

TRADE AFTER BREXIT

General customer information

**Deutsche Post DHL
Group**

Disclaimer

TRADE AFTER BREXIT' is NOT an assessment of likelihood of different Brexit scenarios or comment about on-going negotiations between the UK & EU. This is a factual information guide to help customers to prepare. It outlines potential requirements, information sources and our service offerings in the respective area.

This document is for informational purposes only and not to provide legal advice. It is recommended that specific legal advice is sought before taking or refraining from taking any action on any of the information given.

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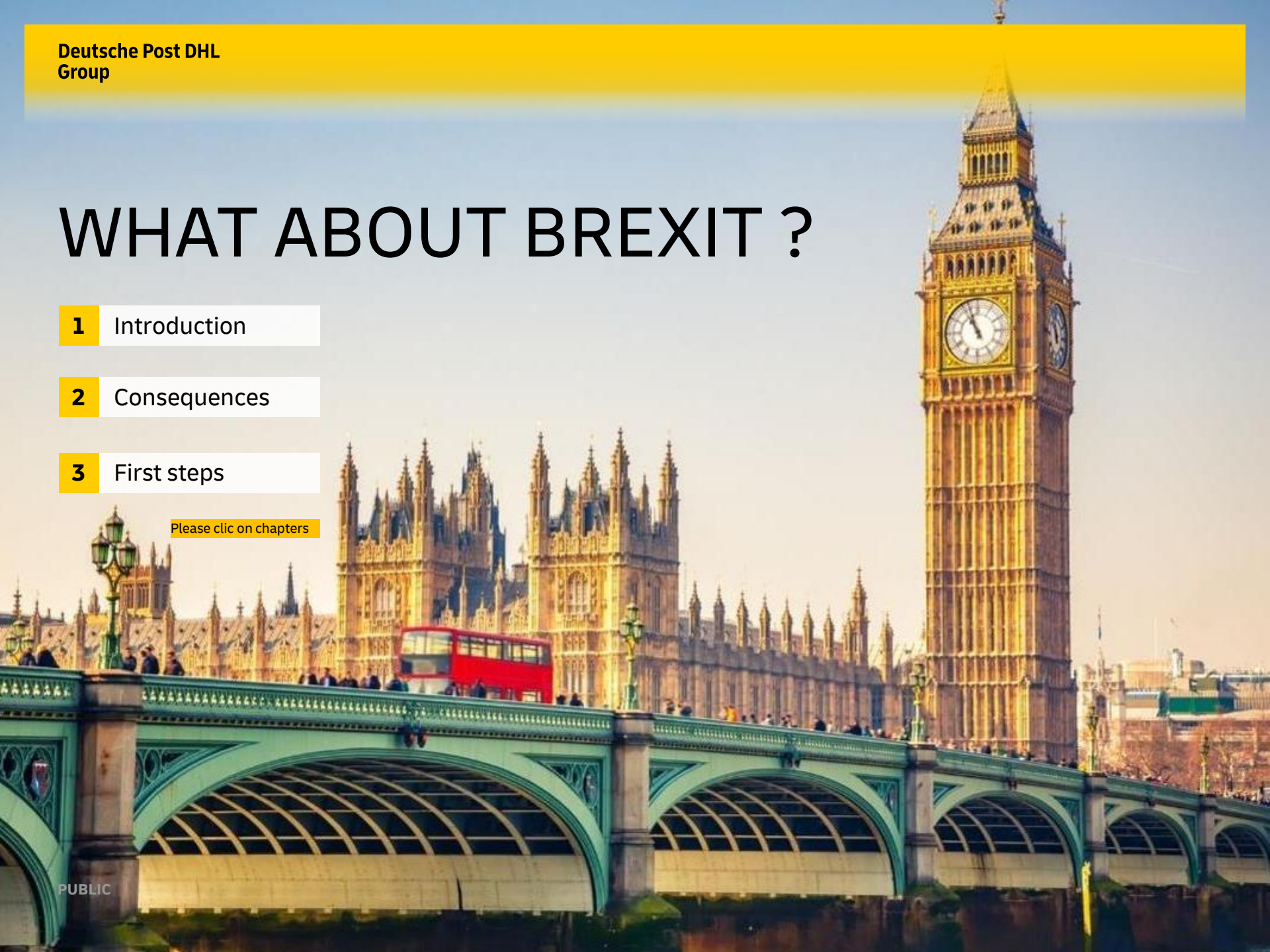
WHAT ABOUT BREXIT ?

