



GEM Worldwide Ltd

No Deal Brexit Guide

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Table of Contents

1.0 Introduction.....	3
2.0 A No Deal Brexit Explained.....	3
3.0 What Will Change.....	3
4.0 What a No Deal Could Mean for Exporters.....	4
5.0 What a No Deal Could Mean for Importers.....	5
6.0 The UK Trade Tariff.....	5
7.0 Brexit Resources.....	6



1.0 Introduction

GEM's global network serves more than 200 countries and territories and provides a reliable and consistent service to their customers. GEM has the expertise and experience to ensure your shipments journey compliantly and effortlessly across often intricate borders and regulatory regimes.

GEM is closely following Brexit developments and assessing any implications. No one can predict with certainty what will change; we will continue to work with our delivery partners and areas of our business to ensure we can give our customers the very best service no matter where they are shipping from or to.

2.0 A no deal Brexit explained

If a formal withdrawal treaty is not signed, the UK's membership of the EU Single Market and the EU Customs Union will cease from 29 March, 2019 at 11pm GMT. This outcome has become known as No Deal.

In this scenario, the free movement of goods across borders would end. A proposed transition period from March 2019 to December 2020, designed to give businesses additional time to respond to the changes, would not apply. Goods traded between the UK and the EU would be subject to the same requirements as third country goods, including the payment of duty.

Like all businesses in the UK, we await further updates and details from the UK Government and EU authorities. As Brexit negotiations continue, GEM with their delivery partners are planning to be Brexit ready.

3.0 What will change

In the event of a No Deal outcome, the suggestion from the UK Government and EU authorities is that trade between the UK and the EU would take place under World Trade Organisation (WTO) rules.

The WTO principle of most-favoured-nation (MFN) treatment means that the same rate of duty, on the same goods, should be charged to all WTO members equally, unless a preferential agreement is in place.

Businesses would have to apply the same customs and excise rules to goods moving between the UK and the EU as currently apply in cases where goods move between the UK and a country outside of the EU. Customs declarations would be needed when goods enter the UK, or when they leave the UK.

The EU would apply customs and excise rules to goods it receives from the UK, in the same way it does for goods it receives from outside of the EU. This would require customs declarations.



4.0 What no deal could mean for exporters

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

- Familiarise yourself with current rules and regulations concerning exports to countries outside the EU, many of which could apply after Brexit. Details on what to expect and how to prepare in the event of a No Deal [can be found here](#)
- Take account of the volume of trade with the EU and any potential supply chain impacts, such as engaging with the other businesses in the supply chain to ensure that the necessary planning is taking place at all levels.
- Consider the impact on supply chains with EU partners. Remember that in the event that there is no Free Trade Agreement between the UK and the EU, trade with the EU will be on non-preferential WTO terms.
- Consider how to submit customs declarations or logistics provider (GEM) to help.
- Make sure that VAT, import taxes and duties in the destination country are paid where necessary, and follow transport procedures.
- There are a number of export procedures, such as duty relief schemes which can benefit businesses. GEM can provide assistance with this.

When exporting goods to the EU, a UK business will need to:

- Have a valid Economic Operator Registration and Identification (EORI) number.
- Businesses may also need to apply for an export licence or provide supporting documentation to export specific types of goods from the UK.

Easier documentation

Completing the documentation for your international shipments is simple, GEM's easy-to-use automated shipping tools help save time on paperwork, eliminate manual errors and keep you in control of your shipping.

[MyGEM](#) is the quickest and easiest option to send regular shipments. Access your own secure area of our website so you can safely store addresses, make bookings and handle paperwork in one place, without having to refer to external systems.

- Immediate personalised quote for any shipments.
- Multi-user access and detailed reports.
- Real-time tracking during shipment journey.

GEM and their delivery partners use Electronic Trade Documents (ETD) this helps to preclear shipments, therefore reducing the risk of shipments being delayed in customs.



5.0 What no deal could mean for importers

In the event of a No Deal, before importing goods from the EU, a UK business will need to:

- Register for a UK EORI number. You will need this to trade goods in and out of the European Union.
- Consider how you will submit import declarations. GEM standard international service includes normal import clearance informalities.
- Decide the correct classification, description and value of your goods and enter this on the customs declaration. GEM can provide advice as to how to complete a commercial invoice.

In the event of a No Deal, when importing goods from the EU, UK business will also need to:

- Have a valid EORI number.
- Make sure that their carrier has submitted an Entry Summary Declaration.
- Submit an import declaration to HMRC using their software, or get their customs broker, freight forwarder or logistics provider to do this for them.
- Pay Value Added Tax (VAT) and import duties, including excise duty on excise goods unless the goods are entered into duty suspension (for example, a customs or excise warehouse).

6.0 The UK trade tariff

The UK Government is likely to require payment of customs duty on goods imported from the EU at the new rate that it will set. This new UK Trade Tariff will replace the EU's Common Customs Tariff (CCT).

The UK Government will publish these new UK duty rates before the UK leaves the EU, including import duty rates and rules. The tariff will also set out import procedures such as how the value of a good is calculated, and which forms, codes, and procedures are to be used.

An importer or their agent must use the guidance in the tariff to help decide the correct classification of their goods, which will determine the import duty.

Where can I find information about tariffs?

HMRC, the UK Government tax body, publishes tariff information and guidance alongside the list of commodity codes needed to classify goods together with all the tariff rates and measures.

Businesses may also need to apply for an import licence or provide supporting documentation to import specific types of goods into the UK.

Find out more about Customs declarations, tariffs and duties (imports and exports) [click here](#)



7.0 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](#)