

# VIP Express WW Brexit overview

**Our planning is based on available information.**

**As requirements change, we will adapt, but some elements will be beyond our control and will have an impact across our sector.**

We will work together to overcome these challenges and will inform you of any developments. Our determination to continue providing an excellent service for customers remains unchanged.

# EU-UK Trade and Cooperation Agreement

The UK and EU trade deal that was announced on Christmas Eve provides more clarity for UK and EU trade from the end of the transition period. The below are the essential requirements for shipping from 1 January 2021.

- **Customs Declarations are required** between Great Britain and the European Union, therefore Commercial or Pro-Forma Invoices are needed.
- The **trade and cooperation agreement** means that in most cases Customs duties will not be applied as a zero tariff has been confirmed for goods sent between the UK and EU, however this **is conditional on Rules of Origin Requirements** being confirmed when shipping. Note that VAT will still be levied.
- **Changes to UK VAT requirements** will still be implemented.
- Details for trade with Northern Ireland have been confirmed on 31 December 2021



# Zero Tariff under the EU-UK Trade and Cooperation Agreement(TCA)

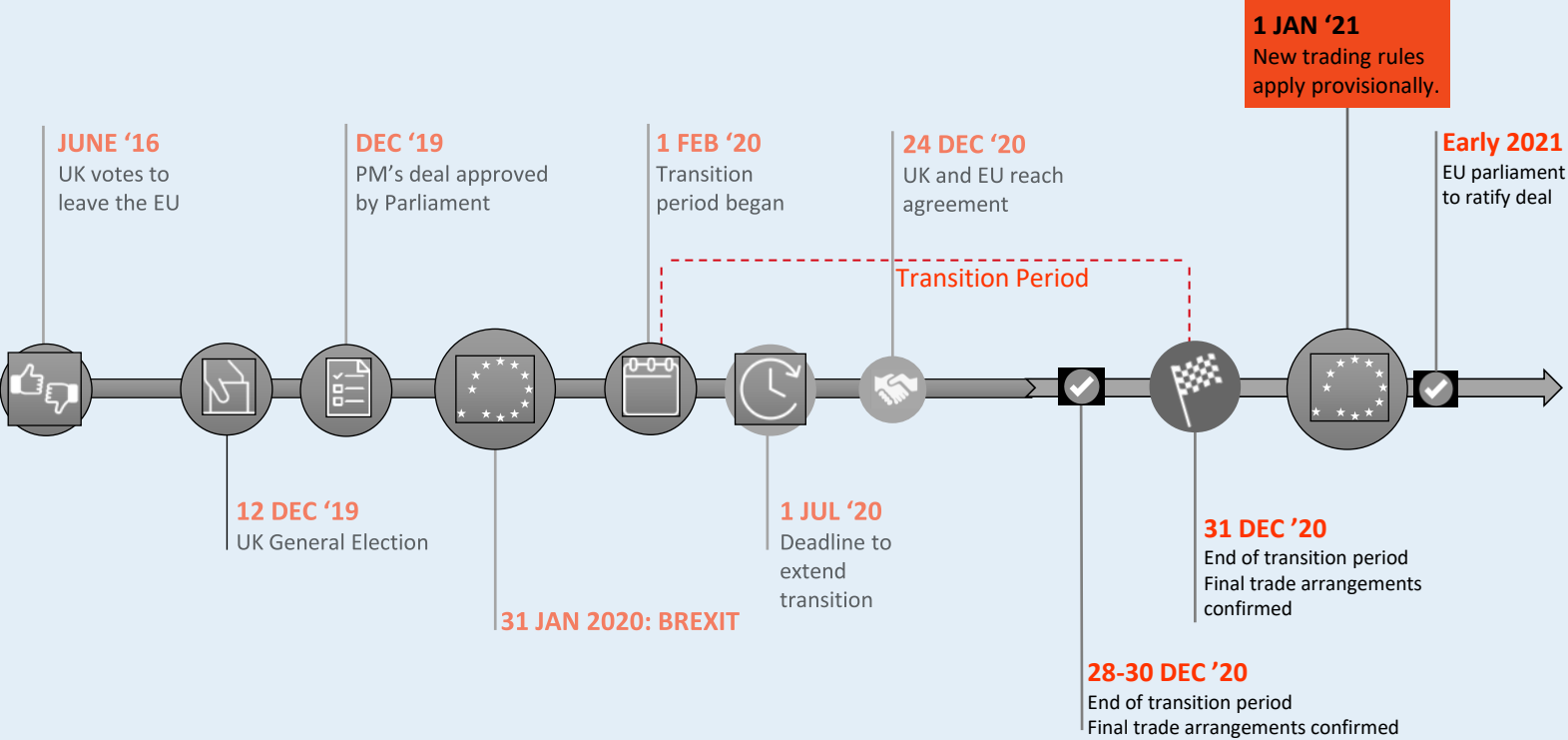
Only products that originate from the EU or UK qualify for preferential treatment (zero tariff) under the EU-UK TCA, meaning that no customs duties are levied (but VAT still has to be paid or accounted for).