1 Introduction

2 Consequences

3 First steps

Please clic on chapters





1 Introduction

Following an in-out **referendum on EU membership** on 23 June 2016, the British government invoked Article 50 of the Treaty on the European Union on 29 March 2017.





2 Possible consequences

In the unlikely event of a no deal Brexit, the UK will become a **third country** with respect to imports into the EU.

Third countries have **no trade agreement** with the EU and their merchandise imports into the EU become subject to the **tariff schedule** that the EU has registered with the **World Trade Organization** (WTO) – what is generally referred to as **WTO tariffs**.

Also, the **EU VAT scheme is no longer valid for third countries**. This means that VAT has to be paid in the UK when exporting from the EU. VAT will be levied together with any customs duties and a **customs clearance process** will be necessary also if only **VAT** is due.





3 First steps to consider: EORI Numbers

Companies exporting from the European Union to UK (and vice versa), will need to have an EORI Number (= Economic Operators' Registration and Identification number).

EORI Numbers can be obtained from the **national customs authorities**.

Just type in 'EORI' in the search mask of each customs webpage to find details on how to register locally. There are no costs involved when applying for an EORI Number there.

Here you can find a link to all European national customs websites incl. UK:



Click on logo to visit site



WHAT ABOUT CUSTOMS ?

4 Export & Import

5 Customs procedures

6 Customs documents

Please click on chapters



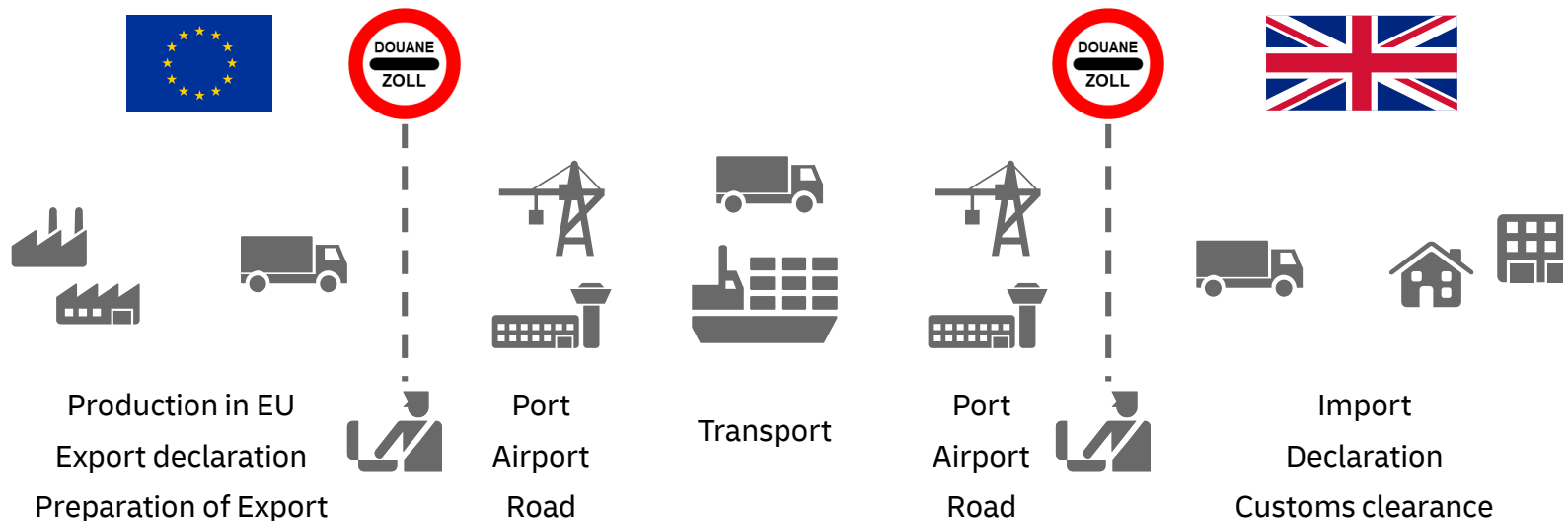
4 Export and Import declaration

Export

When **exporting** to a third country, the merchandise needs to be **declared** to the **customs authority** of the country the goods will leave.

