

# BREXIT | Q&A

**We understand that you may have some questions regarding Brexit; rest assured that our team is on hand to support you. You can find the answers to some frequently asked questions below and you can also [click here find more information](#).**

## **1. Have the UK and EU reached a Free Trade Agreement?**

Yes. The UK and EU reached a Free Trade and Cooperation Agreement (FTA) at the end of 2020.

## **2. What does the FTA cover?**

As the EU is the UK's largest trading partner, the FTA is complex and also detailed. You can find more information via the following links:

- Read the full [Trade and Cooperation Agreement](#)
- Read the UK's [Trade and Cooperation Agreement Summary](#)
- Read the [European Commission Guidance Note: Withdrawal of the United Kingdom and EU Rules in the Field of Customs, including Preferential Origin](#).

## **3. How is Brexit impacting businesses in terms of importing/exporting goods from/to the EU?**

i) From 1 January 2021, for any shipments travelling between the UK and EU - including by Air, Ocean, Road, Rail - you need to complete two customs declarations: one for export of the goods leaving the UK and one for import of the goods entering the EU (and vice versa) as is also the case when shipping goods to and from the rest of the world.

ii) You need two EORI numbers: A **GB EORI** number for customs brokerage activities within the UK and an **EU EORI** number for customs brokerage activities within the EU. See Q13 for more information.

iii) You need to ensure you are established in order to act as either the Importer or Exporter of Record. See Q19 for more information.

iv) From January 2021, businesses need to pay import customs duties (unless the commodities are duty free based on preference) and VAT (which is deferred to Postponed VAT Account (PVA)) on all goods imported to the UK. The same applies for import customs duties into the EU. Note that the regulations for VAT in Europe are different to the UK.

v) Importing and exporting certain goods may also require a special licence or certificate, or you may need to pay an inspection fee before goods are allowed in the UK or EU.

## **4. Does a customs entry need to be performed in the UK?**

Yes. An entry will need to be made in the UK for any import from the EU to the UK, and also for any export from the UK to the EU - in addition to the corresponding entry that needs to be made within the EU.

When exporting from the UK to mainland EU countries, you also need to consider if a Transit (T1) declaration will be needed to be able to bypass the import formalities in the first country of entry. Please check this with your haulier.

## **5. I am new to shipping goods between the EU and UK; what do I need to know?**

If you are new to shipping goods between the UK and EU, the first thing you should do is make yourself familiar with the regulations in the EU and UK:

**UK:** <https://www.gov.uk/transition>

**EU:** [https://ec.europa.eu/taxation\\_customs/uk\\_withdrawal\\_en](https://ec.europa.eu/taxation_customs/uk_withdrawal_en)

If you need to ship goods between the UK and EU (or vice versa) you will need a freight forwarder to support you, and/or a customs broker - DHL is happy to support you with your freight forwarding and/or customs brokerage needs.

As an Importer or Exporter of Record, you will need to provide documentation (commercial invoice and packing list) plus also deal with export controls if you are exporting (for example denied party screening, licenses and sanctions countries).

You will need to keep copies of paperwork for VAT purposes for up to 10 years and, if you are using Postponed VAT Accounting (VAT), to check with your VAT consultant on the requirements.

## **6. How are goods moving between the EU / UK and Northern Ireland (NI) impacted?**

The UK Government has established a Trader Shared Service to support Customs processes to NI. If you ship goods between the EU / GB / NI then please sign up for this service. [Click here for more information.](#)

## **7. What if goods are imported into the UK from non-European countries travelling through Europe e.g. from China?**

These shipments should happen as they did before 1 January. For instance: A Rail shipment arrives in the EU and is moved to the UK under Transit - this will continue. See Q11 for more information.

## **8. If I have a customs warehouse in the UK and used to import via the Netherlands, can I still import into the Netherlands and send my goods over to the UK without a customs declaration?**

No, you will need to lodge an export declaration in the Netherlands and an import declaration in the UK. If your goods have been placed in a customs bonded warehouse in the Netherlands and they are not released into free circulation into the EU, you can transit them to the UK, where you can either import customs clear them or you can place them again into a customs bonded warehouse.