Please check if your products comply with the agreed Rules of Origin in Chapter 2 of the Agreement, along with product specific Rules of Origin in the Annex. The Agreement can be found [here](#).

To qualify for preferential treatment (zero tariff) at the time of import, the customs declaration in the EU or the UK must include a proof of origin statement/document.

*\*\*Please note that it is your responsibility to determine the Country of Origin of goods accurately and provide the relevant paperwork.*

# Timeline





# The Northern Ireland Protocol

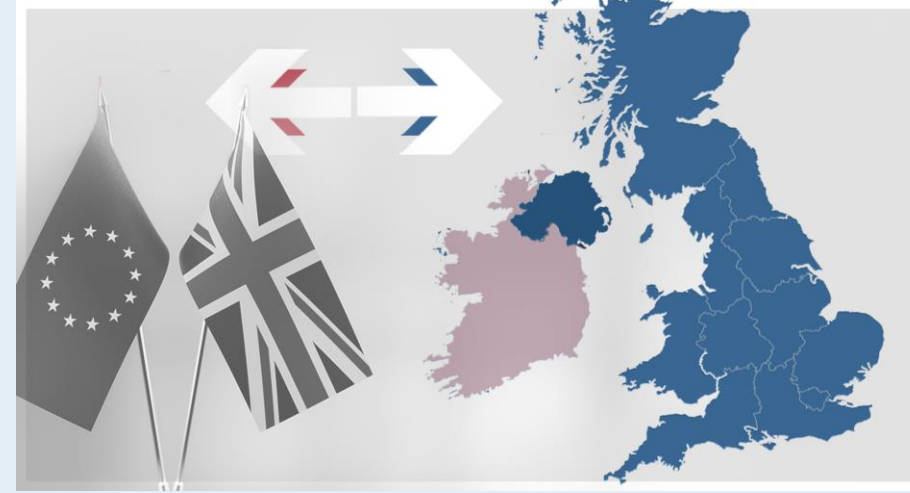
In December 2020, the UK-EU Withdrawal Committee Joint Committee reached an agreement on the implementation of the Northern Ireland Protocol. This agreement and the subsequent guidance published by the UK Government is unchanged by the UK-EU Trade and Cooperation Agreement.

Further guidance regarding the movement of parcels was published on 31 December. It sets out:

- **A 3-month, temporary approach** to applying declaration requirements for parcels moved by express carriers from Great Britain to Northern Ireland. This will enable parcels to continue to move as they do now in most cases until 31 March 2021.
- **For goods valued at £135 or more** received by NI businesses, a declaration must be submitted by the receiver within 3 months of receiving the goods. Further detail on how to submit this declaration is expected, however businesses are encouraged to sign up to the Trader Support Services and store invoices for the goods received.
- **Excise goods and restricted and prohibited goods** sent from Great Britain to Northern Ireland may require a declaration to be made.
- **Northern Ireland to Great Britain:** the majority of goods will not attract new customs processes. There is further detail on [qualifying Northern Ireland goods here](#).
- **Between Northern Ireland and the EU:** no customs declarations are required for these movements, they will be treated as intra-EU

*The full guidance can be found [here](#).*

# Northern Ireland EORI Numbers



An EORI number starting with XI will be required to move goods to or from Northern Ireland from a non-EU country, to make a declaration and get a customs decision in Northern Ireland, from 1 January 2021.

You must already have a GB EORI number to get an XI EORI number.

If you already have a GB EORI number and HMRC think you need an XI EORI number, you'll be automatically issued one in mid-December 2020. For Northern Ireland based customers, the 'GB' prefix of your EORI number will be changed to 'XI' and we will automatically update our systems with this.

For GB based customers using Express services, an XI EORI number will not be required to move goods to and from NI, as long as you do not need to be the importer on record in NI.

To get advice on moving goods between Great Britain and Northern Ireland sign up for the [Trader Support Service](#).

# Product restrictions applied by EU countries

Individual country-specific goods restrictions has come into effect for products sent from Great Britain to the EU from 1 January 2021. The UK has also applied it's own set of rules for goods arriving in the UK.

Products may require additional certification wherever health and safety regulations apply. Categories of goods with restrictions include medical and dental equipment, electronics and toys, for example. Veterinary and phytosanitary checks will also be required at a Border Control Point (BCP) for some Foodstuffs and Animal-or Plant based products. Information on these additional requirements can be found at [Gov.uk](https://www.gov.uk).





