

# BREXIT PREPARATION GUIDE FOR EXPORTERS AND IMPORTERS

Helping companies trading overseas



Greater Manchester  
Chamber of Commerce



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# 1. Different Brexit Scenarios



## **Withdrawal Agreement (Deal)**

A Transition Agreement will be in place from when we leave the EU until at least the end of 2020.

## **No Deal**

The UK will leave the EU on the 31st October 2019 and there will be no agreement in place. There will be a need for customs clearance and imports/exports from the UK to the EU and from the EU to the UK will be subject to tariffs.

## 2. What would a no deal could mean for your business?



Companies will need to understand the regulations and processes which currently happen when exporting/importing to the rest of the world. These may apply to EU exports and imports after Brexit.

The UK government has issued a notice to help with preparations in a 'no deal' scenario and have also issued a range of technical notices which can be viewed [here](#).

The screenshot shows a web browser window with the URL <https://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario>. The page header includes the GOV.UK logo, a search bar, and navigation links for Departments, Worldwide, How government works, Get involved, Publications, Consultations, Statistics, and News and communications. The main content area is titled 'Guidance' and 'UK government's preparations for a no deal scenario'. Below the title, it states: 'Why the government is publishing guidance on how to prepare for Brexit if there's no deal.' At the bottom, it provides publication details: 'Published 23 August 2018', 'Last updated 21 December 2018 — [see all updates](#)', and 'From: [Department for Exiting the European Union](#)'.



### 3. Have you got an EORI number?

An Economic Operator Registration and Identification number allows you to move goods into or outside the UK and will be needed to trade with the EU after Brexit.

- HMRC use this to identify you and collect duty on your goods
- It takes around 5-10 minutes to apply and is free, you can apply online [www.gov.uk/eori](http://www.gov.uk/eori)

**FLASH NEWS (21<sup>st</sup> Aug 2019):** We are pleased to report that the UK Government has announced that it will be automatically issue UK EORI numbers to VAT registered businesses that trade exclusively with the EU.

For more information: <https://www.gov.uk/eori>

## 4. Classifying your goods



Commodity codes/Harmonised System codes determine the rate of duty/taxes and if there are any controls on your goods.

The number is usually 8 digits for export and 10 digits for import. The first 6 digits are recognised by 98% of the world as they are part of the Harmonised System (HS).

The exporter/importer is legally responsible for the using the correct code and if it is not included on your commercial invoice and other shipping documents, it could delay shipment and risk you paying incorrect duties and taxes.

You can find your commodity code in the UK Trade Tariff [www.gov.uk/trade-tariff](http://www.gov.uk/trade-tariff)



# Classifying your goods continues...



## Issues classifying your goods?

You can email the Tariff Classification Service [classification.enquiries@hmrc.gsi.gov.uk](mailto:classification.enquiries@hmrc.gsi.gov.uk). They will provide non-legally binding advice within 3 working days.

## Binding Tariff Information (BTI)

If you're looking for a legally binding ruling, you can apply for a BTI ruling. It is generally valid for 3 years and helps to calculate duties and any licensing requirements. HMRC will notify you if any changes occur which may affect your BTI. For more information and apply [here](#).



# 5. Tariffs

A tariff is a tax applied only to internationally traded goods. Usually placed on imported goods by the importing country.

Temporary tariffs announced in the event of a No-Deal Brexit

[www.gov.uk/government/publications/temporary-rates-of-customs-duty-on-imports-after-eu-exit](https://www.gov.uk/government/publications/temporary-rates-of-customs-duty-on-imports-after-eu-exit)



## 6. Incoterms®

Incoterms are a series of International Commercial Terms that define where the risk, responsibility and cost transfers from the seller to the buyer. There are revised every 10 years and we are currently using the 2010 version. **Please note the 2020 version will be available from October 2019 and Chambers will be ready to provide guidance & training on this.**