## **9. How are 'In and Out' goods from the EU for manufacturing impacted?**

These will require a Customs regime (either Inwards Processing (IP) or Outwards Processing (OP) or temporary import / export) as an authorisation. The exact procedure depends on the goods, where they are travelling to and from, and the exact reason for the transaction. Contact us at [dgfbrexit@dhl.com](mailto:dgfbrexit@dhl.com) for more information.

## **10. What is a Transit declaration?**

When crossing a national border, you need to raise an import declaration in the country your goods enter. In order to avoid the need to lodge import and export declarations when crossing several borders, you can use Transit (or NCTS). This places the goods 'under customs control' and allows them to proceed to the final country of destination. In order to be allowed to do this, you need to raise the relevant Transit declaration.

A Transit declaration can be raised by an organisation with a Transit Guarantee; this can be either a haulier or a customs broker. For compliance purposes, the haulier should raise the Transit, as they control the movement of the truck. DHL will ask the exporter (or the party we are raising Transit on behalf of), to guarantee that the T1 is discharged.

A LRN (Local Reference Number) is raised for Transit declarations, unless at an authorised consignee / consignor premises. At DHL, we have authorised premises and can convert our LRN directly into an MRN (Master Reference Number), thereby removing the need for the goods to go to a UK Border Force (UKBF) location.

## **11. What is the Transit process, for example, if I am exporting from the UK to Switzerland across multiple EU borders?**

Movements from the UK to Switzerland can move under Transit in order to avoid import and export customs clearance in the countries your goods will cross en route to Switzerland.

## **12. What is different regarding excise goods?**

Excise goods are subject to higher customs controls and special taxation due to their nature (example: fuels, liquors, cigarettes). The regulations for cross-border trading with these kind of goods are complex and related to high risk and liability. At DHL, we have setup our own Customs Excise Team to support these shipments. We also operate our own excise guarantee for the movement of excise suspended goods, which is now only UK applicable. Contact us at [dgfbrexit@dhl.com](mailto:dgfbrexit@dhl.com) to discuss this further.

## **13. What is an EORI number and how do I obtain one?**

An EORI number is an Economic Operator Registration and Identification number. Before 1 January 2021, you only needed an EORI number when trading with countries outside the UK & EU as it's required to release goods from Customs. Now you need UK and EU EORI numbers when shipping goods between the UK and EU, and possibly an XI (Northern Ireland) EORI number too.

Note that since 1 January 2021, UK-issued EORI numbers are not accepted by EU countries, so [register for an EU issued EORI number](#) as soon as possible if you don't yet have one and intend to import or export goods to/from the EU.

If you currently have an EORI number issued by a different EU Member State than the UK, you'll need to obtain a UK EORI number for post-Brexit UK imports and exports. Check if you have a UK EORI number here: <https://www.gov.uk/check-eori-number>

If you don't have one, apply via [www.gov.uk/eori](https://www.gov.uk/eori). You'll receive your EORI number by email, usually within 3 working days.

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Finally, if you move goods to or from Northern Ireland, you need an EORI number that starts with XI to:

- Move goods between Northern Ireland and non-EU countries
- Make a declaration in Northern Ireland
- Get a customs decision in Northern Ireland

To get an EORI number that starts with XI, you must already have an EORI number that starts with GB.

Ensure you inform our Customs Team of the new number(s). Please also include your EORI number(s) on the commercial invoice and waybill to promote smooth and fast customs processing and clearance.

#### **14. If a company has an EU EORI number and wants to continue to ship to the UK, is there any requirement for a UK EORI number?**

Yes, a UK EORI number (starting with GB) is needed. This means cross-European traders might end up with two EORIs, one EU and one UK.

#### **15. Does the EORI cover both importing and exporting goods?**

Yes, an EORI number applies for both imports and exports.

#### **16. How do the UK's Commodity Codes differ to those of the EU?**

In May 2020, the Government announced a new UK Global Tariff (UKGT) which replaced the EU's Common External Tariff from 1 January 2021.

This means that some goods may have different commodity codes in the EU and UK. You will need to make yourself familiar with the exact commodity codes according to both EU and UK tariffs.

#### **17. How do Duty and VAT work in the UK?**

From 1 January 2021, UK VAT can be accounted for through Postponed VAT Accounting or PVA, resulting in VAT not needing to be paid upon import into the UK. HMRC has sent information to all VAT traders, and is also [available here](#).

