



Brexit: An introduction

What is the current situation?

On the 31st of January 2020, the UK left the European Union. Throughout the rest of 2020 negotiations will take place to determine what the relationship between the UK and EU will look like after the 31st of December 2020. During this transitional period, trade, the movement of goods, and all other aspects of EU membership will remain the same.

When will there be changes?

The 31st of December 2020 is the deadline for the agreement of, and ratification of a trade deal between the UK and the EU. After this date, the UK will leave the customs union, making all UK-EU shipments subject to customs procedures.

What is Rhenus doing?

The Rhenus Group are taking all steps possible to prepare for Brexit. In this document, we have laid out the most important steps to minimise any impacts caused by Brexit, whether that is a deal or no-deal Brexit. While the impact on movements between the UK and EU is yet to be quantified, our priority is to maintain a consistent service to our customers irrespective of the uncertainty and the potential impacts that Brexit may have.

How has Rhenus prepared for Brexit?

- /// Invested in warehousing and contract logistics capabilities in anticipation of the increased storage demand.
- /// Collaborating closely with our neutral customs brokerage business ALS to ensure our customers documentary requirements can be maintained should the need arise in the UK and across our network.
- /// Implementing depot upgrades to ETSF standards.
- /// Received Authorised Consignor/Consignee status for all UK hubs, enabling transit movements to and from Rhenus sites.
- /// Rhenus Logistics successfully retained its AEO(F) accreditation (July 2018) cementing its position as a trusted trader in the lead up to and post-Brexit.





Potential Brexit implications:

The UK left the EU on the 31st of January 2020 but remains in the single market and customs union until the 31st of December 2020, while the two sides try to finalise a trade agreement. The UK has ruled out extending the December deadline to reach a deal.

The end of the so-called transition period in December will mean EU rules will no longer directly apply in the UK and the goods trade between them will be governed by new rules.

The government announced that relaxed controls will apply for goods coming into the UK from the EU for a period of six months. These will apply whether the UK and the EU conclude a free trade agreement before the end of the year or not.



Our Brexit checklist:

- ① What can you do now
 - a. EORI
 - b. Value of Goods
 - c. Origin of Goods
 - d. Customs Representation
 - e. TSP
- ② Incoterms
- ③ Description of Goods
- ④ Classification of Goods
- ⑤ Valuation of Goods
- ⑥ Commercial Invoices/Licenses/
Certificates
- ⑦ Customs Clearance
Requirements
- ⑧ Opening a deferment account

1. What you can do now:

a. Register for an EORI Number:

An EORI Number is required when trading between the EU and UK. If you haven't previously traded outside of the EU, you should apply for an Economic Operator Registration and Identification number. This enables customs to process declarations and clearances for exports and imports between the UK and EU in a no-deal Brexit.

b. Determine the value of goods:

This is also required for declarations, the value of goods is necessary for trade statistics and calculation of VAT/Duty. There are 6 methods of valuation, which should be consecutively applied, beginning with method 1, until the correct valuation is reached.

c. Determine the origin of goods:

Origin is a principal driver when consideration is given to application of duties on goods between countries or economic blocs, and may become a factor post Brexit, if not for your own business, for that of your EU customers.

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[Click here to register for an EORI Number](#)

[Click here to find out more about value of goods](#)

[Click here to find out more about origin of goods](#)

1. What you can do now:

d. Choose Rhenus for Direct Representation:

To ensure customs clearance is completed as quickly and efficiently as possible, we recommend appointing Rhenus Logistics to act as customs broker on your behalf:

/// You can empower Rhenus Logistics to act on your behalf either as a direct or indirect representative by completing the appropriate empowerment document below and returning it to your local Rhenus office.

/// If your customer has appointed their own customs broker, their details, and their office of destination should be provided at the time of booking.

e. Sign up for TSP:

The UK Government has released a simplified clearance process, built on a self-declaration concept known as the Transitional Simplified Procedure (TSP). Transitional Simplified Procedures enable UK importers to receive their shipment without the need to submit a frontier declaration.

Update July 2020

Registration for TSP has currently been disabled by the UK Government.

However, in the case of a no-deal Brexit this scheme may be reinstated, so please check the HMRC website regularly for updates.

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Download and complete our
representation form here

2. Incoterms 2020:

Post-Brexit, the relevancy of Incoterms will increase substantially, therefore we advise our customers to familiarise themselves with the underlying regulations and their implications.