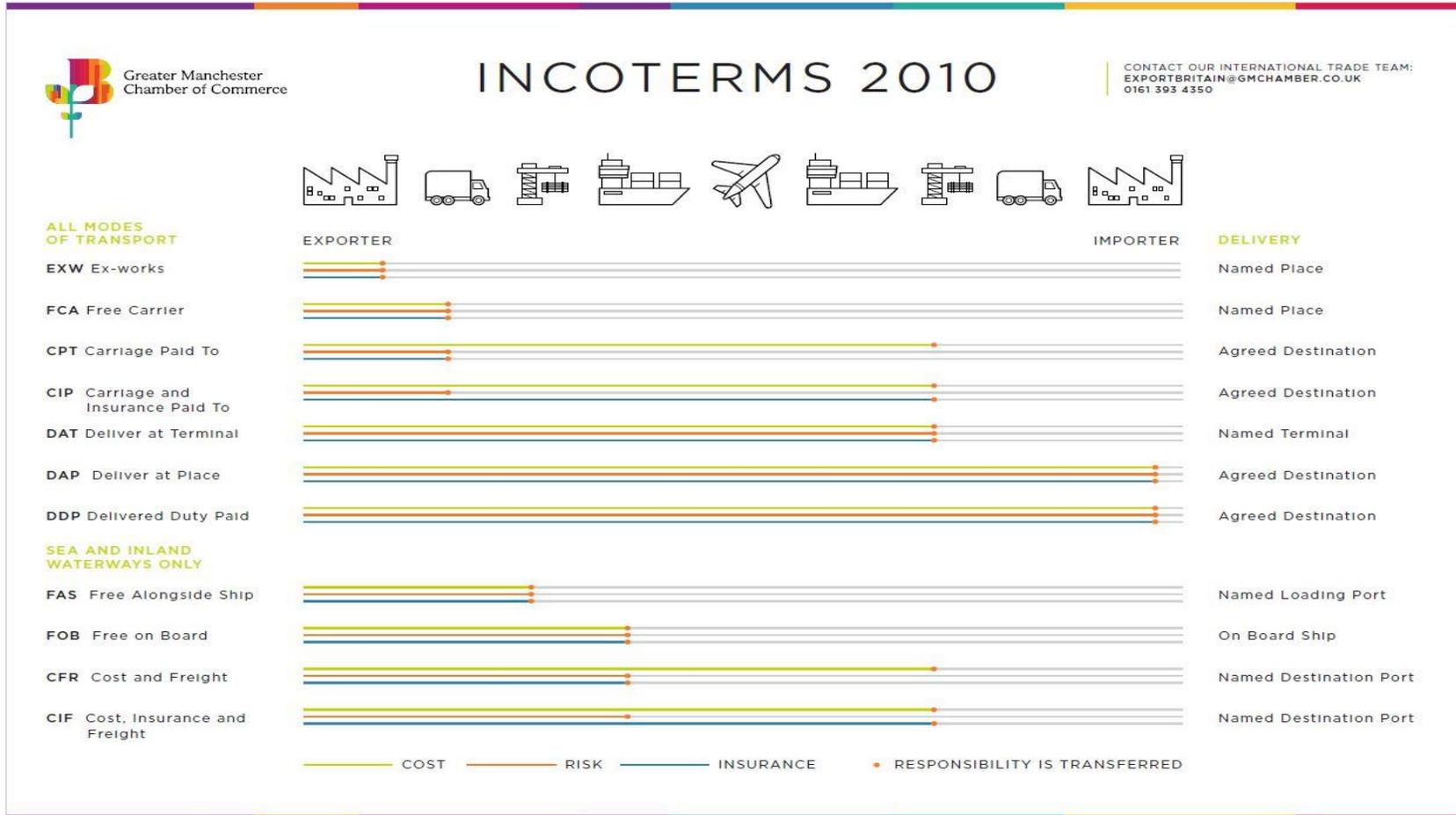
This includes:

- Where the goods will be delivered
- Who will arrange and pay for the transport
- Who will arrange and pay for the insurance
- Who will be responsible for the customs procedures and paying any duties and taxes

There are currently 11 terms which can be viewed [here](#). There is also a handy guide on the next page.

If you would like further guidance we also offer a half day [training course](#).

# Incoterms® Guide



# 7. Commercial invoice



Every international shipment must have a commercial invoice, it helps authorities understand if the goods can move in and out of the country.

What do you need to include?

- Reason for export
- Shipping date and number
- Incoterms
- Description of the goods
- Commodity code
- Value of the goods
- Country of origin
- Weight



# 8. Regulation & Documentation



Do you need any additional documentation? Your local Chamber can help provide you with a range of documents, see below for more details and links which will help you complete these.