Import

When **importing** to a third country, the merchandise needs to be **declared** to the **customs authority** of the **receiving country**. Usually the **information** will be **transferred electronically** before the actual import of the merchandise.





5 Customs procedures: a) **Postal** customs clearance (1/2)

Public Postal Operators (PPOs) interact on a global level to exchange mail and parcels. Where no customs unions exist, merchandise needs to be **customs cleared**.

Private people and **companies** can send merchandise to third countries (e.g. to UK after a No Deal or hard Brexit) through a postal operator and have the merchandise customs cleared in the destination country.

In this process, the **recipient** (importer) of the merchandise will pay **VAT**, **customs duties** and a **handling fee** upon delivery.



5 Customs procedures: a) **Postal** customs clearance (2/2)

Each postal item needs to bear a **CN22** or **CN23** customs document depending on the value of the content. An **invoice** (with copies) needs to be added to each item. Sending companies need to enter customs codes on the CN22/ CN23 form to identify the content. For private senders, it is sufficient to exactly describe the item(s) sent.

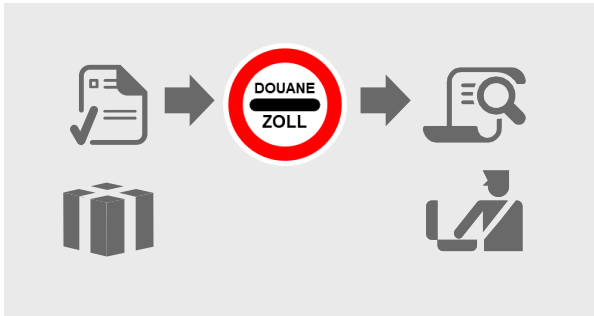
Customs Declaration with CN22 and CN23 documents

Up to a value of 300 special drawing rights (SDR)*, the form **CN22** needs to be added to postal items containing merchandise.

*1 SDR (2019) = 1.1852 EUR

300 SDR = 355,56 EUR

CUSTOMS DECLARATION		I may be opened officially	CN 22
Designated operator		Important! See instructions on the back	
Gift	Commercial sample	Tick one or more boxes	
Documents	Other		
Quantity and detailed description of contents (1)		Weight (in kg)	Value (3)
For commercial items only If known, HS tariff number (4) and country of origin of goods (5)		Total weight (in kg) (6)	Total value (7)
I, the undersigned, whose name and address are given on the item, certify that the particulars given in this declaration are correct and that this item does not contain any dangerous article or articles prohibited by legislation or by postal or customs regulations Date and sender's signature (8)			



Above the value of 300 special drawing rights (SDR)*, the form **CN23** needs to be added to postal items containing merchandise.

CN 23 Import/Export Declaration Form		No. of items presented in (1) Declaration No. of items presented in (1)		No. of items presented in (1) Declaration No. of items presented in (1)		No. of items presented in (1) Declaration No. of items presented in (1)	
Name Address Street Postcode Country Name Address Street Postcode Country		Name Address Street Postcode Country		Name Address Street Postcode Country		Name Address Street Postcode Country	
Detailed description of contents (1) Quantity (2) Net Weight (3) Value (4) For commercial items only The tariff number (7) Country of origin of goods (8)		Detailed description of contents (1) Quantity (2) Net Weight (3) Value (4) For commercial items only The tariff number (7) Country of origin of goods (8)		Detailed description of contents (1) Quantity (2) Net Weight (3) Value (4) For commercial items only The tariff number (7) Country of origin of goods (8)		Detailed description of contents (1) Quantity (2) Net Weight (3) Value (4) For commercial items only The tariff number (7) Country of origin of goods (8)	
Category of item (10) Category of item (10) Other cases Documents Comments (11) (e.g.: goods subject to quarantine, sanitary/hygiene inspection or other restrictions) Declaration (12) (e.g.: goods subject to quarantine, sanitary/hygiene inspection or other restrictions)		Category of item (10) Category of item (10) Other cases Documents Comments (11) (e.g.: goods subject to quarantine, sanitary/hygiene inspection or other restrictions) Declaration (12) (e.g.: goods subject to quarantine, sanitary/hygiene inspection or other restrictions)		Category of item (10) Category of item (10) Other cases Documents Comments (11) (e.g.: goods subject to quarantine, sanitary/hygiene inspection or other restrictions) Declaration (12) (e.g.: goods subject to quarantine, sanitary/hygiene inspection or other restrictions)		Category of item (10) Category of item (10) Other cases Documents Comments (11) (e.g.: goods subject to quarantine, sanitary/hygiene inspection or other restrictions) Declaration (12) (e.g.: goods subject to quarantine, sanitary/hygiene inspection or other restrictions)	
Licence (13) Licence No. of licence		Certificate (14) Certificate No. of certificate		Invoice (15) Invoice No. of invoice		Date and sender's signature (16)	



5 Customs procedures: b) **Commercial** customs clearance

Where **no customs unions** exist, goods need to be **customs cleared** when moved to a **third country**.