DHL has made the decision to default all declarations to PVA. Contact us if you would like to continue paying VAT upon import via deferment accounts.

#### **18. Must my company be VAT registered in each destination country?**

**For UK activities**, the Importer or Exporter of Record must hold a UK EORI and VAT number.

**For EU activities**, the Importer or Exporter of Record needs an EORI number, plus local VAT numbers. If they don't have this, it's likely they will need fiscal representation in-country.

#### **19. Indirect Representation: Can DGF be the Importer or Exporter of Record?**

Some customers might have UK EORI and VAT numbers, however are listed as non-UK based entities, for example Non-Established Taxable Entities, where indirect representation is required. DHL operates indirect representation only within a fixed policy.

#### **20. How do I apply for postponed VAT accounting in the UK?**

From 1 January 2021, postponed VAT accounting has been introduced for all imports of goods into the UK. This means that UK VAT-registered persons must account for the import VAT on goods imported into the UK on their VAT returns, and both pay and recover import VAT on the same VAT return. This measure applies to goods imported from all countries, both EU and non-EU.

If you are importing into the UK, confirm your VAT number and consider opening a deferment account to make use of postponed VAT accounting and defer the payment of duties.

#### **21. What Incoterms should I use and which should I avoid?**

EXW and DDP should be avoided. For EXW, remember there must always be an Exporter of Record in the country you are collecting the goods from. As an alternative, FCA could be used to clarify who the Exporter of Record actually is. For DDP, again the Importer of Record must be clear and established in the country where the import clearance is taking place. If required, DDP should be switched to DAP.

#### **22. Do EUR1 Certificates apply post Brexit?**

Where applicable, yes. HMRC will accept EUR1 as preference, subject to FTA agreements, however, it needs to state UK rather than EU. [Read more here](#).

#### **23. Is there any guidance on the need for CoOs for UK to EU?**

There are currently two methods of claiming preference from the EU to UK and vice-versa. The first is a statement of origin on the commercial documentation - [click here for more information](#).

The second is preference. Please remember that origin using Importers Knowledge, which is currently allowed when claiming origin of goods, is only applicable to World Trade Organization (WTO) origin criteria.

#### **24. Are Air Freight shipments subject to pre-lodgement of the customs declaration requirement?**

Air freight shipments will be cleared at the time of arrival; pre-clearance is not a requirement. This activity is normally completed by a Customs Broker but, of course, the Importer or Exporter of Record is responsible.

#### **25. What documents are needed to ship goods between the UK and EU, and vice versa?**

At the very least we need a commercial invoice and packing list in order to complete the customs declaration. [Click here to view our checklist](#). You also need to provide the exact commodity code for all the goods.

#### **26. What export documentation is needed to ship pharma and medical goods between the UK and EU, and vice versa?**

This depends on the product and the requirements that are agreed. At the very least we need a commercial invoice and packing list for customs purposes. Additional information, for example a CMR or clearance instructions, can be provided in advance. You also need to provide the exact commodity code of all the goods.

#### **27. We are not be able to provide a commercial invoice/packing list for customs clearance until the actual time of the physical goods dispatch - is this an issue?**

Customs clearances need to be completed at point of departure and point of arrival, as is the case when shipping from the UK to the rest of the world, and vice versa. So providing a commercial invoice/packing list at the time of dispatch should not be an issue.

However, for Road Freight, if you can provide the commercial invoice/packing list before the doors close then this is preferred to avoid the risk of the driver having to wait at the point of departure until the goods are customs cleared. The earlier you can share this information with us, the sooner we can complete the customs declaration(s) so that the goods can leave the country on time/as planned.

#### **28. Do we need just one of the documents, whether pre-clearance import number OR T1?**

The driver will need two clearances - either an export and import declaration, or export and Transit - however, remember Transit shipments have to move to authorised premises.

Please note that for UK import pre-lodgment declarations, you do not need a Transit declaration from the EU to the UK.

If you are exporting the goods from an EU bonded warehouse, the Transit (T1) needs to be closed at the last EU point of exit not within the UK territory, as pre-lodgment will take over for the import requirements.

#### **29. Is a pro-forma invoice acceptable for advance customs clearance prior to pick up?**

Commercial documentation is a requirement for the customs activities and this must reflect the true value of the shipment.

