

Customer Information Pack for Brexit

November 2020

Keeping you connected



Customs - What will change

FROM 1ST JANUARY 2021 THINGS WILL CHANGE FOR GOODS THAT YOU MOVE BETWEEN UK AND THE EUROPEAN UNION.

What does this mean?

- 1 You will need to declare additional information for all goods shipped between UK and European Union
- 2 Every item will need to be declared accurately
- 3 Compliance is key and you are responsible for the information you provide to customs
- 4 You will be required to retain records for all goods moved for 6 years



Click below to find the latest government information on Brexit

 **Check**
 **Change**
 **Go**

What happens next?

PALLETWAYS HAVE BEEN WORKING HARD TO PREPARE AND ARE IN THE BEST POSITION POSSIBLE TO RESPOND TO THE CHANGES THAT ARE COMING. WE ARE ALSO HERE TO HELP YOU PREPARE.

What does this mean?

- 1 Palletways can make customs declarations on your behalf, authorisation by you may be required for either Exports or Imports, therefore **if you haven't already done so please contact your local palletways member for clarification.**
- 2 From 1st January you will be required to provide a Commercial Invoice (Electronically) that should include all the relevant export data. The palletways portal will also need to be completed by you with all of the necessary details for customs purposes.

What happens if no information is provided - or not provided at all?

- Your pallets will not be able to be despatched until customs have cleared the shipment allowing it to leave the UK.
- Border control may decide to check your shipment which may also incur fines increasing your costs.

To minimise any delays Palletways will perform a number of checks to ensure you have provided all relevant information prior to the pallets leaving your facility.



How the journey will work

You will now be required to provide customs information via the Palletways portal before you load the goods to the local member

Once you have successfully supplied all of the relevant details you can load your pallets destined for the Palletways network as normal



Once the goods have arrived at the Hub they will be checked and loaded for their onward journey

If any Duty or VAT is to be collected before delivery our dedicated support team will arrange this .



The trailer will pass through the UK Customs Export Border at the port

On arrival at the Import Customs facility the goods will be cleared to enter the EU and continue to there final destination



The pallets will arrive at the hub for processing and onward delivery



The customs checklist

BELOW IS A CHECK LIST OF ITEMS YOU WILL NEED TO HAVE IN ORDER TO EXPORT GOODS FROM THE UK TO THE EUROPEAN UNION.

- **A registered EORI number**
 - You can register by clicking [here](#)
- **Commodity codes**
 - Look up your relevant codes [here](#)
- **Export licenses for any goods that require one**
 - Obtain one [here](#)
- **Commercial Invoice to include the following**
 - Commodity Code
 - Customs Procedure Code
 - Goods Description
 - Goods Value
 - Quantity
 - Weight
 - Country of Origin
 - Licence where applicable
 - Reason for Export
 - Incoterms



Registering for an EORI?

TO SEND YOUR GOODS TO THE EU AFTER JANUARY 1ST 2021 YOU WILL NEED AN ECONOMIC OPERATOR REGISTRATION AND IDENTIFICATION NUMBER (EORI).

What is it?

It is an EU registration and identification number for all those business who import or export goods to and from the EU, and is used to identify you as the shipper.

Why does it matter?

When the UK leaves the EU, your business will need a EORI number to allow you to continue to import and/or export.

Importantly the shipper and receiver of the goods will both need an EORI. From January 1st 2021 a UK EORI will not be recognised in the EU and an EU EORI will not be accepted in the UK

You should ensure your EORI is in place as soon as possible. Apply [here](#)



Agree incoterms with your customers

TO ENSURE YOU ARE PREPARED YOU SHOULD AGREE INCOTERMS WITH YOUR RELEVANT CUSTOMERS AS SOON AS POSSIBLE.

What are Incoterms?

They are International Commercial Terms and present a sequence of pre-defined commercial terms that are widely used in international trade.