For shipments with a value exceeding the postal clearance limits the **commercial customs clearance process is utilized**.

Companies can send **goods** to third countries (e.g. to UK after a hard Brexit) and have the merchandise **customs cleared by a customs broker**.

Companies that wish to import from the EU (or other third countries) into the UK post-Brexit will require a UK **EORI number**. Similarly companies that wish to import goods into the EU from the UK (or other third countries) will require an EU **EORI number**.



Customs Broker Services at DPDHL Group. At DPDHL Group **customs clearance** can be provided as a service by:

- **DHL Express Customs Services**
For Express shipments



- **DHL Global Forwarding Customs Services**



- **Gerlach Customs Services (Independent Broker)**
For Road shipments in Europe



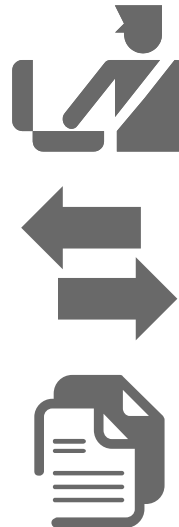
Click on logos to visit sites



6 Customs documents (relevant documents for export and import declaration*)

Export Declaration: Documents

- Invoice + Copy (Trade- or Proforma-)
- Export declaration
(if value over 1000,- EUR)
- Transport documentation
(Airwaybill (AWB), CMR**, CN22/23)
- Proof of Export
(for VAT purposes)



Import Declaration: Documents

- Invoice (Trade - or Proforma-)
- Preference
(EUR1, Form A, Certificate of origin***)
- Transport documentation
(e.g. AWB, CMR, CN22/23)
- Licenses and Approvals
(e.g. for pharmaceutical products)

*depending on the customs clearance process and national customs authority, the required customs documents may vary. This chart gives a general overview on documents which may be required.

**CMR = Standardized document for cross-border transport of cargo by road, in force in the European Union. Source:
<http://www.businessdictionary.com/definition/CMR.html>

***A **certificate of origin** (often abbreviated to C/O or CO) is a document widely used in international trade transactions which attests that the product listed therein has met certain criteria to be considered as originating in a particular country. A certificate of origin is generally prepared and completed by the exporter or the manufacturer, and may be subject to official certification by an authorized third party like e.g. a Chamber of commerce. It is often submitted to a customs authority of the importing country to justify the product's eligibility for entry and/or its entitlement to preferential treatment. Source: Wikipedia

WHAT ABOUT YOUR BUSINESS?

7 Customs duties

8 Value Added Tax

9 Customs tariffs

Please click on chapters



7 How to calculate customs duties



Three factors have to be taken into consideration

to **calculate the customs duties** to be paid when trading goods:

1) The value of the goods

Customs duties and value added tax (VAT) are calculated as a percentage of the goods' value.

2) The customs tariff to be applied

At present, you may access the TARIC (Integrated Tariff of the European Communities) free of charge on the Internet to research the applicable code number yourself. [TARIC-Consultation](#)

3) The origin of the goods

Preferential origin is conferred on goods from particular countries, which have fulfilled certain criteria allowing preferential rates of duty to be claimed. There will be no preferential origin of goods manufactured in the UK* when entering the European Union after a No Deal Brexit.