#### **30. Can you use a customs invoice for declarations, rather than a commercial invoice?**

As per international trade requirements, we are required to have commercial documentation for shipments and therefore need the same commercial documents for the UK or EU as you would raise for international shipments.

#### **31. What if you are shipping to a third party and they do not or will not have the means to act as IOR and you have no physical presence in that country. How will you process any Duties or Taxes etc?**

Any declaration being completed on behalf of a Non-Established Trader needs to be completed by the Customs Broker - eg DHL - as an Indirect representative, the result of which the customs broker would hold the risk and liability. This can only be done in exceptional circumstances and would need to be agreed on a case-by-case basis.

#### **32. What are the codes for the (new) exit customs offices in Calais (port & tunnel)?**

French customs has published Brexit guidance including border operations and office of exit, [which you can read here](#).

#### **33. How quickly can a trader obtain AEO (Authorised Economic Operator) status if they have never traded internationally previously?**

It takes around 120 days to apply for UK or EU AEO status, so if you have not already done so, we suggest that you apply as soon as possible if you do trade internationally.

However, the good news is that if you use DHL Global Forwarding's CFSP service, you can benefit from our AEO status to keep your shipments moving.

#### **34. Could you please outline the AEO application process?**

Click the following links for more information:

- [UK AEO Information](#)
- [EU AEO Information](#)

#### **35. Can a trader make use of DHL's AEO status if they do not have their own AEO qualification?**

If you use DHL Global Forwarding's CFSP service in UK, you can benefit from our AEO status to keep your shipments moving.

### **36. Does Brexit impact ATA Carnets?**

Carnets need to be verified by UKBF before they depart and when they arrive in the UK. Contact [carnets@dhl.com](mailto:carnets@dhl.com) for more information.

### **37. What do I need to do regarding Dangerous Goods?**

There are not any changes to the shipment of Dangerous Goods as a result of Brexit. Your Customer Service Representative can provide you with further guidance around the shipment of Dangerous Goods.

### **38. What is ClearIt?**

ClearIt is our simple system for requesting and tracking the status of Customs clearances for Road Freight customs clearances between the UK and EU. ClearIt doesn't support Road Freight movement for non-EU countries like Switzerland, Norway, Russia, Ukraine etc as they have a different customs process.

### **39. Who is responsible for GVMS (Goods Vehicle Movement Service) – trader, forwarder or haulier?**

The haulier is responsible.

### **40. What is the roll out plan for Safety and Security Declarations for UK Exports and Imports?**

The UK will not require Safety and Security declarations to be completed until 1 July, which gives us time to prepare. Hauliers need to complete these for EU shipments from 1 January.

### **41. Do costs of origin now apply?**

This varies by Member State to Member State and possibly even port to port.

### **42. Can DHL Global Forwarding act as my Customs Broker, even if you don't handle my shipments?**

Yes, DHL can act as your Customs Broker for freight shipped by any mode of transport, regardless of whether we handle your freight, and regardless of which carrier you do use to handle your freight.

Providing you are set up as an entity, we can usually start handling your customs declarations in as few as five days of you providing all the required information and documentation, subject to credit checks and standard T&Cs). However, for more complex setups it can take between 6 to 8 weeks to implement a customer, subject to legal agreement and T&Cs.

Please contact your DHL Account Manager for more details, or email [dgfbrexit@dhl.com](mailto:dgfbrexit@dhl.com).

### **43. How quickly does DGF complete customs declarations?**

We aim to complete all declarations within the shortest possible time allowed by the customs authorities. In some cases customs authorities will not allow further movement of the goods and may ask to physically inspect them.

### **44. How much does DHL charge to handle a customs declaration?**

We aim to keep our customs charges at the best market level, so all traders benefit from a uninterrupted and cost-optimized supply chain. Please contact your DHL Account Manager for more details, or email [dgfbrexit@dhl.com](mailto:dgfbrexit@dhl.com).

### **45. What are DHL's hours of working ?**

We provide a 24/7 customs service.

## **FURTHER QUESTIONS?**

If you have any questions, please don't hesitate to contact your Account Manager or Customer Services Representative, or email us at [dgfbrexit@dhl.com](mailto:dgfbrexit@dhl.com).



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