Why does it matter?

These terms address where the goods will be delivered, who arranges and pays for transport, who is responsible and pays for insurance of the goods, who handles customs procedures.

You can learn more about Incoterms [here](#)



Describing and classifying your goods

CLASSIFYING YOUR GOODS IS EFFECTIVELY DONE THROUGH THE USE OF COMMMITY DOES. YOU SHOULD FAMILIARISE YOURSELF WITH THESE TO ENSURE YOU PROVIDE THE CORRECT INFORMATION

HS Codes

This is effectively a list of numbers that is used to classify a product to enable accurate taxes and Duties to be applied. A Harmonized System (HS) code is made up of 6 digits. Once classified, it allows customs authorities all over the world to identify contents of your shipment. It is used by over 200 countries and covers 98% of traded goods.

Important! If you don't include the HS code on the commercial invoice and other shipping documents, it will most likely delay the shipment and lead to the receiver paying the wrong Duties and VAT.

Description of goods

There should always be a clear and concise description of the goods being shipped. It should not be generic. So for example instead of describing it as a pallet of wine describe it as red wine including the brand name. You should also include the batch number.

Origin of goods

You will have to confirm the origin of goods, including all components / ingredients that make up products in your consignment that are being shipped. Where your products were originally manufactured may be different from the country the shipment is being sent from. You should be aware that some goods may originate from countries subject to special safeguards or anti-dumping Duties.

Value of goods

The true value of the goods should be stated which consists of the market price of the goods and the currency. Evidence may be asked by Customs if the value declared on your invoice does not seem reasonable.

All goods should have the correct description, value and classification for shipping.

More information on UK classification codes can be found [here](#)



Commercial Invoices and applying for licenses

WHATEVER THE OUTCOME OF CURRENT NEGOTIATIONS YOU WILL BE SUBJECT TO THE SAME REQUIREMENTS AS THOSE SENDING THIRD COUNTRY GOODS UNDER WORLD TRADE ORGANISATION RULES.

Why does this matter?

Every shipment will need a commercial invoice uploaded into the Palletways system 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.

Customs delays and paperwork can be reduced by submitting commercial invoices/licenses electronically. With the Palletways Portal customers will be able to upload all required customs documents directly.



Commercial Invoice Example

Commercial	<input type="checkbox"/>	Proforma	<input type="checkbox"/>	Date:	
1) Invoice Number				2) Consignment No.	
3) Shipper's Name				9) Receiver's Name	
4) Shipper's Address				10) Receiver's Address	
5) Contact Name				11) Contact Name	
6) Contact Number				12) Contact Number	
7) Shipper's EORI No				13) Receiver's VAT/EORI	
8) Currency					
14) No. of Pieces				15) Total Weight	
16) Commodity Code	17) Full Description of Goods	18) No. of items	19) Unit Value	20) Total Value	21) Country of Manufacture
			22) Total Value		
23) Reason for Export					
24) Incoterms					
I declare that the products covered by this document are not subject to any export or import prohibitions & restrictions					
25) For and on behalf of the above named company:-					
Signature: _____		Print Name: _____			
Date: _____		Position in Company: _____			