*https://ec.europa.eu/taxation_customs/sites/taxation/files/notice-to-stakeholders-brexite-preferential-origin-final_en.pdf

Source and further information: https://ec.europa.eu/taxation_customs/business/calculation-customs-duties_en

8 Value Added Tax (VAT) – Where to pay it after a No deal Brexit (1/2)

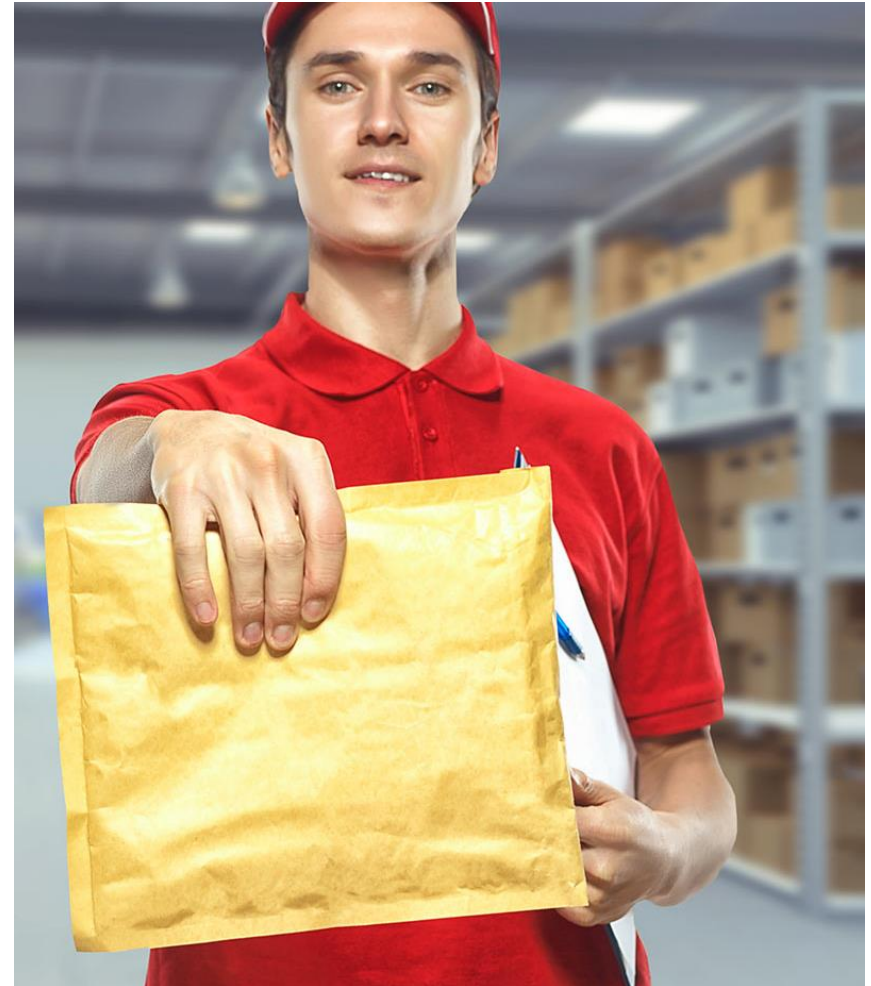


VAT (Export)

The **Exporter** needs to prove to the local customs authorities that the merchandise item has been exported to a third country, i.e. Export from the UK to a third country or Export from the EU to a third country.

Documents required:

- **Export proof document**
- Customs authorities also may accept **alternative export proof information** like Airwaybills, Track and Trace Information or Invoices. The details depend on the requirements of the national customs authority.
- If the **customs authority has accepted** the export proof document, the **exporter** of the goods can VAT **zero** rate the sale.



8 Value Added Tax (VAT) – Where to pay it after a No deal Brexit (2/2)



VAT (Import)

