



GEM Worldwide Ltd

GEM Brexit Checklist

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1.0 Introduction

Brexit is expected to have significant implications for logistics across the UK and EU.

GEM is continually working with their delivery partners to ensure shipments move compliantly and effortlessly and our systems are able to support any additional data that may be required after Brexit, and will be updated as needed.

While no one can predict with certainty what will change, we want to help our customers plan ahead. This simple guide details the steps you can be taking now to help get your business ready for Brexit.

2.0 How Brexit could affect your business

With the post-Brexit relationship between the United Kingdom and the EU remaining uncertain, we have prepared for a number of potential outcomes. Two of these are an agreed Withdrawal Deal, with a transition period until the end of 2020 (or longer if extended) or No Deal.

- **Withdrawal Agreement (Deal):** A Transition Agreement will be in place from the point the UK leaves the EU until the end of 2020 (or longer if extended), during which UK businesses will be able to import and export under existing arrangements, free of tariffs. After this period, it is envisaged that the terms of a yet to be negotiated trade deal will come into effect. These could include the introduction of new duties, customs declarations and documentation.
- **No Deal:** With no Withdrawal Agreement in place, the UK will leave the EU on the 29th March and World Trade Organisation (WTO) rules will apply. Goods will be subject to customs clearance and inspections, while tariffs are expected to be imposed on goods that the UK sends to EU countries and on goods EU countries send to the UK.

3.0 Checklist: Preparing for Brexit

[Learn what a No deal could mean to your business](#)

The UK Government has advised exporters and importers that they should understand what the likely changes to customs and excise procedures will be to their businesses if there is No Deal.

This means the UK would leave the European Union (EU) immediately on 29 March 2019, with no agreements in place about what their trading relationship would be like in future. Imports and exports will be subject to WTO rules.

Get to know current rules and regulations concerning exports to countries outside the EU, many of which could apply after Brexit.

We advise all customers to familiarise themselves with the UK Government No Deal planning notices, [Find out more here](#) or European Commission preparedness notices, [find out more here](#)



4.0 Register for EORI

An Economic Operator Registration and Identification number (EORI) is a European Union registration and identification number for businesses which import or export goods to and from the EU.

If the UK leaves the EU with no agreement in place, traders will need an EORI number to import or export from the UK to the EU.

EORI numbers are given to importers and exporters by EU country authorities for free. In the future, to trade between the EU and UK, the shipper and receiver will each need to be registered for an EORI in their respective country? UK EORI numbers will not be recognised in the EU. EU EORI numbers will not be accepted in the UK.

We advise all customers to register for an EORI as soon as possible before March 2019. It only takes 10 minutes to apply.

Applications can be made through your country's Government website. [EORI register](#)

5.0 Know how to describe and classify your goods

HS Codes

The Harmonized System (commonly known as the HS code), is a list of numbers used to classify a product for taxes and duties and any necessary restrictions. A Harmonized System (HS) code consists of at least six digits. When you have classified your goods, customs authorities all over the world are able to identify the contents of your package.

The system is used by more than 200 countries and covers 98% of traded goods.

You can classify your goods on your country's government website. You can also use an online HS code search – just type in a detailed goods description and you'll get your code.

If you don't include the HS code on the commercial invoice and other shipping documents, it could delay the shipment and you risk the receiver paying the incorrect duties and VAT. GEM can help with the classification of your goods

Description of goods

The key to smooth shipping is providing clear and accurate information on every shipping document. This includes detailing the type of goods you're shipping correctly. For example, instead of just 'clothing' put 'men's T-shirts 80% cotton, 20% polyester'. And don't use company product codes to describe the goods. If the package contains branded items, include the brand name as well as the model number.

Origin of goods

You will have to confirm the origin of goods, including all components or ingredients which make up your product. Where your products were originally manufactured may be different from the country



the shipment is being sent from. Remember that some goods may originate from countries subject to special safeguards or anti-dumping duties.

Value of goods

State the true value of the shipment. This should be the market price of the goods, along with the currency. If the value doesn't seem reasonable, customs authorities may ask you or your receiver for evidence of the value you've declared on the invoice.

We advise all customers to understand the correct classification, description and value of your goods.

To find out more about classifying your goods [click here](#)

6.0 Learn how to complete commercial invoices, licences and certificates

In the event of a No Deal Brexit, goods traded between the UK and the EU will be subject to the same requirements as third country goods under the World Trade Organisation (WTO) rules.

Every shipment will need a commercial invoice with information for customs authorities. This helps the authorities assess if the goods can move in or out of a country and what, if any, controls are needed. It also helps the authorities determine duties and taxes. It is vital to supply an invoice with the right information as it reduces the potential for delay.

7.0 Understand customs and clearance requirements

Businesses may also need to apply for an export licence or provide supporting documentation to export specific types of goods from the UK. For more information on requirements for exporting goods into EU countries from a non-EU country [click here](#)

We advise all customers to understand how to complete a commercial invoice and the required associated paperwork for all your goods.

8.0 Make sure your customers know about potential changes

Do your customers know what the local requirements for imports are in their country?

Are they aware of the potential import VAT & Duty that they may have to pay?

How are you working with your customers to ensure there are no delays at the point of importation?

Do you have all the correct details for the completion of export and import declarations?

It is important to include your correct address, contact details, phone/mobile number and email details, as well as the same information for your receiver.



We advise all businesses to speak to their receivers/customers so they understand what the potential impact is for them.

9.0 Importers should consider opening a Deferment account

Some countries in Europe offer a Deferment Account where you can pay duties efficiently and cost-effectively. You can also help to ensure that your high-value shipments are cleared quickly and efficiently.

What is a Deferment Account?

When goods are imported, they may be subjected to import sales tax and customs duties. These duties are paid in full to the customs authorities at the time of import. A Deferment Account is an account authorised by your local customs office through which your payable duties can be paid directly to the authorities for a certain accounting period on a predetermined due date.

For more information [Click here](#)

10.0 Brexit Resources

UK Government papers

The UK Government has published a series of papers outlining official guidance on how to prepare if the UK leaves with no deal. [Find out more here](#)

Confederation of British Industry

Follow the CBI's Brexit page to stay up to date with news about how more than 200,000 UK businesses could be affected by emerging Brexit developments. [Find out more here](#)

Export Growth Brexit toolkit

Export Growth has developed a tool that produces an indicative calculation of tariffs under World Trade Organisation (WTO) rules. [Find out more here](#)