

Preparing for the end of transition – how express companies can help UK importers and exporters

AICES is the trade association for international express companies. Our members provide fast, time-definite, door-to-door movement of shipments which are tracked and controlled throughout the journey. From 1st January 2021, post-Brexit transition will end and it will be necessary to comply with customs controls for all trade to and from the EU. Below is a check list of what you need to prepare for and where our members can assist to ensure that you can still trade in the new customs environment.

UK Importers

Even if there is a Free Trade Agreement, from January 1 there will be customs controls on all goods arriving from EU Member States. UK businesses buying from outside of the UK should ensure that they are ready for the changes:

- Be prepared for customs controls that could possibly disrupt supply chains
- Have a UK EORI number (beginning GB) used to identify your company for customs purposes. (In Northern Ireland you will need a NI VAT number and EORI prefixed with the XI country code).
- Be prepared to pay duties and possibly apply for a duty deferment account if becoming a regular importer of dutiable goods.
- Be aware of the benefits of Postponed VAT Accounting (PVA) which allows VAT to be accounted for in the VAT return rather than making payment at the time of importation.
- Check the rules for importing your type of goods (import licences, certificates etc.)
- Authorise an agent or agents (an express company can do this) to act on your behalf to handle customs clearance requirements.

To ease the end of transition, from 1st January 2021 to 1st July importers of EU goods may make delayed declarations (this is a rolling 6 month concession). This allows importers (or their intermediary including express companies) to make a record in their own commercial records at the point of entry of goods into Great Britain, and then follow this with a supplementary declaration which must be submitted to HMRC within six months of the point of import.

UK Exporters

UK exporters will have to comply with all export regulations and controls including the provision of an export customs entry (normally delegated to an intermediary including AICES Members) when exporting to the EU. For this companies will need to have an EORI (identification number beginning GB). UK exporters have to provide paperwork (or an electronic version of the paperwork) including:

- Invoices
- Possibly product certification depending on the goods and the destination
- Export licensing requirements and any other restrictions related to prohibitions and denied parties.

Cost implications

All these processes add costs eg import VAT and possibly customs duty charges when Inbound clearance is performed in destination. VAT rates will also vary throughout the EU. You will need to consider that there will be additional charges to factor in when calculating pricing for your goods.

What can express do?

Express companies will be able to arrange to transport your goods, customs clear and ensure mandatory safety and security requirements are met and ensure that all inbound clearance formalities can be completed. To agree a partnership with an express company you need to follow the checklist below:

What should you ask your express company:

- Can they offer a fully inclusive service ie door to door within an agreed timeframe either directly or with partners?
- What is the door to door cost including all customs formalities? What options do they offer?
- Will costs include all export and import formalities? If Yes – this will simplify the process offering peace of mind.
- What documents are required with the shipment?
- Will you charge my customer for anything?
- When will my parcel be delivered?

They can then do the rest. We would recommend you make these arrangements now so you have a partner ready for 1 January. A list of our members is on <https://www.aices.org>