



SOUTHAMPTON FREIGHT SERVICES LTD

T: +44(0)23 8086 0999
www.sotonfreight.co.uk

IMPORT - EXPORT - AIR FREIGHT - SEA FREIGHT - ROAD FREIGHT - INTL COURIER
GLOBAL WAREHOUSING - CRUISE & MARINE LOGISTICS



Brexit Update

In the Event of a 'No Deal' Brexit
What You Need to Know

25th July 2019



If the UK leaves the EU on 31st October without a deal we have compiled a list of actions and information to assist importers and exporters



Overview



- The current trading relationship with the EU requires no customs formalities at the border between EU countries.
- In the event that the UK leaves the EU without a deal, businesses importing and exporting goods with the EU will have to comply with new rules, resembling our current trading relationship with non EU countries
- We are committed to helping you through this process to ensure you are fully compliant and can continue to trade in the event of a no deal EU exit
- Our teams are fully trained in the completion of customs documentation and we have ensured adequate capacity to support our clients in the event of a no deal departure from the EU

Exports – in the event of a no deal



- To export to the EU you will need to be EORI registered, which you can do free [here](#) via our website which provides links to the [.Gov website](#) and a direct link to the [EORI application form](#)
- You must produce an invoice for shipping which must include;

Shipper/consignee	Number of packages
Value of Goods/Currency	Commodity code
Country of origin	Delivery terms - incoterms
Net/gross weight	Packaging type (i.e. carton/pallet)
EORI Number	

Exports – in the event of a no deal



- We suggest you engage with your regular clients in the EU, to prepare them for the potential changes.
- Southampton Freight Services will prepare your export declarations (C88) to ensure you remain compliant and continue to trade fluently
- Our teams are available at all times to offer guidance and advice to you

What's Changing? No deal scenario - Imports



Rest of World rules will apply to imports of excise goods from the EU

What this means

UK businesses will need to make an **import declaration** and:

- account for the excise duty at the border; or
- enter to the goods to the excise warehousing regime via EMCS (Excise Movement Control System)
- UK businesses can use Customs procedures for EU goods, e.g. Customs Warehousing, Transit etc. This will increase the volumes of goods at risk under customs control
- Businesses can continue to use EMCS to move goods in duty suspense in the UK from the port to a registered warehouse
- The Registered Excise Dealers and Shippers system (REDs) will be obsolete and shut down

Imports – in the event of a no deal



- Importing from within the EU will require a full customs declaration when the shipment arrives into the UK, which we can undertake for you
- You will require a commercial invoice from your supplier in Europe, detailing the following information;

Shipper/consignee

Value of Goods/Currency

Country of origin

Net/gross weight

EORI Number

Number of packages

Commodity code

Delivery terms - incoterms

Packaging type (i.e. carton/pallet)

- Identify 'reason for importation' (for example to remain in the UK, for temporary import and re-export or returning British goods).

Imports – in the event of a no deal



After completion of the customs declaration it is likely that there will be duty and VAT to be paid (see page 9 relating to VAT)

- Duty will need to be paid on the value of the good imported, at the time of customs clearance and prior to release by HMRC, which can be paid by the following methods;
 - SFS deferment account**
 - Your own duty deferment account (you can apply [here](#) with HMRC*)
 - FAS (payment directly to HMRC)

* Requires double indemnity bond guarantee with your bank

**Subject to a small percentage fee on total amount. Payment required by return

VAT Update



Changes to the current VAT system – details on following pages

VAT Overview

- If the UK leaves the EU without a deal, the government's aim will be to keep VAT processes as close as possible to now
- However, there will be some changes that will affect businesses
- HMRC have taken steps to mitigate the impact of changes where they can
- HMRC want to help businesses understand what they need to do, and help them to do it, so they can continue trading smoothly

Imports - VAT Update



What's changing?

❖ In a no deal scenario, postponed accounting will be introduced for imports from the EU and Rest of World

- Business will not need to register to use postponed accounting. They will simply make the appropriate entry and provide their VAT registration number on their customs declaration
- An online monthly statement will show the VAT that's been postponed. This will provide the evidence to declare/ recover import VAT on your VAT return
- Postponed accounting won't be available for postal goods of £135 or less
- Postponed accounting won't be available for non-VAT registered businesses

VAT Update



What's changing?

❖ **For parcels sent by overseas businesses, Low Value Consignment Relief will be abolished, and an online service will collect VAT from businesses for parcels up to £135**

- HMRC are working with stakeholders to help businesses be compliant and parcel operators adjust to the new processes
- HMRC have updated the EU Exit Partnership Pack with more guidance on the service and rules around VAT
- The parcels service will be available soon for businesses to register online

Key Actions for Businesses

Businesses who only trade with the EU need to act now to ensure that they are prepared in the event of a No Deal EU exit



Apply for an **EORI number**



Confirm you can complete each **data field** in the Declaration



Agree responsibilities with your **customs agent and logistics provider** for each part of the process and update your contracts to reflect this



Identify **software** for submitting documents, if you do not use a customs agent

Final note



Why Southampton Freight Services Ltd?

- | | |
|-------------------|--|
| Who? | We remain a fully independent, family owned freight forwarder, trading since 1998 |
| How? | Our investment in IT systems and software ensure we operate the highest level of software and hardware, with direct connectivity to HMRC |
| Experience? | Our teams have a total of more than 300 years of customs and forwarding knowledge and a vast array of day to day experience in customs declarations, both import and export. All operations staff are trained and experienced in the completion of customs declarations |
| Customs Services? | Aside from our detailed experience creating customs declarations for standard movements, we operate at our Southampton HQ a full Air & Ocean ETSF (bond) and a goods in transit bond, allowing us to move goods across the world under full customs control, including cross European movements under customs control, utilising our goods in transit bond guarantee |
| Discuss ... | You can contact our teams via this email link, or via our main telephone 02380 860999 |

Links to supporting guidance on GOV.UK



A number of short guides have already been published on GOV.UK providing information on preparations traders should make in the event of a no deal exit from the EU, links to these pages are provided below:

- Get a UK EORI number to trade within the EU www.gov.uk/hmrc/get-eori
- Moving goods to and from the EU through roll on roll off locations www.gov.uk/hmrc/eu-roll-on-roll-off
- Register for simplified import procedures if the UK leaves the EU with no deal www.gov.uk/hmrc/eu-simple-importing
- Customs procedures if the UK leaves the EU with no deal www.gov.uk/hmrc/customs-process
- VAT IT system rules and processes if the UK leaves the EU with no deal www.gov.uk/hmrc/eu-vat-it-rules
- Exporting and importing goods if the UK leaves the EU with no deal www.gov.uk/hmrc/eu-exports-imports
- Declaring your goods at customs if the UK leaves the EU with no deal www.gov.uk/hmrc/declare-goods
- List of Roll on Roll off locations www.gov.uk/guidance/list-of-roll-on-roll-off-ports
- Customs Freight Simplified Procedures: traders - software providers www.gov.uk/government/publications/chief-customs-freight-simplified-procedures-cfsp-contact-list/customs-freight-simplified-procedures-traders-software-providers
- Letters on 'no deal' Brexit advice for businesses only trading with the EU www.gov.uk/government/publications/no-deal-brexit-advice-for-businesses-only-trading-with-the-eu

References



Some information within this document was compiled using the HMRC EU Exit Business Readiness document and a letter sent by HMRC in February 2019 entitled;

Leaving the EU: actions for your business to take now to be ready for no deal

If you are VAT registered, you should have received this letter during the past two weeks.

Further information can be found on the following slide, via GOV.UK