These include:

- [European Community Certificate of Origin](#)
- [Arab-British Certificate of Origin](#)
- [EUR1 Movement Certificate](#)
- [ATR Movement Certificate](#)
- [ATA Carnets](#)
- [Legalisation and Certification of Documents](#)
- [Saudi Visa Letter](#)



# Further Regulations & Documentation



Companies may need to provide an export license or additional documentation when exporting certain goods from the UK. You find further information in the [UK Trade Tariff](#).

Further details on products which require an export license can be found [here](#).

Companies can also follow the no deal guidance for controlled goods on the [UK Government website](#).



## 9. Potential changes for your customers and/or suppliers



Whether you export/import to/from the EU or outside the EU, it is important to work closely with your customers and suppliers to understand the potential impact of Brexit, deal or no deal. From Transport and duties to local regulations and documentation.

1. Does your buyer know about the local import requirements and duties?
2. Do you EU Customer and/or EU supplier have registered for an EU EORI Number?
3. How will your global supply chain may be affected?
4. Are your EU customers re-exporting products partially made with UK input? Will they continue accessing preferential rates overseas?
5. Can you work together to avoid delays?
6. Do you understand how VAT will be reclaim and pay in the event of a No-deal?
7. Do you need additional information for documentation and customs requirements?

For more guidance for European Businesses, visit: [https://ec.europa.eu/info/brexit/brexit-preparedness\\_en](https://ec.europa.eu/info/brexit/brexit-preparedness_en)



## 10. Customs Procedure Code (CPC)

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A customs procedure code (CPC) is a 7 digit code that identifies the reason for export or import for customs purposes. A CPC will:

- Determine how your goods are treated by customs
- Do duty and VAT need to be paid?
- Responsibilities in terms of compliance

A full list of codes can be found [here](#).

# 11. Rules of Origin



After leaving the EU, the UK will have to agree a new set of rules for origin. If not, companies will have to comply with the current rules.

## Preferential

Agreed between two or more countries, for example Free Trade Agreements that remove tariffs.

## Non-preferential

Declaring origin to protect a country's producers, usually within national policy or legislation.

## How can we determine origin?

Are the goods wholly obtained? If not the below will need to be followed.

1. Are the goods significantly changed in the UK? For example does there tariff classification change?
2. If not, are you sufficiently adding value (60%+)
3. Do the goods undergo specific processing?

Further details can be found [here](#). You can also contact [exportbritain@gmchamber.co.uk](mailto:exportbritain@gmchamber.co.uk) for further support.



# 12. Customs Declarations



An official document that provides details of the goods that are being imported or exported, including the reason. This is currently submitted via CHIEF (Customs Handling of Import and Export Freight). However, HMRC will soon be phasing this to the new system 'Customs Declaration Service (CDS)'.

It is usually submitted by your freight forwarder or customs agent. You will still need to provide information so your agent can complete this document. GMCC and local chambers can also help to complete customs entries.

You will need an [EORI](#) number to complete the declaration.



# 13. Customs Entry information requirements



- Consignor/consignee
- EORI numbers for both
- Origin of goods
- Country of destination
- Commodity codes
- Customs procedure code
- Value of the goods
- Packages and weight