# Changes to UK VAT

---

- **From 1 January 2021, UK VAT on goods valued up to £135 will be collected at the point of sale, and not the point of import.**
- This means that overseas businesses selling goods to be imported into the UK, valued between £0-135, will be required to charge and collect any VAT due at the time of sale. They must be registered for UK VAT and pay VAT using a UK VAT return.
- VAT registered UK importers can still choose to account for the VAT by providing their VAT registration to the supplier. For details see the 'Business to business sales' section [here](#).
- Alongside this, **Low Value Consignment Relief (LVCR) will be abolished**, meaning VAT will be due at the time of sale on all imported goods valued £0 - £135.\*
- More information is available [here](#).



# Changes to EU VAT

- **The EU will be moving to a similar VAT collection model to that being introduced in the UK, however this will be effective from July 2021.**
- When goods worth up to €150 are purchased from sellers outside the EU, VAT will be charged at the time of sale.
- **The current €22 VAT threshold for importing goods into the EU will also be removed.** This means VAT will be due on all non-document shipments from the UK to the EU.
- More information is available [here](#).

# Brexit Fee

**From 1 January 2021**, a fee will be levied on all dutiable shipments between Great Britain and European Union countries, both inbound and outbound. With the information that is currently available, the intention is that this fee will be set at **£0.50 per kg with a minimum charged amount of £5.50 per shipment**. This fee may be adjusted, should circumstances change significantly.

**This fee will be introduced regardless of any trade deal agreed**, as the following will still apply:

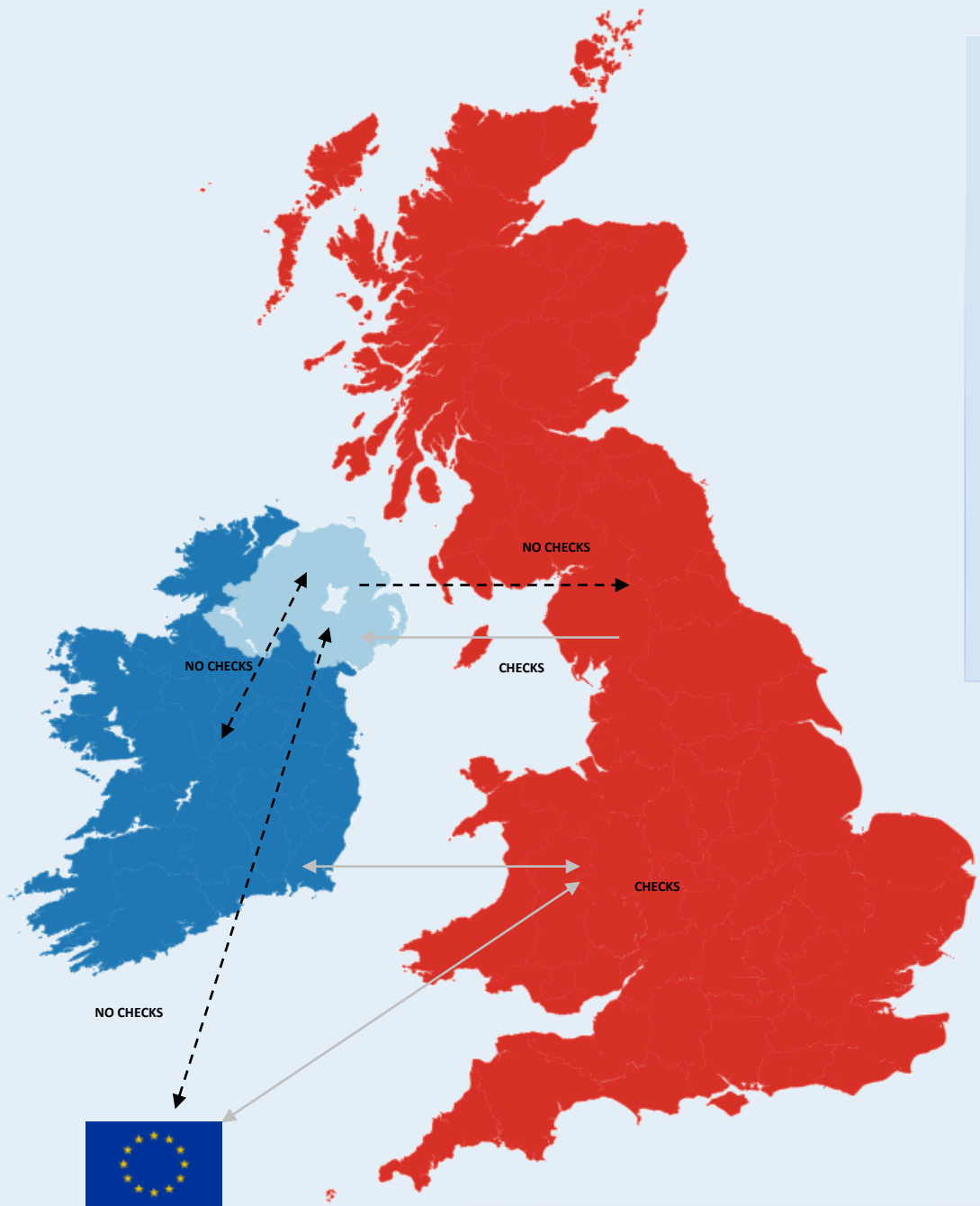
- Customs requirements for all shipments between GB & EU. This results in an increase in the number of declarations, licenses, data submissions, overall processing, plus new IT systems
- Border formalities will be introduced that must be complied with, i.e. the new 'Border Ready' requirements in Kent
- Increased regulatory requirements restricting commodities into Europe
- Increased Bond storage facilities and associated security

