

# BREXIT WEBINAR | Q&A

Thank you for joining our Brexit Webinar on 14 October. Below are the answers to the questions we received during the session. In case you have any further questions, please don't hesitate to contact your Account Manager or Customer Service Representative. Alternatively, email us at [dgfbrexit@dhl.com](mailto:dgfbrexit@dhl.com).

## 1. What will change from 1 January even if a FTA is reached?

From 1 January 2021 (the end of the Brexit Transition Period) for any shipments travelling between the UK and EU (and vice versa) - by Air, Ocean, Road, Rail - you will need to complete two customs declarations: one for the goods leaving the UK and one for the goods entering the EU (and vice versa) as is currently the case when shipping to the rest of the world. You will also need an EORI number.

From January 2021, businesses will also need to pay custom duties and VAT on all imported goods.

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

From January 2021, you will be able to charge customers 0% VAT on goods you export to the EU.

## 2. When do you expect to know if a Free Trade Agreement between UK and EU will be reached?

The UK and the EU are in the process of negotiating a trade agreement to start on 1 January 2021. Any trade agreement will aim to eliminate tariffs and reduce other trade barriers coming into force. At present, the risk of a no-deal remains high.

## 3. Do I understand correctly that, regardless of whether the UK and EU make an agreement, a customs entry will need to be performed in UK?

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

## 4. If the value of the goods being shipped is less than €1,000, does it mean that there is no need for a customs declaration from both parties?

The customs declaration for exports may be made orally for goods of a non-commercial nature or goods of a commercial nature provided that they do not exceed either €1,000 in value or 1,000 kg in weight.

This can be done in certain circumstances as explained in UCC DA article 137 and based on the local implementation of related countries.

## 5. What additional costs will apply for the customs process with an FTA compared to without an FTA? Some land carriers are even mentioning a "hard Brexit surcharge" of around €250 EUR to get to UK from 1 January 2021. Can you confirm DHL's surcharge in case of no FTA?

Our charges will be subject to volume and complexity.

## 6. What will be the impact on transit times for Road Freight shipments?

From a customs point of view, DGF is doing all it can to mitigate the impact of customs clearances on a transit time. Of course there are a number of impacts, of which customs is just one.

## 7. Are air freight shipments subject to pre-lodgement of the customs declaration requirement? And it is not clear who does what? Could you please clarify the share of responsibilities between exporters, importers, haulier, agents (freight forwarders, customs clearance agent)?

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 has responsibility.

## 8. What about the requirement for export control licences between NI and GB? Based on the explanations, and my understanding, it seems that a licence will be required to move export controlled items from NI to the UK? But if Dual use items, no licence will be required to move the dual use item from NI to EU?

The UK Government has established a Trader Shared Service to support Customs processes to NI - however we are at this time uncertain of how this would work and what would be required. More will be known at the end of political negotiations between the EU and UK Government.

**9. If you have a customs warehouse in the UK and import via say the Netherlands, do you still have to import into UK and export to EU, or are the goods classed as in free circulation in the EU so no export required?**

Regardless of their customs status, all goods moving over the border will need a customs declaration.

**10. Challenges with systems mean we will not be able to provide a commercial invoice/packing list for customs clearance until the actual time of the physical goods dispatch - will this be an issue?**

The customs clearances will need to be completed at point of departure and point of arrival, as is the case at present 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.

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

This would depend on any agreement under a Free Trade Agreement, so is unclear at this time.

**12. Will we need just one of the documents, whether pre-clearance import number OR T1?**

Post-Brexit the driver will need two clearances - either an export and import declaration, or export and TRANSIT - however remember TRANSIT shipments have to move to an authorized premises.

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

That depends on the reason for the pro-forma invoice. Please contact us for more information.

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

That depends on the reason for the invoice. Please contact us for more information.

**15. What export documentation will be needed to ship pharma and medical goods between the UK and EU, and vice versa?**

This is dependent on the product and the requirements that are agreed. Please contact us for more information.