EUROPEAN COMMUNITY		DECLARATION		OFFICE OF DISPATCH/EXPORT		
Copy for the office of destination	4	2 Consignor/Exporter	No	3 Forms	4 Loading lists	
		5 Items		6 Total packages		
	8	Consignee	No	IMPORTANT NOTE		
	14	Declarant/Representative	No	Where this copy is used exclusively for establishing the COMMUNITY STATUS OF GOODS NOT MOVING UNDER THE COMMUNITY TRANSIT PROCEDURE, only the information in boxes 1, 2, 3, 5, 14, 31, 32, 35, 54 and, where appropriate, 4, 33, 38, 40 and 44 is needed for that purpose.		
	18	Identify and nationality of means of transport at departure	19 Ctr.	16	Country of dispatch/export	
	21	Identify and nationality of active means of transport crossing the border		17	Country of destination	
	25	Mode of transport at the border	27	Place of loading		
4	31	Packages and description of goods	32	Item No.	33	Commodity Code
				35	Gross mass (kg)	
				38	Net mass (kg)	
				40	Summary declaration/Previous document	
	44	Additional information/Documents produced/Certificates and authorisations		A.I. Code		
	56	Transshipments				
		Place and country:		Place and country:		
		Ident. and nat. new means transp.:		Ident. and nat. new means transp.:		
		Ctr. (1) Identify of new container:		Ctr. (1) Identify of new container:		
		(1) Enter 1 if Yes or 0 if NO.		(1) Enter 1 if Yes or 0 if NO.		
	F	CERTIFICATION BY COMPETENT AUTHORITIES				
		New seals: Number: identity:		New seals: Number: identity:		
		Signature: Stamp:		Signature: Stamp:		
	90	Principal	No	Signature:	OFFICE OF DEPARTURE	
	91	Intended	represented by			



# 14. Customs Declaration Training

In partnership with HMRC the Chamber network are delivering training on how to complete a customs declaration.

Our next training is:

- **15 November 2019.**

We are also offering a [5 hour online course](#) for companies looking for basic training.

To check future Chamber training courses and relevant events, click [here](#)



# 15. Transitional Simplified Procedures (TSP)



HMRC have introduced Transitional Simplified Procedures (TSP) to help avoid long delays at the border if we leave the EU without a deal. Usually goods are not released until the duty is paid and a full customs declaration has been made. However, with TSP businesses will be able to defer making a full declaration and paying duty.

You can apply for **TSP** [here](#).

HMRC will provide companies will 12 months notice if they decide to withdraw these procedures.

Please see the next page for further information on who can apply for TSP.



# Transitional Simplified Procedures (TSP) continues..



You must be able to meet the below criteria to apply for TSP:

- Importing from the EU to the UK
- Established in the UK (you will need business name, address and contact details)
- Have an EORI
- VAT registration number



## Who can't register?

- If you're only importing from outside the EU to the UK
- You currently use a [customs special procedure](#)
- Acting on behalf of a trade (e.g. freight agent)
- If you have overdue tax returns or if you've not paid duties or taxes



# 16. Simplified Procedures you can access



- [Inward Processing Relief](#)
- [Outward Processing Relief](#)
- [Temporary Admission](#)
- [Onward Supply Relief](#)
- [Customs Warehousing](#)
- [Returned Goods Relief](#)
- [End-use Relief](#)

There is [training](#) available to help you learn more about these schemes.



## 17. Deferment account - Have you considered getting one?



A duty deferment account allows you to postpone paying duty on imported goods. Deferred payments must be made on the 15th of the next month.

There is no fee for a deferment account but you do need to be established in the EU, compliant and competent. Companies will also have to provide a guarantee as a form of security.

You can also use an agents deferment account, however there is likely to be a fee for this.



# 18. What is an Authorised Economic Operator (AEO)?



An internationally recognised status that demonstrates your international supply chain is secure and customs controls and procedures are efficient and meet EU standards.

## Benefits of AEO:

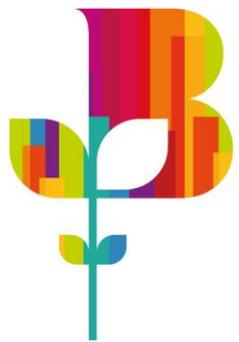
- Faster transit at the border
- Preferential treatment by Customs
- 70% reduction in bonds and guarantees
- Fewer physical customs checks
- Easier access to customs simplification

Although the application for AEO is free, it can be quite complex and companies may need assistance to help them complete, it is worth speaking to your local chamber to see if they can assist. Most freight forwarders will have AEO status.

You can find further information [here](#).



# Annex 1. Additional Resources



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# Additional Brexit Sector Guidelines – UK Government



The Government/HMRC has also provided a series of Brexit Guidelines per sector, which can be found [here](#). Some examples below:



[Agriculture and Farming](#)



[Chemical](#)



[Animal & animal products](#)

The Medicines and Healthcare Products Regulatory Agency has equally provided some guidelines in case of a no-deal Brexit, which can be found [here](#)

DEFRA has also provided some guidance regarding animals and animal feed exports in the case of a no-deal, which can be found [here](#)



# British Chambers of Commerce – Brexit Hub



The British Chambers of Commerce( BCC) has been consistently working with businesses across out 53 UK chamber Network has been focus on the practical impacts of Brexit on businesses. The network has been campaigning to gain clarity on the nature of the future relationship with the EU and seeking pragmatic answers for what it means for the day-to-day operation for a business.