The fee is applied per kg as heavier shipments in general have more complex customs requirements.

*Please note that no Brexit fee will be applied to goods moving between Northern Ireland and the EU, based on current customs law. However, should this customs position change.*



# Map view of the shipment's moving in & out from UK



*\*current working assumption*

# Preparing for Customs in the EU



## Only trading with the EU countries?

If you're currently only shipping within the EU, the following pages will help you familiarise arear where you can make customs clearance process smother.

There are lots of other help materials available in addition to this guide.



## Already trading outside the EU countries?

If you're currently trading outside the EU, you will be familiar with customs requirements. Nonetheless, the information the follows could still be useful in helping you prepare.

## Preparing for Customs in the EU countries

### Having your EORI number

An EORI number is an Economic Operator Registration and Identification number, required in order to release goods from Customs. You currently only need an EORI number when trading with countries outside the EU.

**However, a GB EORI number will be required for UK imports and exports from 2021.**

VAT-registered businesses were automatically issued with an EORI number in September 2019. Businesses without an EORI can apply for free at [www.gov.uk/eori](http://www.gov.uk/eori). Numbers will be sent by email within five working days.

**As a priority, please email us your EORI numbers to update our records.** Please also include it on Commercial Invoices to promote smooth customs processing and clearance.

Please also note that an XI EORI number will be required to move goods to or from Northern Ireland to non-EU countries. The government will issue XI EORI numbers, where needed, in mid-December.



# EORI Number?



## Preparing for Customs in the EU countries

### Confirm your VAT number

Postponed VAT accounting will be applied to imports by VAT registered traders from 2021. This allows VAT-registered UK businesses to receive monthly import VAT statements from HMRC, rather than pay these charges upfront.





## Preparing for Customs in the EU countries

### Commercial or Pro-forma Invoice

This is essential paperwork for your goods to clear Customs in the destination country. A copy of this is available [here](#).

Detailed goods descriptions and HS codes for the products you're sending must be included.

It's possible to produce a standard commercial or pro-forma invoice within our shipping tools(Online Bookings).



## Preparing for Customs in the EU countries

Classify your shipments :  
Documents or non-documents

When shipping internationally it is important to consider the content of your shipment, as documents and non- documents are treated differently. While we currently do not differentiate between the two when shipping to or from the EU, this will no longer be the case from 2021.

**Incorrectly marked shipments could result in delays, or items being returned undelivered.**



## Preparing for Customs in the EU countries

### Product Commodity codes(HS codes)

The goods you are sending are identifiable via a precise, internationally-recognised commodity (Harmonised System) code. This ensures the correct duties and taxes are applied by Customs. It can also be used to identify the duties and taxes applicable in each country you're sending to but remember: the exact rates that will apply in the EU for UK shipments are yet to be agreed.

To identify the commodity code for your product(s) visit the UK Government site [here](#).

Note: you must ensure the commodity code is included on your commercial / pro-forma invoice.



## Preparing for Customs in the EU countries

### Delivery Duties Paid(DDP) service

By offering a DDP service, you can bill all duty and taxes back to your account instead of your customer being charged on receipt of their parcel.

Shipments send as DDP are received a day or two earlier than those choose for duty to be paid by the customer on delivery.



## Preparing for Customs in the EU countries

### Do you offer returns process?

Your returns policy could be impacted by Brexit.

Orders shipped into the EU on or before 31 December 2020 will fall under current free trade agreements. However, if your customer then returns an item after this date, it will need additional paperwork to facilitate Customs, and may be subject to duties and taxes.

We can support you with understanding the requirements for shipping cross border, non-EU returns to the UK.

**If you require support, get in touch now.**





# Government & British Chambers of Commerce Support

A lot of useful support material is available online:

- [UK Government Transition Guide](#)
- [UK Government Imports and Exports Helpline](#)
- [British Chambers of Commerce Brexit Hub](#)
- [The European Union and the United Kingdom – forging a new partnership](#)

