advise on the classification of goods as the responsibility for the accuracy of this information lies with the sender.



Using the system

Customs Information

Customer EORI 1

Is the UK importer TSP registered? Yes No

Registration No

Customs Procedure Code

Does the UK importer have a deferment authorised to use? Yes No

Pallet Details (Total Weight : 0 KG)

Std Euro 1200KG 800KG 400KG 600KG 300KG

L:120cm x W:80cm H:220cm H:220cm H:220cm H:120cm H:80cm

Base	Type	Length(cm)	Width(cm)	Height(cm)	KG	DNS
1	Euro	Mega Full	Required	Required	Required	Required 3 <input type="checkbox"/> <input type="button" value="📄"/> <input type="button" value="🗑️"/>

Attachments

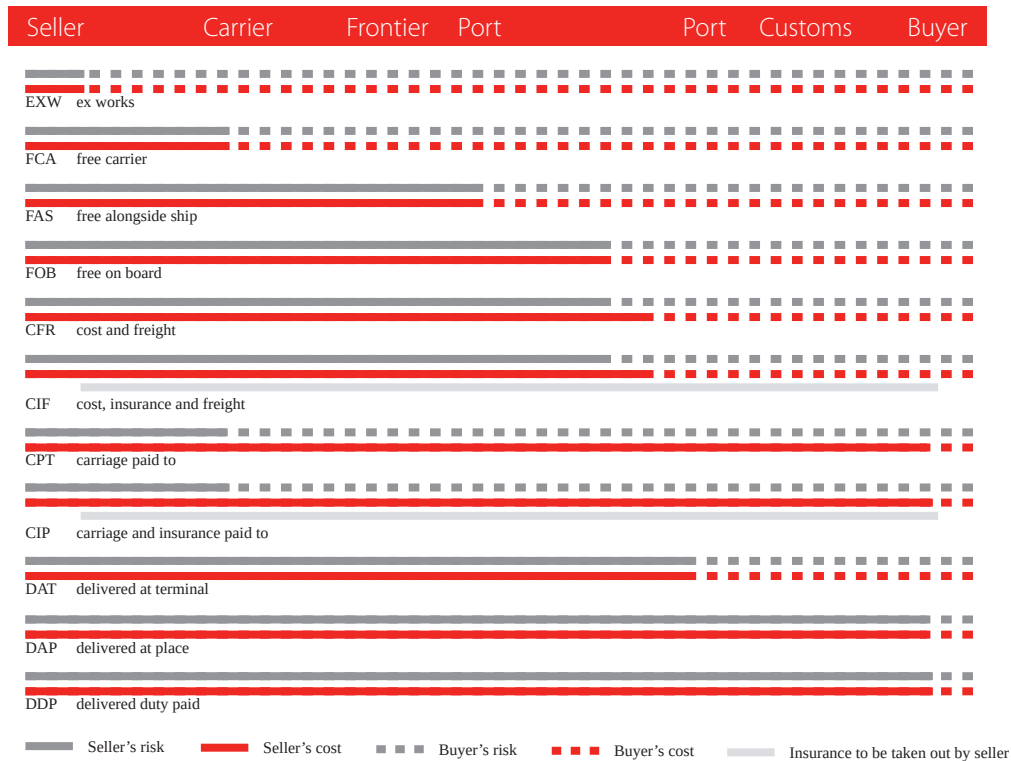
Attachment Type

Choose Attachment 2

4

1. Please ensure all sections are filled in and details are correct before submitting.
2. You can upload relevant documents using this button.
3. You must enter your commodity code by clicking on the green clipboard before submitting.
4. Information can then be submitted to request a quote or saved as a draft.

Incoterms



Any mode or modes of Transport	
EXW	ex works (...named place of delivery)
FCA	free carrier (...named place of delivery)
CPT	carriage paid to (...named place of destination)
CIP	carriage and insurance paid to (...named place of destination)
DAT	delivered at terminal (...named terminal at port or place of destination)
DAP	delivered at place (...named place of destination)
DDP	delivered duty paid (...named place of destination)

Sea and Inland Waterway Transport	
FAS	free alongside ship (...named place of delivery)
FOB	free on board (...named place of delivery)
CFR	cost and freight (...named place of delivery)
CIF	cost, insurance and freight (...named place of delivery)

Useful links

- ▶ Commodity Code database – with search function: <https://www.gov.uk/trade-tariff>
- ▶ Customs Procedure Codes – CPC: <https://www.gov.uk/government/publications/uk-trade-tariff-customs-procedure-codes/customs-procedure-codes-box-37>
- ▶ Classification of goods: <https://www.gov.uk/government/publications/uk-trade-tariff-customs-procedure-codes/customs-procedure-codes-box-37>
- ▶ EORI Registration: <https://www.gov.uk/eori>
- ▶ Check if your goods are subject to duty: <https://www.gov.uk/government/publications/uk-trade-tariff-customs-procedure-codes/customs-procedure-codes-box-37>
- ▶ Deferment accounts: <https://www.gov.uk/government/publications/notice-101-deferring-duty-vat-and-other-charges/notice-101-deferring-duty-vat-and-other-charges>

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