INCOTERMS® QUICK REFERENCE CHART

Services	RULES FOR ANY MODE OR MODES OF TRANSPORT							RULES FOR SEA AND INLAND WATERWAY TRANSPORT			
	EXW	FCA	CPT	CIP	DAP	DPU	DDP	FAS	FOB	CFR	CIF
	Ex works*	Free Carrier*	Carriage Paid to*	Carriage & Insurance Paid to*	Delivered at Place*	Delivered at Place Unloaded*	Delivered Duty Paid*	Free Alongside Ship*	Free on Board*	Cost & Freight*	Cost Insurance and Freight*
Services	WHO PAYS WHAT							WHO PAYS WHAT			
Export Packing	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Clearance (License, EEI / AES)	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Freight Forwarder Documentation Fees	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Seller	Seller
Inland Freight to Main Carrier	Buyer	1	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Buyer	Seller	Seller	Seller
Loading on Carriage	Buyer	1	Seller	Seller	Seller	Seller	Seller	Buyer	Seller	Seller	Seller
Freight Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Seller	Seller
Insurance	2	2	2	Seller	2	2	2	2	2	2	Seller
Unload Main Carrier Charges	Buyer	Buyer	3	3	Seller	Seller	Seller	Buyer	Buyer	3	3
Destination Terminal Charges	Buyer	Buyer	3	3	Seller	Seller	Seller	Buyer	Buyer	3	3
Customs Broker Clearance Fees	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Buyer	Buyer	Buyer	Buyer
Import Duty, Customs Fees, Taxes	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Buyer	Buyer	Buyer	Buyer
Delivery to Buyer Destination	Buyer	Buyer	4	4	4	4	4	Buyer	Buyer	Buyer	Buyer
Unloading	Buyer	Buyer	Buyer	Buyer	Buyer	5	Buyer	Buyer	Buyer	Buyer	Buyer



* - All Incoterms® need to have a (...named place of delivery or destination) as specific as possible.

- Notes
- 1 FCA Seller's Facility – Buyer pays inland freight; when the named place of delivery is not the seller's facility, Seller arranges and loads pre-carriage carrier and pays inland freight to the other named place of delivery
 - 2 Incoterms® does not obligate the buyer nor the seller to insure the goods
 - 3 Charges paid by Buyer or Seller depending on contract of carriage
 - 4 If named place = Buyers Destination: charges paid by Seller; otherwise charges paid by Buyer
 - 5 If named place = Buyers Destination: unloading through Seller; if not = Buyer

Incoterms® allocate costs, risks and obligations to seller or buyer in a contract for the sale of goods. They are not a part of agreements with logistics service providers. Rhenus is not responsible for the correctness of this chart and not liable for any conclusions or actions based hereon. Incoterms® is a registered trademark of the International Chamber of Commerce.

3. Description of goods:

The overall goal for all parties involved is a smooth shipping process. The key to this is the provision of clear and accurate information on each shipping document. This also refers to reporting the full details of your individual shipment items.

For instance, instead of just stating 'household goods' please put 'plates, dishes and tableware'. Please refrain from using generic or company product codes to describe the goods. If the package contains branded items, include the brand name as well as the model number. For more information [see here](#).





4. Classification of goods:

Introduction

Classification is not just used to determine the customs duty rate for a specific subheading, it is also used to determine non-tariff measures such as import/export licences, quotas, or trade quality compliances.

In order to declare your goods please provide us with the following information:

Customs commodity code (Tariff heading)

The commodity codes classify goods based on their component parts and manufacturing process and are unique to each product. They are used to classify your goods in customs declarations. The complexity of the commodity code increases with the number of processes a product goes through. You can find out more about correctly classifying your good [here](#).



5. Valuation of goods:

Gross weight & net weight:

It is important that both Gross and Net weights are included as these will be required as part of the customs declaration. If your consignment contains multiple tariff headings the Gross and Net weight of each individual heading should be provided.

Commercial value of goods:

This is the value of your goods as sold to your customer and should not include any discounts or pre-payments. We may also require the freight costs or export insurance (this is often included in the final selling price or listed separately) depending on the terms of sale. If your consignment contains multiple tariff headings the value of each individual heading should be provided.

6. Commercial Invoices, Licenses & Certificates:

To ensure export and transit formalities can be completed we will require a commercial invoice. Shippers who have not previously issued commercial invoices can use the sample below as guidance. The commercial invoice must contain the necessary information to enable us to complete a declaration on your behalf. You can find this information in our sample commercial invoice below.

[Download a sample commercial invoice here](#)



- 1 2 3 4 5 6 7 8



7. Customs clearance:

Businesses may need special licenses or follow specific rules to export restricted goods or to sell certain services abroad. For more information on requirements for exporting goods into EU countries from a non-EU country visit [here](#). Additionally, we highly recommend you understand how to complete a commercial invoice and the required associated paperwork for all your goods.

8. Deferment account:

Imports to the United Kingdom are subject to VAT and, depending on the product, customs duties. These duties must be paid in full to the customs authorities at the time of import. Having a deferment account for your business can help with cash flow and ensures your shipments are cleared quickly. Please [click here](#) to receive more information and register.

GET IN TOUCH WITH US:

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