BCC's Brexit Hub has a number of resources which companies can found useful in their preparation for Brexit, with or no deal.

For more information: <https://www.britishchambers.org.uk/page/brexit-hub>



# European Commission Brexit Preparedness



Following the UK's Referendum and decision to leave the EU led to the European Commission to develop a Brexit Preparedness hub primarily aimed for European businesses dealing with UK counterparts.

In here you will find:

- Preparedness notices
- Legislative initiatives and other legal acts
- Other preparedness related activities
- National Brexit information from Member States
- Citizen's rights

More information can be found here: [https://ec.europa.eu/info/brexit\\_en](https://ec.europa.eu/info/brexit_en)



# Need Further Support?

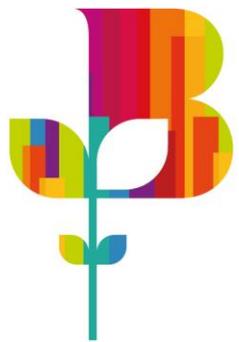


GM Chamber has launched a wide range of services which can help you get Brexit Ready:

- Brexit Readiness Assessment tool – **Coming soon!**
- International Trade Hotline
- Free Brexit guidelines
- Brexit Updates via our marketing channels: e-newsletter, website and social media
- Customs Compliance Audit
- Training Courses & Bespoke packages to be delivered in-house



# Annex 2. Useful Jargon



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# Useful Jargon



- **EAD:** Stands for Export Accompanying Document. It is an important document as it's an export declaration, which is needed for the export to countries outside the European Union.
- **Lol:** List of Items
- **EXS:** An EX-A document is an **export document** which is required when a shipment, that has been originated in the EU (or has been Customs cleared in the EU), leaves the European territory. So it is about goods which will not be returned to their origin.
- **NCTS (New Computerised Transit System):** it is a computer system that traders must use to submit Community Transit and Transports Internationaux Routiers (TIR) declarations electronically. Community Transit is a customs procedure that allows customs and other duties and taxes on imported goods to be suspended whilst in the procedure. Paper declarations are only allowed when transit declarations cannot be made on the NCTS system or for travellers with goods in excess of their duty-free allowance. The NCTS will process the declaration and control the transit movement. It's used by all member states of the EU and the signatories of the Common Transit Convention.



# Useful Jargon continues...



- **ENS (Entry Summary Declarations):** Most goods brought into the customs territory of the European Community (EC) must be pre-notified in an electronic entry summary declaration (ENS), which is submitted to the customs Office of First Entry (OoFE) into the European Union for safety and security risk analysis purposes. Another customs office - the office of lodgement - may accept it if an electronic link with the first customs office of entry is available, and subject to the agreement of the other office or member state. It is however the customs office of entry which remains responsible for risk analysis. The ENS is common to all 28 member states. HMRC announced in February 2019 they will phase in for EU Imports the pre-arrival forms (ENS) if the UK leaves the EU without a deal. This means the status quo will be temporarily maintained for ENS on imports for a period of 6 months. Currently ENS are not required when importing goods from the EU, however, this will continue to apply for imports from the rest of the world.
- **C88 (Single Administrative Document/SAD):** This is the main customs form used in international trade, and details the goods and movement of your goods around the world. Currently SAD is not necessary when trading within the EU single market and was introduced primarily to control the goods arriving or leaving the EU.
- **DAN (Deferment Approval Number):** This is the unique reference number issued to a trader by the Central Deferment Office to identify the trader's deferment account.



# Questions

**Export Documentation:** [exportdocs@gmchamber.co.uk](mailto:exportdocs@gmchamber.co.uk)

Telephone: 0161 393 4312

**General Import or Exporting Questions & General Brexit Preparation Services:**

[exportbritain@gmchamber.co.uk](mailto:exportbritain@gmchamber.co.uk)

Telephone: 0161 393 4368/55