**16. Will EUR1 Certificates still apply post BREXIT?**

Where applicable, yes.

**17. What is the transit process for example if you are exporting from UK to Switzerland across multiple EU borders?**

Movements from UK to Switzerland will be the same as is today and move under TRANSIT.

**18. When will the ClearIt system be rolled out?**

The system - which will enable our customers to track their Road Freight customs clearances - will go live on 1 January 2021, with training for end users scheduled to take place during November and December.

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

The haulier is responsible.

**20. 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 will need to complete these for EU shipments from 1 January. This will need to be agreed as part of any FTA.

**21. Will costs of origin apply from 1 January?**

This will vary Member State to Member State and possibly even of port to port.

**22. Do I have to move freight through DHL Global Forwarding for you to handle my customs declarations?**

No. We can handle customs declarations 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.

We would be delighted to handle all of your customs declarations for you regardless of mode and carrier and we already do this for many customers, who benefit from our services and a single point of contact for all of their customs declarations.

**23. What do you need to have in place to clear shipments that are not handled by DHL?**

Please contact us for more information. We will be happy to discuss this with you on a case-by-case basis.

**24. Do we need an EORI number for the UK and for Europe for all the subsidiaries we have doing intercompany import and export? Eg we have an entity in Italy exporting to an entity in the UK. Do we need 4 EORI numbers and each of them to have a VAT code?**

Yes, you will need a UK EORI number (starting with GB) and EU EORI number for each entity. This means cross European traders might end up with two EORIs for each entity, one EU and one UK. Further information on how to prepare for Brexit from the UK government is available [here](#).

**25. How do I apply for postponed VAT accounting?**

Postponed VAT accounting is being introduced from 1 January 2021 for all imports of goods into the UK. This means that UK VAT-registered persons will 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 will apply to goods imported from all countries, both EU and non-EU.

If you are importing into the UK, it is advised to confirm VAT number and open a deferment account to make use of postponed VAT accounting and defer payment of duties. Further details on VAT system rules and processes in a no deal Brexit can be found at the following:

**[UK Government - Paying VAT When You Sell Digital Services to EU Customers After Brexit](#)**

**[UK Government - Claiming VAT Refunds From EU Countries After Brexit](#)**

**26. 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?**

Post Brexit, any declaration being completed on behalf of a Non-Established Trader would need to be completed by the customs broker as an INDIRECT representative, the result of which DHL 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.

**27. One of our carriers is requesting legal entity status in FR and DE due to complexities, for UK to EU shipments. I am interested to know if it would be possible to split fiscal representation from customs declarations, to allow goods to be delivered in France, with duty and VAT payment cleared in Germany?**

See Q26.

**28. Where I can find the UK Global Tariff code in order to check the HS codes?**

Use the **[UK Global Tariff tool](#)** to check the tariffs that will apply to goods you import from 1 January 2021.

**29. Will DHL share a correlation table between EU and UK Tariff codes?**

This is not possible in many cases there is not a direct correlation.

**30. Are the codes for the (new) exit customs offices in Calais (port & tunnel) known already?**

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

**31. There was talk about tariff free access on UK imports for 90% of goods, for a 12 month period. After which data analysis would be used to decide any rate changes. Is this your understanding?**

At present the UK Tariff published in July 2020 will be in place for 2021.

**32. 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 unfortunately you are too late for 1 January but 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 from 1 January to keep your shipments moving.

**33. Could you please outline the AEO application process?**

Click the following links for more information:

**[UK AEO Information](#)**

**[EU AEO Information](#)**

**34. Whilst DHL have AEO, can the trader make use of that if they do not have their own AEO qualification?**

If you use DHL Global Forwarding's CFSP service, you can benefit from our AEO status from 1 January to keep your shipments moving. Contact us for more information.

**35. From 1 January, is DHL planning to use smaller ports and avoid Dover as far as possible?**

At DHL Global Forwarding we are set up ready to complete customs clearances at any port carriers and hauliers wish to use.