



CHECKLIST FOR EXPORTING FROM THE EU TO THE U.K. POST-BREXIT



The U.K. is no longer an EU Member State. It is not part of the Customs Union or Single Market and therefore different rules apply to exporting and importing. For many EU businesses this is a confusing time. Many have concentrated on EU sales and consequently have limited experience of customs declarations, licences, Vat on import, rules of origin etc.

The EU-UK Trade & Cooperation Agreement finalised at the eleventh hour has done little to alleviate the confusion, though it does offer tariff free trade for qualifying goods. This guide aims to identify the main points you need to consider to export from the EU to the U.K. in the Post-Brexit era, summarised at the end into a handy Step-by-Step guide. We hope you find it useful.

It forms part of the deeper Post-Brexit Reviews we carry out for our EU clients, details of which can be found at <https://goexporting.com/brexit-fasttrack/>

01 HS CODE

It all starts with the HS Code. This is the customs harmonised coding for your product recognised by most countries in the world. It determines everything that follows such as duty rates, licences, approvals, procedures to follow. Make sure it is right as it can make a big difference.

Check:

<https://trade.ec.europa.eu/access-to-markets/en/home>

For the HS Code & all details surrounding the export of your product



02

CUSTOMS DECLARATIONS

Every shipment leaving the U.K. for the EU is now subject to Customs Declarations. To export from the U.K., you must have a GB EORI number and either appoint a customs agent/freight forwarder as intermediary to handle the documentation on your behalf or register with the National Export System (NES) and apply for access to the CHIEF system to electronically submit declarations yourself. We recommend the use of an intermediary in most cases.

Agree with your customer who is going to handle the Import Declaration in the destination country. In most cases we recommend the customer takes this responsibility, otherwise you may be liable to pay duties and Vat. Whoever handles the import will require an EU EORI number and likely a local VAT Number.

Remember Northern Ireland is now effectively an export destination for the rest of the U.K.

Check if you can take advantage of any Customs Simplified procedures such as Customs Warehousing; Inward or Outward Processing Relief; Temporary Access; Returned Goods Relief; Transit etc. These could save you a lot of difficulties and costs.

03

INCOTERMS

Incoterms set the responsibilities in the export-import transaction between you and your customer. As such they are now more important than ever when dealing with the EU. Take care when agreeing terms, therefore. DDP brings maximum responsibility to you as the exporter, including the liability to pay applicable duty and Vat.

EXW brings maximum responsibility for your buyer. Make sure everyone is in agreement and the responsibilities are clear to avoid any unforeseen issues. We recommend FCA or DAP terms which makes each party responsible for the shipment in their own countries.

04

RULES OF ORIGIN

Rules of Origin determine the economic nationality of your products.

Under the terms of the UK-EU TCA trade in all goods is tariff free, providing they meet complicated rules to be classed as made in U.K. They are different for virtually every product and again it starts with the HS Code. Check the rules that apply for your products to determine whether you can claim zero duty under the terms of the agreement. Otherwise, WTO rates will apply.



Note - you must claim preferential origin on your customs declarations and paperwork in order for it to be applied. It does not happen automatically.

05

VAT PROCEDURES

This is one of the most complicated areas you need to get to grips with Post-Brexit. VAT is now due at the time of importation in your customer's country. Previous simplifications, such as triangulation, are no longer available to U.K. businesses. Supply chains have therefore become much more complicated. Choosing the wrong Incoterm can have a profound effect on your transaction. Avoid DDP as this will make you liable to pay the VAT and Duty. Reclaiming the VAT can mean having a VAT Number and Fiscal Representative in the country.





06 CERTIFICATES & LICENCES

Depending on your product you may now require additional certificates, such as Export Health Certificates for products of animal origin, or Phytosanitary Certificates for plant products. In addition, the U.K. will no longer recognise CE after the end of 2021, replacing it with UKCA. The EU will not recognise UKCA, so you may require both. Check the requirements for your products and make sure you are prepared.

We have summarised here the areas you need to consider when exporting from the U.K. post-Brexit. There are many considerations and many challenges to overcome. Each cannot be taken in isolation. Using the wrong HS Code can affect the Rules of Origin that apply, the licences required. The wrong Incoterms can have implications for VAT and leave you with unforeseen costs if you do not pay attention. Supply chains can now be complicated.

If in doubt, we recommend you ask for specialist advice. In the end of the day, it could stop you losing business, save you thousands and avoid countless sleepless nights! See www.GoExporting.com or call 0800 689 1423 for further support.

Use the Step-by-Step Guide below to ensure you have covered all the points you need to ensure a smooth export experience in the Post-Brexit Era.

TICK ONCE
COMPLETED

- | | | |
|-----------|---|--------------------------|
| 01 | EORI
Apply for your EORI number.
UK EORI number may also be needed | <input type="checkbox"/> |
| 02 | CERTS
Using the HS code
Check for any certs or licenses | <input type="checkbox"/> |
| 03 | INCOTERMS
Agree incoterms with your customers
FCA or DAP recommended. Shares responsibility | <input type="checkbox"/> |
| 04 | VAT
Review VAT requirements GB and
EU Do you need a UK Vat number? | <input type="checkbox"/> |
| 05 | CUSTOMS DECLARATION
Customs agent or in-house?
Software and Train Staff or Appoint Agent | <input type="checkbox"/> |
| 06 | SPECIAL PROCEDURES
Do any customs special procedures and authorisations apply
Consider customs warehouse, inward or outward process relief | <input type="checkbox"/> |
| 07 | DUTIES
Check: EU-UK TCA for duties and rules of origin
Otherwise check UK common external tariff | <input type="checkbox"/> |
| 08 | KEEP THEM CLOSE
Work closely with customers, distributor, freight forwarders
Ensure roles agreed. | <input type="checkbox"/> |
| 09 | CUSTOMER CHECK
Does your UK importer have the correct papers-
EORI import dec., any licenses or certs | <input type="checkbox"/> |
| 10 | Approvals
Will your product require UKCA? | <input type="checkbox"/> |

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