Commercial Invoice Example - Index

THE BELOW NUMBERS CORRELATE TO THE NUMBERS ON THE IMAGE ON THE PREVIOUS PAGE

- 1 The invoice number and date
- 2 The PTI consignment number
- 3 Your company name
- 4 Your company address and country
- 5 Your contact name
- 6 Your telephone number
- 7 Your EORI (Economic Operator Registration & Identification) Number. All businesses involved in International export or import require an EORI.
- 8 GBP or EUR
- 9 The name of the company you are sending your consignment to (the consignee)
- 10 The address and country of the country of the company you are sending to
- 11 The contact name at the company you are sending to
- 12 The telephone number of the company you are sending to
- 13 The company EORI of the customer you are sending to. This is required to clear your shipment through Customs and is mandatory.
- 14 Number of parcels in the consignment
- 15 Total gross weight of the consignment in kilograms
- 16 Enter the Customs Commodity Code (Tariff Number) for the item you are sending, insert it in here alongside the description of the goods. The Customs Commodity Code dictates the amount of duty that will be applied by Customs to the goods when they arrive. This is required for export and import customs clearance and ensures the goods are classified accurately and that shipper's customer is not be over-charged in duties.
- 17 Full and accurate description of the goods is essential for Customs. Poorly described shipments could be detained for further examination by Customs and so delay the delivery of the consignment.
- 18 Number of items for each description in box 17
- 19 Unit value of each item in box 17
- 20 The total of box 18 multiplied by box 19
- 21 Country of manufacture of your goods – list separate countries, if applicable
- 22 Total value of all commodities
- 23 State the reason for export e.g. sales, samples for review.
- 24 Incoterms. The terms of shipment used to define who is paying for the import and export customs declarations and who is liable for duty and taxes upon import.
- 25 Original signature, printed name, position of the person completing the invoice
- 26 You will need to declare additional information for all goods shipped between UK and European Union
- 27 Every item will need to be declared accurately
- 28 Compliance is key and you are responsible for the information you provide
- 29 You will be required to retain records for all goods moved for 6 years

Know what is required of shippers and receivers

ENSURE YOU AND YOUR CUSTOMERS ARE AWARE OF ALL REQUIREMENTS FOR IMPORTS AND EXPORTS.

Do your receivers and importers 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 you speak to all of your receivers/customers so they understand what the potential impact is for them.



Set up a Deferment Account

DEFERMENT ACCOUNTS ALLOW DUTIES TO BE PAID EFFICIENTLY TO ALLOW SHIPMENTS TO BE CLEARED QUICKLY

Why is it important?

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.

You can find out how to set up your UK Deferment Account [here](#).



What you need to know

FROM 1ST JANUARY 2020 THINGS WILL CHANGE FOR GOODS THAT YOU MOVE BETWEEN UK AND THE EUROPEAN UNION. TAKE ONBOARD THE POINTS BELOW IN YOUR PREPARATION FOR THE CHANGES

When do you need to be ready?

- Start working with your local Palletways member now to begin implementing the necessary actions.
- Palletways are already testing data and will need samples of your commercial invoices and data files asap.

How can we help you?

- We can assist in making sure you provide us with the required information
- Please keep in mind that we can only check that the information is present and in the correct format
- We cannot verify if you are using the right commodity codes or necessary licenses.

Charges, duties & taxes

- A trade deal with the EU is still being negotiated in the hope of continued free trade. This has still not completed.
- Palletways have been working hard to keep costs to a minimum. Export declaration and import clearance charges will be confirmed in the coming weeks and this document will be updated.

Northern Ireland

- The Government is providing a free-to-use Trader Support Service. This will support businesses with the changes to Northern Ireland trade which take effect on 1st January 2021.
- You can register your interest on their website:- [Trader Support Service](#). The UK are still in discussions with the EU and Ireland to work out an effective and non-disruptive approach to handling cross border movements.
- We are closely monitoring the situation and will keep you updated. You can find further information regarding Northern Ireland on the Government website link here [Northern Ireland](#)

More Useful Links

BELOW ARE A SELECTION OF USEFUL LINKS THAT WILL PROVIDE YOU WITH THE INFORMATION YOU NEED TO BEGIN PREPARING FOR THE CHANGES.

- [UK Trade Tariff](#)
- [UK Global External Tariff](#)
- [UK Tool for Exports](#)
- [EORI Validator](#)
- [Sanctions and embargoes](#)
- [Export Control Organisation: SPIRE](#)
- [Market Access Database](#)
- [Customs Procedure Codes](#)
- [Customs Information Papers](#)
- [GBCC Page about documentation](#)



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