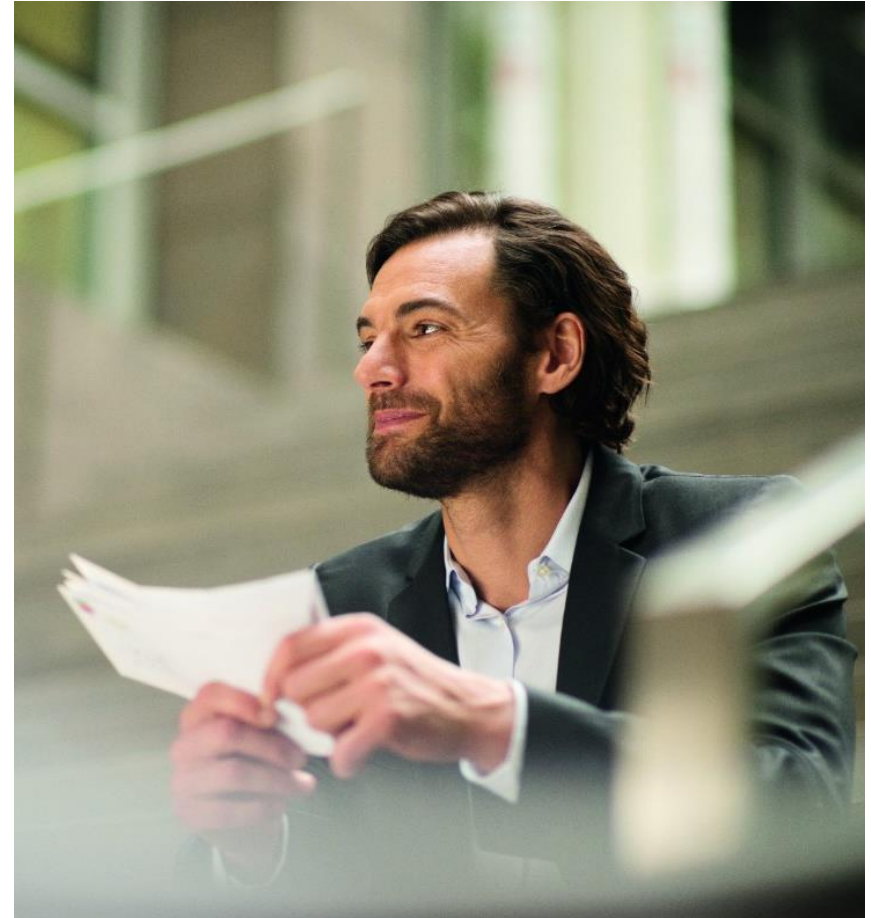
Either

The **Exporter** pays VAT together with any **customs duties** to **customs authorities** in **destination country** (usually via a customs broker).

Or

The **Importer** of the item pays VAT, customs duties, handling fees and in some cases excise duties upon **receipt** of the merchandise (usually to the postman).

(usual process for merchandise items sent via a public postal operator including customs clearance in the destination country).





9 Where do I find customs tariffs and HS codes

The Harmonized Commodity Description and Coding System, also known as the **Harmonized System (HS)** of tariff nomenclature is an internationally standardized system of names and numbers to classify traded products.

Example using a bound children's book

Code number - Formal structure

49 – Chapter - harmonized system

49 01 – Heading - harmonized system

49 01 99 – Subheading - harmonized system

49 01 9900 – Subheading - combined nomenclature

49 01 9900 00 – Subheading –
TARIC/Community use

49 01 9900 00 9 – Code number –
Electronic customs tariff/national use

Source and link to Info on EU customs tariffs and HS Codes:



Link to Info on UK customs tariffs after a Hard Brexit:



Please note you will need to know the **harmonised system code** of your traded goods to fill in Customs Documents (e.g. CN22/CN23).

Click on flags to visit sites

WHAT ABOUT DPDHL?

10 Customs information

11 Electronic transfer

12 Brexit Contacts



10 Customs Information at DPDHL Group

Postal Customs Clearance

(information in German)

the easiest way to ship low value merchandise to third countries:

Customs Information at Deutsche Post Germany
(postal customs clearance with CN22/CN23)



Customs Information at DHL Paket Germany
(postal customs clearance with CN22/CN23 or commercial clearance via Gerlach)



Commercial Customs Clearance

(information in English)

DHL Express (Full service included – Delivery Duties Paid) for Express shipments



DHL Global Forwarding – providing a full range of customs clearance services in over 100 countries globally.



Independent Customs Broker at DPDHL Group
For road transport in Europe



DHL Freight – customs information



Click on logos to visit divisional customs information sites



11 Electronic transfer of customs data to customs authorities

For customers who use our APIs and Portals:

After Brexit, customs data needs to be transferred electronically to the destination customs authorities before shipment of the merchandise items. The customs data can be transferred via API / Portal or EDI. C

Postal customs clearance

Export Germany
Business Customers



European
Business Customers



Customs clearance via DHL Divisions or Gerlach

DHL Portal and APIs



Gerlach



Self Service

Customers can also self-register
at local customs authority in EU



and customs authorities in UK



Click on logos to visit sites for electronic data transfer via API /portal/ EDI

*For Brexit-specific media enquiries, please contact
Deutsche Post DHL Group's Global Media Relations Team:
Sabine Hartmann, phone: +49 228 182 9915, sa.hartmann@dpdhl.com.
Alternatively, you can reach the Corporate Press Office at
phone: +49 228 182 9944, pressestelle@dpdhl.com*